

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
July 8, 2016**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Kimberly Flair, Kathy Hattaway, Joyce Haynes, David Hennigan, Rick McGimsey, (Commissioner's Designee), Jim Napper (Treasurer's Designee), John Parauka, and Dr. James Taylor

MEMBERS ABSENT: Holly Gildig, Dr. Tia Mills, Senator Barrow Peacock, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore, Jeff LaCour, Dionne Rabalais, Kathleen Rayford, Katherine Whitney, Duke Williams, Charlene Wilson, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants

Each member of the Board received the following:

1. July 2016 Board Book
2. Investment Committee Meeting July 7, 2016, Performance Report – May 31, 2016
3. Investment Committee Presentations: Aon Hewitt Investment Consulting, Inc.; and Mercer Investment Consulting, LLC
4. *2016 All Bills Affecting TRSL; 2016 Regular Legislative Session Legislation MONITORED by TRSL Board FINAL REPORT; and 2016 Regular Legislative Session Legislation AFFECTING TRSL FINAL REPORT*
5. *Actuarial Funding – Key Assumptions and Methods; Post Legislative Follow-up* –Shelley Johnson, Foster & Foster Actuaries and Consultants
6. *TRSL Equal Opportunity Affirmative Action Plan* – Dionne Rabalais
7. July 5, 2016 Letter of Intent from Carlos J. Sam to Maureen H. Westgard regarding the Parish and City Superintendent position on TRSL Board of Trustees
8. *TRSL Retirees June 2016 • Vol 25, No 1*

Mr. Lawyer called the meeting to order at 10:10 a.m. Mr. Parauka led the Pledge of Allegiance. The secretary called the roll and a quorum was established.

Approval of the Minutes of the Meeting of the TRSL Board of Trustees Held June 3, 2016 (Including Minutes of Committee Meetings held June 2 and 3, 2016)

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held June 3, 2016 (Including Minutes of Committee Meetings held June 2 and 3, 2016).

Investment Committee Report

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAUDIN, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein.

Legislative Committee Report

ON MOTION OF DR. BAUDIN, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to accept the report of the Legislative Committee and to approve the recommendations contained therein.

Executive Committee Report

ON MOTION OF MR. LAWYER, SECONDED BY MS. FLAIR, AND CARRIED, the Board voted to accept the report of the Executive Committee and to approve the recommendations contained therein.

Interim Appointment of Parish and City Superintendents Trustee

Ms. Westgard informed the Board that Mr. Carlos Sam was the only candidate to apply for the Parish and City Superintendents Trustee position. Mr. Sam previously served on the TRSL Board as a Trustee representing District 3, from November 2011 through July 2015, prior to his appointment as Superintendent of East Feliciana Public Schools.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to appoint Mr. Carlos Sam as the interim appointee to represent Parish and City Superintendents on the TRSL Board of Trustees.

Introduction of Newly Hired Staff

Mr. Cagle introduced Kathleen Rayford. Ms. Rayford was hired in April as an Accountant 1 in the Retiree Payroll Section of the Accounting Department.

Director's Update

Ms. Westgard updated the Board on the following items:

- Elections Vendor Contract
- Staff Work Session – July 21-22; Balanced Scorecard review at August Executive Committee meeting
- LAPERS, September 18-20, 2016
- Kimberly Flair (Trustee, District 1)- resignation effective August 1, 2016
 - Mr. Lawyer thanked Ms. Flair for her service as a Trustee on the Board.

Adjournment

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. TAYLOR, and CARRIED, the Board adjourned at 10:30 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
12:00 p.m. – Thursday
July 7, 2016**

- MEMBERS PRESENT:** Dr. Sheryl Abshire, Kathy Hattaway, David Hennigan, Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Joyce Haynes, Rick McGimsey (Commissioner's Designee), Robert Lawyer, and John Parauka
- MEMBERS ABSENT:** Holly Gildig, Senator Barrow Peacock, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kimberly Flair
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Katherine Whitney, Duke Williams, Debbie Boudreaux, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Andrew Ness and Joe Libbra of Mercer; and Scott Coopriider, Rishi Delvadia, and Russ Ivinjack, Aon Hewitt Investment Consulting

Roll Call

Dr. Abshire called the meeting to order at 12:00 p.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mr. Parauka to serve on the Committee as an alternate for Mrs. Gildig.

Quarterly Transaction Summary of Alternative Assets and Real Estate

Maurice Coleman presented the Quarterly Summary of Alternative Assets and Real Estate (for period ended March 31, 2016).

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to receive the report as presented.

Optional Retirement Plan (ORP) Quarterly Update

Andrew Ness and Joe Libbra of Mercer presented the Quarterly ORP update (for the period ended March 31, 2016)

ON MOTION OF MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the report as presented.

Capital Market Update and Review of TRSL Investments

Asset Allocation Implementation

Scott Coopridger, Rishi Delvadia, and Russ Ivinjack of Aon Hewitt presented *Asset Allocation Implementation*. The presentation qualified for one-half hour of Investment Education.

Monthly Investment Review

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Ivinjack presented Aon Hewitt's July 7, 2016 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through May 31, 2016.

Portfolio Review

Mr. Delvadia (Aon Hewitt) and Dana Brown (TRSL) reviewed International Small Cap Managers: Dimensional Fund Advisors and Mondrian Investment Partners.

