

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
July 10, 2015

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

MEMBERS ABSENT: Holly Gildig, Senator Elbert Guillory, Kathy Hattaway, Superintendent Alonzo Luce, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Dana Vicknair, Phil Griffith, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Marlene Burke, Maurice Coleman, Raven Duncil, Kyle Farrar, Ling He, Lisa Honore', Matthew Hungerford, Andrea Joubert, Jeff LaCour, Yue Li, Jonathan Maat, Steve Marangos, Kristen O'Neil, Ryan Pereira, Dionne Rabalais, Luis Welchez, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, and Lisa Barousse

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

Each member of the Board received the following:

1. July 2015 Board Book
2. *Investment Committee Meeting July 9, 2015, Performance Report – May 31, 2015*
3. Investment Committee Presentations: Aon Hewitt; and Dimensional Fund Advisors
4. Legislative Committee Handouts: *2015 Regular Legislative Session Legislation AFFECTING TRSL FINAL REPORT; 2015 Regular Legislative Session Legislation MONITORED by TRSL Board FINAL REPORT*
5. Letter from Duplantier, Hrapmann, Hogan & Maher, L.L.P. to TRSL Board of Trustees, relative to annual audit of TRSL pension schedules for the years ended June 30, 2014 and 2013
6. *TRSL Statistics FY 2014- FY 2015*
7. *TRSL 2015 Fiscal Year Goals, Major Projects by Balanced Scorecard area; TRSL's Vision, Mission and Goals Statement; TRSL Balanced Scorecard FY 2015-2016, and 2016 Fiscal Year Goals, Major project by Balanced Scorecard area*

Mr. Lawyer called the meeting to order at 9:55 a.m. Mr. Hennigan 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 5, 2015
(Including Minutes of Committee Meetings held June 4 and 5, 2015)**

ON MOTION OF MR. PARAUKA, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held June 5, 2015 (Including Minutes of Committee Meetings held June 4 and 5, 2015).

Investment Committee Report

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, 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 MR. HENNIGAN, AND CARRIED, the Board voted to accept the report of the Legislative Committee.

Executive Committee Report

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

Introduction of Newly Hired Staff

The following new employees were hired during the period 04/01/15 through 06/30/15:

Mrs. Vicknair introduced the new employees in the Retirement Department.

Matthew Hungerford – Retirement Benefits Analyst 1

Jonathan Maat – Retirement Benefits Analyst 1

Kristen O'Neil – Retirement Benefits Analyst 1

Mr. Cagle introduced the new employees in the Information Technology, Public Information and Accounting Departments.

Information Technology Department

Luis Welchez – IT Management Consultant 1

Public Information Department

Raven Duncil – Public Information Officer 2

Accounting Department

Yue Li (Helen) – Accountant 2

Mr. Griffith introduced the new employee in the Investment Department.
Jimmie “Duke” Williams, II – Investments Operations Director

Director’s Update

Ms. Westgard updated the Board on the following items:

- TRSL has received \$1.8 million for the FY 15-16 required contribution as payment of supplemental benefits administered by TRSL on behalf of LSU Agriculture Extension Service
- LAPERS annual seminar will be held in New Orleans at the Marriott Hotel, September 13-15, 2015
- August Board and Committee meetings will be held on one day – August 6, 2015
- Mr. LaCour gave an overview of the Audit Department and introduced the department employees.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, and CARRIED the Committee adjourned at 10:20 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
12:00 p.m. – Thursday
July 9, 2015**

- MEMBERS PRESENT:** David Hennigan, Jim Napper (Treasurer's Designee), Dr. Jerry Baudin, Joyce Haynes, Ashley McNeely (Commissioner's Designee), Robert Lawyer, John Parauka, and Kimberly Flair
- MEMBERS ABSENT:** Dr. Sheryl Abshire, Holly Gildig, Senator Elbert Guillory, Kathy Hattaway, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Dr. James Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Dana Vicknair, Phil Griffith, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Duke Williams, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Scott Coopridier, Russ Ivinjack, Rishi Delvadia, and Steve Benjamin, Aon Hewitt; James Charles and Daniel Ong, Dimensional Fund Advisors; and Shelley Johnson, Foster & Foster Actuaries and Consultants

Roll Call

Mr. Hennigan called the meeting to order at 12:05 p.m. The secretary called the roll and a quorum was established. Mr. Hennigan appointed Mr. Parauka and Ms. Flair to serve on the Committee as alternates for Dr. Abshire and Ms. Hattaway.

Mr. Griffith introduced Duke Williams. Mr. Williams was recently hired as the Investment Department Operations Director.

Quarterly Transaction Summary of Alternative Assets and Real Estate (for period ended March 31, 2015)

Maurice Coleman presented the Quarterly Summary of Alternative Assets and Real Estate (for period ended March 31, 2015).

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

Appointment of Subcommittee to Review Responses to Solicitation for Proposals (SFP) for SMID Cap Core Manager

On behalf of Dr. Abshire, Mr. Hennigan appointed Ms. Hattaway as Chair, Dr. Abshire, Dr. Baudin, Ms. Haynes and Mr. Napper to serve on the Subcommittee.

