

Louisiana School Employees' Retirement System Quarterly Board Meeting

Monday, May 4, 2020
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. The Board Meeting was conducted via Teleconference with most Trustees phoning into the Meeting. 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. Andrea Matte, *Ms. Colleen Barber, *Mr. Philip Walther, *Mr. Henry Yearby, *Ms. Penny Brown, *Mr. James Mack – designee for Mr. John Schroder – State Treasurer, *Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, *Senator Beth Mizell – Senate Committee on Retirement**

Members Absent: Rep. Tony Bacala - Committee on Retirement member appointed by the Speaker, Mr. Joe Salter – designee for Mr. Kyle Ardoin – Secretary of State

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Chenfei Zhou - Assistant Director, Mr. John Strange - Executive Counsel, Mr. Matthew Freedman – Chief Investment Officer, Ms. Ashley D. Simmons – Executive Staff Officer, Mr. Tony Guzzardo – IT Technical Specialist, Mr. Dean Majoue' – IT Director

Others Present: *Mr. Jeffrey Boucek and *Mr. Rob Hungerbuhler - Segal Marco Advisors

* Called in via GoTo meeting
** Departed Conference call at 10:06 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- First, please welcome our two newest Board Members. Senator Beth Mizell from Washington Parish will be representing Senator Ed Price from the Senate Retirement Committee and

Representative Tony Bacala from Ascension Parish is representing the House Committee on Retirement. We look forward to working with both of you.

- I would like to remind the Board to submit their Tier 2.1 Financial Disclosure Statements to the Board of Ethics by May 15th. The Ethics Board has not extended the deadline because the forms should be mailed in.
- Beginning this week, Johnson Control will be working from 4 p.m. to 12 a.m. Monday through Friday to upgrade our building's air condition controllers. This project will replace the current pneumatic system with electronic controls. After this upgrade, we would be able to remotely and accurately set each room's temperature and expect a 10% reduction in our utility bill.
- At the December 2019 meeting, the board approved up to \$30 million investment in ArrowMark Global Opportunity Fund III. Since then, LSERS has committed \$10 million to the Fund. In light of unexpected developments in financial markets due to the Coronavirus, ArrowMark is raising a separate Fund to prosecute opportunities that fall outside the Global Opportunity Fund's mandate. We would like to add an item to today's agenda asking the Board to consider allowing for the remaining \$20 million of this previous commitment to be invested in other ArrowMark-sponsored investments.

APPROVAL OF AGENDA

Mr. Bujol requested that the Board amend the agenda by adding an item for the ArrowMark allocation of funds as Item III.

ON MOTION BY MR. RESTER, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT the Board agreed to amend the 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 discussed portfolio performance, including an audio/visual presentation and handouts titled: *Preliminary Investment Performance as of March 31, 2020*. They then addressed questions from the Board.

MARKET & PORTFOLIO UPDATE

Mr. Freedman presented an update on financial markets and LSERS' portfolio.

INVESTMENT RECOMMENDATION

Mr. Freedman recommended that the Board allow for the remaining \$20 million of LSERS' previous commitment to ArrowMark Global Opportunity Fund III be invested in any ArrowMark-sponsored investments.

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved allowing for the remaining \$20 million of LSERS' previous commitment to ArrowMark Global Opportunity Fund III to be invested in any ArrowMark-sponsored investments.

INVESTMENT REPORTS

Mr. Freedman provided the following reports:

Securities Lending
Securities Litigation
Louisiana Broker

ON MOTION BY MR. YEARBY, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Investment reports.

APPROVAL OF MINUTES

February 10, 2020 - Quarterly Board Meeting

February 11, 2020 - Quarterly Board Meeting

March 9, 2020 – Investment Committee Meeting

March 9, 2020 – Special Board Meeting

ON MOTION BY MR. WALTHER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved all the minutes listed on the agenda.

ADMINISTRATION**Reports**

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

Overtime Report
Administrative Fund – Budget to Actual Quarterly Report

Travel Expenses Reports (Year-to-Date and Staff)
LSERS' Operation during COVID-19 Pandemic

AUDIT

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

FY2018-19 Annual Privatization Questionnaire Report
FY2018-19 Retirement Annual Salary File Memo

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

LEGAL

Reports

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

Litigation Report
Collections Report

2020 LEGISLATIVE SESSION

Mr. Strange provided update on Session which began on March 9, 2020 but was suspended on March 16, 2020 due to the Coronavirus pandemic. Several bills were in the process of being introduced when legislators were forced to put themselves in recess. Mr. Strange informed the Board that LSERS' executive staff had presented an annual overview of the retirement system to the Senate Committee on Retirement, prior to the suspension. The Legislature temporarily reconvened on April 31, 2020, the last day bills could be introduced for the 2020 Regular Session. Mr. Strange informed the Board that the legislature had reconvened on May 4, 2020.

OTHER BUSINESS


There was no other business to discuss.


PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MS. BARBER, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 10:08 a.m.


Charles P. Bujol, Executive Director


Jeffrey Faulk, Sr., Chairman