

Louisiana School Employees' Retirement System
Quarterly Board Meeting

Monday, December 3, 2018

9:00 a.m.

The Louisiana School Employees' Retirement System's Quarterly Board Meeting convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Jeffrey Faulk, Sr., Chairman of Board, called the meeting to order at 9:00 a.m. The Board recited the Lord's Prayer and the Pledge of Allegiance. Roll was then called by Ms. Ashley D. Simmons.

Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip Walther, Ms. Penny Brown, Ms. Lori Pierce – designee for Mr. John Schroder – State Treasurer, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration

Members Absent: Rep. Barbara Carpenter - Committee on Retirement member appointed by the Speaker, Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Mr. Kyle Ardoin – Secretary of State, Ms. Andrea Matte

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes - Assistant Director, Ms. Chenfei Zhou - Assistant Director, Mr. Robert Collins - Executive Counsel, Mr. Matthew Freedman – Chief Investment Officer, Ms. LaQuinta Jordan - Internal Auditor, Ms. Ashley D. Simmons – Executive Staff Officer

Others Present: Mr. Rob Hungerbuhler, Mr. David Palmerino and Mr. Jeffrey Boucek - Segal Marco Advisors, Mr. Greg Curran – G.S. Curran and Co., Douglas Swenson – TRSL

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- Welcome back LaQuinta Jordan. LaQuinta has returned to work after giving birth to a son named Christopher Ross, Jr. We are pleased to have her back.
- Mr. Yearby has been re-elected as the President of the La. School Bus Operators and we would like to extend our congratulations.

- During the October meeting, the office of the Legislative Auditor announced it would not be conducting LSERS next year's audit. Instead it is going to contract it out to an external auditor. The Legislative Auditor's office recently informed us that the request for proposals will go out at the beginning of March and the CPAs will be given 30 days to respond. Once LLA has chosen the CPA, it will inform us who it is.
- LSERS will begin to process contribution refunds on every other Wednesday. The first process under the new schedule will be Wednesday, January 2, 2019.
- Check Stubs are now available online - Benefit recipients may now access and print check stubs for payments issued within the current calendar year through LSERSWeb.

APPROVAL OF AGENDA

ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board approved the agenda.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

Mr. Faulk called for public comment on any item on the agenda. There were no comments.

PORTFOLIO PERFORMANCE REVIEW

Mr. Boucek and Mr. Hungerbuhler provided an overview of the market conditions and performance during the third quarter of 2018. This included an audio/visual presentation and two handouts titled: *Analysis of Investment Performance* and *Third Quarter 2018 Preliminary Investment Performance as of October 31, 2018*. They then addressed questions from the Board.

ON MOTION BY MR. WALTHER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the portfolio performance reports.

ASSET LIABILITY STUDY

Mr. Boucek and Mr. Palmerino presented a handout titled: *Asset Liability Modeling Report*. After discussion, the Board decided to continue consideration of the topic at the upcoming Investment Committee meeting on January 7, 2019.

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to continue discussion of the Asset Liability report at the January 7, 2019 Investment Committee meeting.

DISCUSSION OF SERVITUDE AGREEMENT

Mr. Bujol requested that Item VIII: Proposal for the right-of-way on LSERS' property by Chateau Dijon Apartments be moved to Item IV on the Agenda to allow time for Board members to visit the site of the requested right-of-way.

ON MOTION BY MR. WALTHER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board agreed move the Agenda item.

The Board then took a brief recess and toured the site. After the tour, the Board reconvened.

Mr. Walther requested that the Board authorize the Executive Director to negotiate a servitude agreement with the owner of the Chateau Dijon Apartments, with the understanding that such an agreement will include having the Apartment's owner give up its present sewer servitude on the LSERS' property.

ON MOTION BY MR. WALTHER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board agreed give the Executive Director negotiating authority with Chateau Dijon Apartments.

INVESTMENT REPORTS

Mr. Freedman provided the following reports:

- Securities Lending
- Securities Litigation
- Louisiana Broker

ON MOTION BY MS. BROWN, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Investment reports.

ADMINISTRATION**Reports**

Ms. Zhou provided a review of the following reports then addressed questions from the Board:

- Administrative Fund – Budget to Actual Quarterly Report
- Human Resources Actions Report
- Travel Expenses Reports (Year-to-Date and Staff)
- Overtime Report

ON MOTION BY MS. BARBER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Administration reports.

LEGAL

Reports

Mr. Collins provided a review of the following reports then addressed questions from the Board:

Litigation Report
Collections Report

ON MOTION BY MS. BARBER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Legal reports.

JEFFERSON PARISH ELIGIBILITY

Upon the Chair's calling of this item up for consideration, Mr. Philip Walther recused himself from the vote as he is a current employee of the Jefferson Parish Public School System.

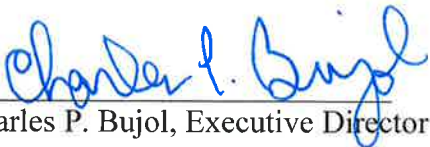
Mr. Bujol and Mr. Collins presented a request from the Jefferson Parish Public School System requesting the Board to determine eligibility of its "Project Manager" position for membership into the LSERS' system. Mr. Rester made a motion directing the Executive Director to advise Jefferson Parish that the Board determined the Jefferson Parish's "Project Manager" positions are eligible for membership.

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the determination that Jefferson Parish Project Managers are eligible for membership into LSERS.

Upon conclusion of the Board's consideration, Mr. Walther rejoined the Board members at the table.

ADJOURNMENT

ON MOTION OF MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:15 p.m.


Charles P. Bujol, Executive Director


Jeffrey Faulk, Sr., Chairman