Presentation and Approval of Solicitation for Proposals for Investment Consultant

Mr. Griffith presented the SFP for Investment Consultant.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to approve the SFP as presented.

Annual Review of Investment Custodian

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

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

Quarterly Optional Retirement Plan (ORP) Update (for period ended March 31, 2015)

Ms. Westgard notified the committee that contracts have been signed with all three ORP providers: TIAA-CREF, VALIC, and Voya. The contracts and service level agreements were standardized; administrative and investment expenses were reduced resulting in participant-paid fee savings; and new fund lineups will be implemented.

Steve Benjamin of Aon Hewitt presented the Quarterly ORP update (for the period ended March 31, 2015).

ON MOTION OF DR. BAUDIN, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to receive the update as presented.

Capital Market Update and Review of TRSL Investments

Monthly Investment Review

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopriider and Mr. Ivinjack presented Aon Hewitt's July 9, 2015 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through May 31, 2015.

Portfolio Review

Rishi Delvadia and Mr. Coopriider (Aon Hewitt) and Dana Brown reviewed International Small Cap Managers: Dimensional Fund Advisors and Mondrian Investment Partners; and Emerging Market Equity Managers: Dimensional Fund Advisors (Value) and Vontobel Asset Management, Inc. (Growth).

James Charles and Daniel Ong, Dimensional Fund Advisors, presented their firm's annual emerging market value portfolio review.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to adjourn at 2:30 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
Upon Adjournment of Investment Committee – Thursday
July 9, 2015**

- MEMBERS PRESENT:** Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Joyce Haynes, John Parauka, Robert Lawyer, David Hennigan, and Kimberly Flair
- MEMBERS ABSENT:** Holly Gildig, Dr. Sheryl Abshire, Senator Elbert Guillory, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Ashley McNeely (Commissioner's Designee), and Dr. James Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Dana Vicknair, Phil Griffith, Roy Mongrue, Jr., Ed Branagan, Matt Tessier, Katherine Whitney, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; Bridget Devlin, Louisiana Department of Education; and Renee Siccone, Louisiana Retired Teachers' Association

Roll Call

Dr. Baudin called the meeting to order at 2:34 p.m. The secretary called the roll and a quorum was established. Dr. Baudin appointed Mr. Hennigan and Ms. Flair to serve on the Committee as alternates for Mr. Sam and Mrs. Gildig.

Update on Meetings

Ms. Westgard updated the Committee on Senator Guillory's meeting related to Retirement Systems Sustainability, which is scheduled for July 15, 2015.

Update and Review of the 2015 Regular Legislative Session (ended June 11, 2015)

Ms. Westgard updated the Committee on Legislation Affecting TRSL as of the end of the 2015 Regular Session. Ms. Whitney updated the Committee on the final status of Legislation Monitored by TRSL.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, and CARRIED the Committee adjourned at 3:08 p.m.

**Teachers' Retirement System of Louisiana
Executive Committee
8:30 a.m. – Friday
July 10, 2015**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Joyce Haynes, and David Hennigan

MEMBERS ABSENT: Holly Gildig and Kathy Hattaway

OTHER MEMBERS PRESENT: Kimberly Flair, John Parauka, and Dr. James Taylor

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

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; and Margaret Corley, Senate Retirement Committee

Roll Call

Mr. Lawyer called the meeting to order at 8:30 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 DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Audit Reports as presented.

Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2014-2015

Mr. LaCour presented the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2014-2015.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to receive the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2014-2015.

Presentation and Approval of the TRSL Annual Audit Plan for Fiscal Year 2015-2016

Mr. LaCour presented the TRSL Annual Audit Plan for Fiscal Year 2015-2016.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve Annual Audit Plan for Fiscal Year 2015-2016.

Update on 2015-16 Affirmative Action Plan

Ms. Rabalais presented an update on the 2015-2016 Affirmative Action Plan. TRSL was notified by Civil Service in a letter dated June 19, 2015, that the updated plan was approved.

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

Approval of the Louisiana Compliance Questionnaire (for release to outside audit firm)

Mr. Cagle presented the Louisiana Compliance Questionnaire.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the Louisiana Compliance Questionnaire.

Update on Pending IRS Matters

Ms. Westgard notified the Committee that TRSL's Request for Favorable Determination Letter was approved on June 23rd, and is effective through January 31, 2019. This approval was for the Defined Benefit Plan; the Optional Retirement Plan (ORP) was previously approved. Mr. Mongrue presented an update on Comment Letters Regarding IRS Rulemaking Notice 2015-07, related to charter schools.

Update on GASB 68

Mr. Cagle presented an update on GASB 68.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

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

Review of FY 2014-2015 Workload Volumes

Mrs. Vicknair reviewed FY 2014-2015 workload volumes.

Director's Fiscal Year Update

Mr. Cagle reviewed the 2015 Fiscal Year Goals Status as of June 30, 2015.

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

Ms. Westgard presented an overview of the Strategic Plan and Balanced Scorecard for 2015-2016 and the 2016 Fiscal Year Goals - Major Projects by Balanced Scorecard Area.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the Strategic Plan and TRSL Balanced Scorecard Goals for 2015-2016.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, and CARRIED, the Committee adjourned at 9:47 a.m.