

**Louisiana School Employees' Retirement System
Regular Board Meeting**

**Tuesday, December 7, 2010
8:30 a.m.**

The Board of Trustees of the Louisiana School Employees' Retirement System convened in the Board Room (Room 100) of the Louisiana School Employees' Retirement System Building located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Larry Wilmer, Chairman of the Board, called the meeting to order at 8:30 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Champagne.

Members Present: Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., Mr. Ron Henson - designee for Mr. John Kennedy – State Treasurer, Mr. Tim Palmatier - designee for Mr. Tom Schedler – Secretary of State, Ms. Lauren Bailey - observer for Senator D. A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement

Members Absent: Representative J. Kevin Pearson – Chairman of the House Committee on Retirement

Staff Present: Mr. Charles P. Bujol - Executive Director, Ms. Carolyn Forbes - Assistant Director, Mr. Warren D. Ponder - Executive Counsel, Mr. Brendan Brosnan - Chief Investment Officer, Mr. Jerry Rhodus - Investment Officer 2, Ms. Laurie Stark - Administrative Assistant 5, Ms. Donna Racca - Accountant Administrator 2, Ms. Anita Green - Human Resource Director A, Mr. Jack Allen - IT Director 2, * Mr. Anthony Guzzardo - IT Technical Support Specialist 3, Ms. Jennifer Champagne - Administrative Assistant 6 (Recording Secretary)

Also Present: *Mr. Charles Hall - Hall Actuarial Associates, Mr. Brett Hazen - Segal Advisors

* Mr. Hall left at 9:29 a.m.
Mr. Guzzardo left at 10:44 am.

ANNOUNCEMENTS

There were no announcements.

PUBLIC COMMENT ON ANY ITEM ON AGENDA

Mr. Wilmer called for public comment on any item on the agenda. There was no one from the public in attendance.

APPROVAL OF MINUTES

August 23, 2010 Regular Board Meeting

ON MOTION BY MS. CRAIN, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the August 23, 2010 Regular Board meeting.

August 24, 2010 Regular Board Meeting

ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the August 24, 2010 Regular Board meeting.

September 13, 2010 Special Board Meeting

ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the September 13, 2010 Special Board meeting.

September 13, 2010 Investment Committee Meeting

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the September 13, 2010 Investment Committee meeting.

October 11, 2010 Investment Committee Meeting

ON MOTION BY MR. RESTER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the October 11, 2010 Investment Committee meeting.

October 11, 2010 Special Board Meeting

ON MOTION BY MS. CRAIN, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the October 11, 2010 Special Board meeting.

ADMINISTRATION

Elections

Board Officer Elections

Mr. Wilmer stepped down as Chairman and turned the meeting over to Mr. Bujol for conducting Board officer elections for Chairman of the Board.

Three nomination letters were received for Board officer elections:

Chairman – Mr. Larry Wilmer
Vice Chairman – Mr. Jeffrey Faulk, Sr.
Vice-Chair Pro-Tem – Ms. Betty Crain

Mr. Bujol called for any additional nominations for Chairman of the Board. Hearing none Mr. Wilmer was reelected as Chairman of the Board.

Mr. Wilmer conducted Board officer elections for Vice Chairman and Vice-Chair Pro-Tem:

Request for additional nominations for Vice Chairman was called. Hearing none Mr. Faulk was reelected as Vice Chairman of the Board.

Request for additional nominations for Vice-Chair Pro-Tem was called. Hearing none Ms. Crain was reelected as Vice-Chair Pro-Tem.

Investment and Personnel Committee Assignments

The Investment and Personnel Committees are comprised of the Board as a whole. Mr. Wilmer asked Mr. Faulk to serve as Chairman of the Investment Committee and Ms. Crain to serve as Chairman of the Personnel Committee. Mr. Faulk and Ms. Crain accepted their appointments.

ON MOTION BY MR. WALTHER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Investment and Personnel Committee Chairman appointments.

Proposal for Policy Update

Mr. Ponder provided a review of the proposed policy updates to the Elections Policy found on pages 52 – 58 of the board booklet. Discussion was held on the proposed updates, specifically on the **active member** definition.

ON MOTION BY MS. LANDRY, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board approved striking the wording “an actively employed, or a vested member who is no longer employed by a school system”.

After further discussion the following amendment was adopted to the election policy:

An active member shall be an actively employed or vested member who is no longer employed by a school system. A member not employed by a LSERS agency can vote, but cannot be a candidate for election to the Board. A member's participation in the Deferred Retirement Option Plan (DROP) does not alter his/her status as an active member and he/she can vote or be a candidate in the "Active Representative" election. Active members who reside outside Louisiana shall vote in the District where they are employed. An active member shall not include a member who has returned to work pursuant to R.S. 11:1006 or 11:1007.

ON MOTION BY MR. RESTER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board adopted all of the changes to the Elections policy.

