

Louisiana School Employees' Retirement System
Quarterly Board Meeting
Monday, December 7, 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.

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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. Philip Qualls – designee for Mr. John Schroder – State Treasurer, *Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration***, *Rep. Tony Bacala - Committee on Retirement member appointed by the Speaker,* Mr. Joe Salter – designee for Mr. Kyle Ardoin – Secretary of State***

Members Absent: Senator Beth Mizell – Senate Committee on Retirement

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, *Ms. LaQuinta Jordan – Internal Auditor, Ms. Laurie Stark, Administrative Program Specialist

Others Present: *Mr. Jeffrey Boucek*** and *Mr. Rob Hungerbuhler*** - Segal Marco Advisors, *Mr. Greg Curran – G.S. Curran & Company, Ltd.

* Joined in via GoTo Meeting

** Mr. Rester joined the meeting at 10:01 a.m.

*** Mr. Davis departed at 10:02, and Mr. Salter, Mr. Boucek and Mr. Hungerbuhler departed at 12:05

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DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- Trustees should have received a letter in their packets notifying them that the terms for the Board Officers expire on December 31st. These positions include the Board Chairman, Vice-Chair, and Vice-Chair Pro Tem. Any member seeking nomination as an officer must submit a letter of intent to me by December 16, 2020, so that the letters may be included in the January meeting materials. Letters of Intent can also be emailed to Ashley Simmons, please contact her if you have any questions.
- The December *Crossroads* newsletter will be mailed out to the membership before the end of the month. It will include information on the upcoming elections for the Retiree Division 2 and Active Member District 4 seats. The nomination process opens January 1st and ends on March 5, 2021. More details can be found in the December *Crossroads*.
- Ms. Penny Brown, our District 3 Representative, ran unopposed in her election this year. Her new term begins on January 1st, 2021. She will take the Oath of Office at the January 4th meeting.
- New LSERS Web for member and employer online services is going live today. Anyone with a login account will be required to reset their password when they first access this new web portal. This update will expand the capacity of future enhancements.
- The PRSAC meeting is scheduled for December 14th. We will notify our membership the result of approval of LSERS' last fiscal year's actuarial valuation report on our website.
- Last Tuesday, 12/1/2020, four state retirement systems submitted the PBI/COLA report which was requested by House Resolution 21 and Senate Resolution 15 in 2020 Regular Legislative Session. We will provide board members a detailed review educational session in the future, hopefully in January meeting. And we will also update members any information may be available from the Legislature by that time.
- Effective Wednesday, 11/25/2020, Governor announced the state back to an updated phase II until the end of this year. To protect our staff who are the most important assets to LSERS' membership, our office is practicing 50% of staffing. However, LSERS' daily operations will have no changes.
- Wish everyone a safe and Merry Christmas!

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.

PORTFOLIO PERFORMANCE REVIEW

Mr. Boucek and Mr. Hungerbuhler discussed portfolio performance, including an audio/visual presentation and handouts titled: *Analysis of Investment Performance Quarter Ending September 30, 2020, Preliminary Investment Performance as of October 31, 2020, and Manager Watch List*. 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 performance reports.

OPPORTUNISTIC CREDIT EDUCATION

Mr. Benjamin Patzik of Segal Marco and Mr. Freedman presented: *Private/Oppportunistic Credit Education*.

INVESTMENT RECOMMENDATIONS**Tolis Advisors**

Eric Banks - Founder, Portfolio Manager, & Co-CIO

Chatham Asset Management

*Kevin O'Malley - Partner/Portfolio Manager
Dave Sobolewski – CFA, Investor Relations/Business Development*

Scout Energy Fund V

Mr. Freedman recommended that the Board commit up to \$75 million with Tolis Advisors, up to \$75 million with Chatham Asset Management and increase our commitment to Scout Energy Partners Fund V by \$20 million.

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved committing up to \$75 million with Tolis Advisors, up to \$75 million with Chatham Asset Management and increasing our commitment to Scout Energy Partners Fund V by \$20 million.

INVESTMENT REPORTS

Mr. Freedman provided the following reports:

Securities Lending
Securities Litigation
Louisiana Broker

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

ACTUARIAL RECOMMENDATION

Mr. Curran and Ms. Zhou presented the Disability Mortality Table for the New Tier of Disability Benefit calculations. They then addressed questions from the Board.

ON MOTION BY MS. MATTE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved to adopt the Disability Mortality Table for the disability benefit calculation of retirees whose first state service date is on or after 7/1/2010.

ADMINISTRATION**Reports**

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

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

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

AUDIT

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

Approval of Addendum to 2020 Annual Audit Plan
Approval of 2021 Annual Audit Plan

ON MOTION BY MR. YEARBY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Audit Plans.

LEGAL**Reports**

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

Litigation Report
Collections Report

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

2020 LEGISLATIVE SECOND EXTRAORDINARY SESSION RECAP

Mr. Strange provided update on the Second Extraordinary Session which convened on Monday, September 28, 2020 and was adjourned on Friday, October 23, 2020. No bills were passed during this Session that would affect the Retirement System.

APPROVAL OF MINUTES**September 14, 2020 – Investment Committee Meeting****September 14, 2020 – Special Board Meeting****September 15, 2020 – Special Board Meeting****October 5, 2020 – Investment Committee Meeting****October 5, 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.

OTHER BUSINESS

There was no other business to discuss.

PUBLIC COMMENTS

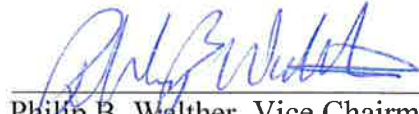
There were no public comments.

ADJOURNMENT

ON MOTION OF MS. BARBER, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:27 p.m.



Charles P. Bujol, Executive Director



Philip B. Walther, Vice Chairman