

Louisiana School Employees' Retirement System
Special Board Meeting

Monday, January 7, 2019

9:00 a.m.

The Louisiana School Employees' Retirement System's Special 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. Stark.

* * * * *

Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Andrea Matte, Ms. Colleen Barber, Mr. Henry Yearby, Ms. Penny Brown, *Mr. John Schroder – State Treasurer, Ms. Lori Pierce – designee for Mr. John Schroder – State Treasurer, Mr. Joe Salter – designee for Mr. Kyle Ardoin – Secretary of State, Representative Barbara Carpenter – House Committee on Retirement

Members Absent: Mr. Philip B. Walther, Senator Barrow Peacock – Chairman, Senate Committee on Retirement; Mr. Jay Dardenne – Commissioner of Administration

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Chenfei Zhou - Assistant Director, Mr. Robert Collins - Executive Counsel, Mr. Matthew Freedman - Chief Investment Officer, Ms. Laurie Stark – Administrative Program Specialist A, Ms. LaQuinta Jordan – Internal Auditor

Others Present: *Mr. Jeffrey Boucek and *Mr. Rob Hungerbuhler – Segal Marco Advisors, Mr. Greg Curran – G. S. Curran and Company, *Mr. Kent Caperton – Information Technology Technical Support Analyst 2, *Mr. Dean Majoue – Information Technology Director 2

* * * * *

* Mr. Schroder departed at 10:17 a.m.
Mr. Boucek and Mr. Hungerbuhler departed at 11:07 a.m.
Mr. Caperton arrived at 10:20 a.m. and departed at 10:21 a.m.
Mr. Majoue arrived at 10:20 a.m. and departed at 10:21 a.m.

DIRECTOR'S ANNOUNCEMENTS

- Mr. Bujol wished the Board a Happy New Year and welcomed Representative Carpenter and Treasurer Schroder.
- The Investment Consultant evaluations for 2018 have been handed out and need to be completed and returned to Laurie before the end of today's meeting. The results will be presented during the February 2019 Quarterly meeting.
- The Public Retirement Systems' Actuarial Committee (PRSAC) meeting is scheduled for Wednesday, January 9, 2019, to review the June 30, 2018 LSERS actuarial valuation.
- The 1st cooling tower installation project is now completed. The 2nd cooling tower installation project is in the process of being implemented this year.
- Retiree 1099-R and vendor 1099M tax forms will be mailed out by January 18, 2019.
- The District 1 Active Member seat is now open for nominations. The deadline for nominating petitions is March 1, 2019 by 4:30 p.m. An election will be held between May 1 and May 31, 2019 if multiple nominations are received. The results will be announced on June 10, 2019.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BROWN 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.

SWEARING IN OF MR. EUGENE RESTER AND MS. COLLEEN BARBER

Mr. Collins swore in Mr. Rester as the Division 1 Retiree representative and Ms. Barber as the 2nd District Retirement representative for the Louisiana School Employees' Retirement System's Board of Trustees. They were elected to four-year terms beginning January 1, 2019 and ending December 31, 2022.

ELECTION OF CHAIRMAN

Mr. Bujol announced that Mr. Faulk had submitted a letter of intent seeking the nomination for the position of Chairman. After the Board was asked if there were additional nominations for this office from the floor, there were none.

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board approved the election of Mr. Faulk as Chairman.

ELECTION OF VICE CHAIRMAN

Mr. Bujol announced that Mr. Walther had submitted a letter of intent seeking the nomination for the position of Vice Chairman. After the Board was asked if there were additional nominations for this office from the floor, there were none.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT the Board approved the election of Mr. Walther as Vice Chairman.

ELECTION OF VICE CHAIRMAN PRO TEM

Mr. Bujol announced that Mr. Rester had submitted a letter of intent seeking the nomination for the position of Vice Chairman Pro Tem. After the Board was asked if there were additional nominations for this office from the floor, there were none.

ON MOTION BY MS. BROWN, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board approved the election of Mr. Rester as Vice Chairman Pro Tem.

RECESS (9:10 A.M.)

RECONVENE (10:20 A.M.)

INTRODUCTION OF NEW EMPLOYEE

Mr. Bujol introduced Mr. Kent Caperton as the new Information Technology Technical Support Analyst 2 in the LSERS Information Technology department.

CONSIDERATION OF RECOMMENDATIONS FROM THE INVESTMENT COMMITTEE MEETING

Mr. Rester recommended the proposed “Two Point Five” Asset Allocation plan to be adopted by the Board.

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board agreed to adopt Asset Allocation plan proposal “Two Point Five.”

Mr. Bujol asked that an agenda item be added to the Special Board meeting agenda regarding the Comparison of the Fiscal Year 2018-2019 Actuarial Valuation of LSERS with the actuarial valuation produced by the Office of the Louisiana Legislative Auditor.

APPROVAL OF ADJUSTMENT OF RESIGNATION DATE OF ASSISTANT DIRECTOR CAROLYN FORBES

Mr. Bujol requested that the Board adjust the resignation date of the double encumbered position of Assistant Director Carolyn Forbes to December 31, 2018, due to Ms. Forbes having some required medical procedures performed during November 2018.

ON MOTION BY MR. RESTER, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT the Board agreed to the adjusted resignation date of the double encumbered Assistant Director position to December 31, 2018.

INTERNAL AUDIT PLAN

Ms. Jordan provided a review of the Internal Auditor’s proposed 2019 Audit Plan and then addressed questions from the Board.

ON MOTION BY MR. YEARBY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT the Board approved the Internal Auditor’s proposed 2019 Audit Plan.

UPDATE ON PROPOSED RIGHT-OF-WAY AGREEMENT WITH CHATEAU DIJON APARTMENTS

Mr. Collins and Mr. Bujol provided an overview of the right-of-way agreement being negotiated between LSERS and the Chateau Dijon Apartments.

UPDATE ON MOVING DROP/IBRP LA FUND TO SELF-DIRECTED PLAN WITH EMPOWER RETIREMENT

Mr. Bujol and Ms. Zhou informed the Board that they are still waiting on additional information and a working copy of the contract from Empower regarding its proposed self-directed plan. Further information will be provided during the February 2019 Quarterly Board meeting.

COMPARISON OF FY 2018-19 ACTUARIAL VALUATION OF LSERS AND LOUISIANA LEGISLATIVE AUDITOR

Mr. Curran provided a comparison of the Fiscal Year 2018-2019 LSERS Valuation provided by G.S. Curran to the valuation prepared by the Office of the Louisiana Legislative Auditor, both of which will be presented before the Public Retirement Systems' Actuarial Committee for review on Wednesday, January 9, 2019.

OTHER BUSINESS


Mr. Faulk announced that he will be hosting his annual board and staff luncheon after the Quarterly Board meeting on Monday, February 4, 2019. There was no further business to discuss.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MS. BARBER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 11:18 a.m.


Charles P. Bujol, Executive Director


Jeffrey Faulk, Sr., Chairman