Annual Review of Investment Custodian

Duke Williams presented a report on the annual evaluation of the investment custodian bank – BNY Mellon Asset Services.

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the report on the annual evaluation of the investment custodian bank.

Annual Evaluation of Investment Consulting Firm - Aon Hewitt Investment Consulting, Inc.

Dr. Abshire asked for a motion to convene into Executive Session.

MRS. HAYNES MOVED, AND DR. BAUDIN SECONDED A MOTION to convene into Executive Session to review and discuss the professional competency of the general consultant firm being evaluated, with the Director and the Chief Investment Officer to remain in the room. A roll-call vote was taken. Dr. Baudin, Ms. Hattaway, Mrs. Haynes, Mr. Hennigan, Mr.

McGimsey, Mr. Napper, Mr. Parauka, Mr. Lawyer and Dr. Abshire unanimously voted to convene into Executive Session.

MR. NAPPER MOVED, AND MR. PARAUKA SECONDED A MOTION to reconvene into Regular Session. A roll-call vote was taken. Dr. Baudin, Ms. Hattaway, Mrs. Haynes, Mr. Hennigan, Mr. McGimsey, Mr. Napper, Mr. Parauka, Mr. Lawyer and Dr. Abshire unanimously voted to reconvene into Regular Session.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the annual evaluation of the consultant firm, Aon Hewitt Investment Consulting, Inc.

Adjournment

ON MOTION OF MRS. HAYNES, SECONDED BY MR. HENNIGAN, and CARRIED the Committee adjourned at 2:30 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
July 8, 2016

MEMBERS PRESENT: Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Dr. James Taylor, Dr. Sheryl Abshire, Joyce Haynes, Rick McGimsey (Commissioner's Designee), and Robert Lawyer

MEMBERS ABSENT: Senator Barrow Peacock and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Kimberly Flair, Kathy Hattaway, David Hennigan, and John Parauka

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore, Jeff LaCour, Dionne Rabalais, Katherine Whitney, Duke Williams, Charlene Wilson, Debbie Boudreaux, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuarial Associates; Renee Siccone, Louisiana Retired Teachers' Association; Margaret Corley, Louisiana Senate; Ryan Gremillion, Louisiana Department of Education; Annie Smith, Louisiana House of Representatives

Roll Call

Dr. Baudin called the meeting to order at 8:39 a.m. The secretary called the roll and a quorum was established.

Discussion and Review of 2016 Legislative Session(s)

Update on Meetings

Ms. Westgard updated the Committee on the following meetings:

- Public Retirement Systems' Actuarial Committee (PRSAC) – June 7, 2016
- Joint Legislative Committee on the Budget (JLCB) – June 13, 2016 (TRSL's 2016-2017 budget was approved)

Legislation Affecting TRSL

Ms. Westgard updated the Committee on legislation affecting TRSL as of the end of the 2016 Regular Session.

Legislation Monitored by TRSL

Ms. Whitney updated the Committee on the final status of legislation monitored by TRSL.

Actuarial Funding – Shelley Johnson, Foster & Foster

Ms. Johnson presented *Actuarial Funding – Key Assumptions and Methods Post-Legislative Session Follow-up*. The presentation qualified as one-half hour of actuarial education.

Discount Rate Discussion Final Approval

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve a plan to reduce the discount rate from 7.75% to 7.5%, in .05% increments over five years for funding and GASB purposes, beginning July 1, 2017.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to reduce the discount rate from 7.75% to 7.5%, for purposes of internal calculations, beginning July 1, 2017.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. TAYLOR, and CARRIED the Committee adjourned at 9:35 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Friday
July 8, 2016**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Kathy Hattaway, Joyce Haynes, David Hennigan, and Jim Napper (Treasurer's Designee)

OTHER MEMBERS PRESENT: Kimberly Flair, Rick McGimpsey, (Commissioner's Designee), John Parauka, and Dr. James Taylor

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore, Jeff LaCour, Dionne Rabalais, Katherine Whitney, Duke Williams, Charlene Wilson, Debbie Boudreaux, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuarial Associates; Margaret Corley, Louisiana Senate; and Annie Smith, Louisiana House of Representatives

Roll Call

Mr. Lawyer called the meeting to order at 9:45 a.m. The secretary called the roll and a quorum was established.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Jeff LaCour presented Compliance Audit Reports on Retirees Returning to Work and Limited Scope Reviews.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the Audit Reports as presented.

Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2015-2016

Mr. LaCour presented the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2015-2016.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2015-2016.

Presentation and Approval of the TRSL Annual Audit Plan for Fiscal Year 2016-2017

Mr. LaCour presented the TRSL Annual Audit Plan for Fiscal Year 2016-2017.

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Annual Audit Plan for Fiscal Year 2016-2017.

Update on 2016-17 Affirmative Action Plan

Ms. Rabalais presented an update on the 2016-2017 Affirmative Action Plan. TRSL was notified by Civil Service in a letter dated June 13, 2016 that the updated plan was approved.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the report.

Approval of the Louisiana Compliance Questionnaire

Mr. Cagle presented the Louisiana Compliance Questionnaire.

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to approve Louisiana Compliance Questionnaire (for release to outside audit firm).

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF MR. NAPPER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Quarterly Litigation Reports.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee adjourned at 10:00 a.m.