Consideration of Extension of Contract for Charles G. Hall, Hall Actuarial Associates

Renewal of the contract for Charles G. Hall, Hall Actuarial Associates, was discussed. Mr. Bujol recommended renewal of Mr. Hall's contract for two years beginning July 1, 2011.

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the renewal of Mr. Charles G. Hall's contract as LSERS' Actuary for a period of two years beginning July 1, 2011.

The order of the agenda was changed to allow for discussion of Item III A, Report on Upcoming Legislative Session, as Mr. Hall was scheduled to attend another meeting.

LEGISLATION

Report on Upcoming Legislative Session

Mr. Bujol provided a brief review of possible legislation that may be offered in the upcoming session. He further advised that a pending request for an opinion of the Attorney General may cause the employee contribution to rise to 15% based on an interpretation of a 1999 law. The Board accepted his report.

ADMINISTRATION (CONT'D)

Reports (July 1, 2010 – September 30, 2010)

Retirement

Ms. Forbes presented the Retirement Report and then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Retirement report.

Human Resources Actions

Ms. Forbes presented the report on personnel actions that occurred during the first quarter of the fiscal year 2010-11 and then addressed questions from the Board.

ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Human Resources Actions report.

Travel Expenses

Year to Date and Staff

Ms. Forbes presented the year-to-date and staff reports, which included the amount budgeted for travel, amount expended, remaining balance for the year, and travel expenses incurred by staff members. Ms. Forbes then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Travel Expenses report.

Overtime

Ms. Forbes presented the overtime report and then addressed questions from the Board.

ON MOTION BY MR. WALTHER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Overtime report.

Presentation of 2010 Accomplishments by Department Managers

Mr. Bujol and Ms. Forbes provided a brief introduction and overview of the 2010 accomplishments slide presentation. The following managers provided their Department presentations and addressed questions from the Board:

Ms. Racca – Accounting

Ms. Green – Human Resources

Mr. Allen – Information Technology

Mr. Brosnan – Investments

Mr. Ponder – Legal

Mr. McMorris – Building Maintenance – presented by Mr. Bujol

Ms. Wolf – Retirement – presented by Ms. Forbes

Discussion of LSERS Website and Proposed Logo

Ms. Forbes provided a slide presentation on the proposed website and then addressed questions from the Board. A handout of the proposed logo was also provided. Discussion was held on the logo and the importance of having all members of the system represented.

ON MOTION BY MR. RESTER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board tabled discussion on the logo until the January 2011 meeting.

Consensus of the Board was to move forward with work on the proposed website while awaiting changes to the logo.

Other Business

There was no other business to discuss under Administration.

LEGISLATION

Report on Upcoming 2011 Legislative Session

The 2011 Legislative Session is a fiscal session, which limits each legislator to five (5) bills. Mr. Bujol suggested that the system should consider not sponsoring any legislation this session.

ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Report on Upcoming 2011 Legislative Session.

Other Business

There was no other business to discuss under Legislation.

LEGAL

Litigation

Mr. Ponder provided a status report on the EBR Parish School Board vs LSERS No. C539 015 case pending in the 19th Judicial District Court.

Collections

Mr. Ponder reported that LSERS collected \$2,747.90 during the last quarter and noted that most of the collections were from cases on a payment schedule. Mr. Ponder then addressed questions from the Board.

ON MOTION BY MS. CRAIN, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Litigation and Collections Reports.

Other Business

There was no other business to discuss under Legal.

OTHER BUSINESS

Mr. Brosnan brought up an investment opportunity for consideration by the Board. A broker representing an investor in the Hamilton Lane private equity fund was seeking a buyer for a \$10 million commitment at a discount to the face value. Consideration was being requested today, as a deadline for submitting offers is expected to be set prior to the January meeting. Detailed information regarding the investment was provided by Mr. Brosnan and Mr. Hazen. It was noted that Segal Advisors would provide evaluations and calculations of LSERS' offer for this investment.

Discussion was held on the pros and cons of this investment, as well as funding and timing. Mr. Brosnan asked permission to move forward on this investment, which would involve a maximum investment of \$10 million.


ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board approved adding this item to the agenda.

ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board approved allowing Administrative staff, Investment staff, and Segal Advisors to negotiate and authorized them to act on this investment if it is feasible.

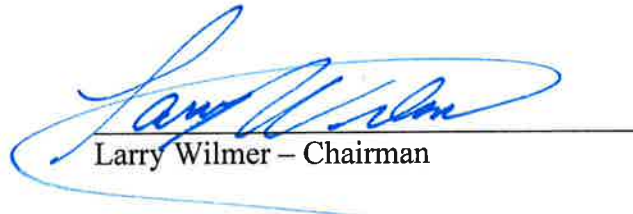
Mr. Henson requested that staff notify the Board of any action regarding this investment.

There was no other business to discuss.

ON MOTION BY MR. RESTER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 11:17 a.m.



Charles P. Bujol – Executive Director



Larry Wilmer – Chairman