

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

**Monday, May 5, 2008  
9:00 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 9:02 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Champagne.

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Members Present: Mr. Larry Wilmer, Mr. Jeffrey Faulk, Sr., Ms. Betty Crain, Mr. Eugene Rester, Jr., Ms. Judith McKee, Mr. Philip B. Walther, Ms. Lori Pierce – designee for Mr. John Kennedy, State Treasurer, \*Mr. Randy Davis – designee for Mr. Jay Dardenne, Secretary of State

Members Absent: Ms. Kathy Landry, Representative Joel C. Robideaux – Chairman of the House Retirement Committee, Senator D.A. "Butch" Gautreaux – Chairman of the Senate Retirement Committee

Staff Present: Mr. Charles P. Bujol – Executive Director, Ms. Debra Dudley – Assistant Director, Mr. Brendan Brosnan – Chief Investment Officer, \*Mr. Warren Ponder – Executive Counsel, Ms. Josie Meche – Investment Manager 1, Ms. Jennifer Champagne – Administrative Assistant 6

Also Present: Mr. Charles Hall – Hall Actuarial Associates

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\* Mr. Warren Ponder arrived at 9:10 a.m.  
Mr. Randy Davis arrived at 9:12 a.m.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN**, Mr. Larry Wilmer, Mr. Jeffrey Faulk, Sr., Ms. Betty Crain, Mr. Eugene Rester, Jr., Ms. Judith McKee, Mr. Philip B. Walther, and Ms. Lori Pierce **voted affirmatively** to approve the agenda.

## **ANNOUNCEMENTS**

Mr. Bujol noted that legislative committee meetings requiring Mr. Hall's attendance coincide with his presentation on the experience study. The Board was asked to consider changing the order of the agenda to allow Mr. Hall to attend these legislative meetings.

**ON MOTION BY MS. CRAIN, SECONDED BY MS. MCKEE**, Mr. Larry Wilmer, Mr. Jeffrey Faulk, Sr., Ms. Betty Crain, Mr. Eugene Rester, Jr., Ms. Judith McKee, Mr. Philip B. Walther, and Ms. Lori Pierce **voted affirmatively** to change the order of the agenda to allow Mr. Hall to attend the legislative committee meetings.

## **ADMINISTRATION**

### **EXPERIENCE STUDY (JULY 1, 2002 – JUNE 30, 2007)**

An experience study, as required by statute, is conducted once every five years to verify that assumptions utilized in the actuarial valuation are appropriate. Mr. Hall provided a detailed review of the experience study, which included termination/withdrawal experience, disability experience, retirement experience, DROP experience, salary growth experience, valuation rate, mortality experience, family statistics, and a summary of the study.

Mr. Hall recommended adoption of the changes outlined in the 2002-2007 Experience Study. Discussion was held, specifically on how these changes affect the Unfunded Accrued Liability (UAL) and employer contribution rates. Mr. Bujol noted that a review of this study indicated a very small decrease in employer contributions and recommended approval and adoption of the recommended changes.

**ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board adopted the recommended changes as outlined in the 2002-2007 Experience Study.

Mr. Hall left the meeting at 9:45 a.m. to attend the legislative committee meetings.

## **APPROVAL OF BOARD MINUTES**

### **FEBRUARY 11, 2008 REGULAR BOARD MEETING**

**ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the February 11, 2008 Regular Board meeting.

### **FEBRUARY 12, 2008 REGULAR BOARD MEETING**

**ON MOTION BY MS. MCKEE, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the February 12, 2008 Regular Board meeting.

### **MARCH 10, 2008 SPECIAL BOARD MEETING**

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the March 10, 2008 Special Board meeting.

## **APPROVAL OF RETIREMENT REPORTS (JANUARY 1, 2008 – MARCH 31, 2008) (BOOK II)**

Ms. Dudley presented the Retirement Reports for the reporting period of January 1, 2008 through March 31, 2008 and then addressed questions from the Board.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the Retirement Reports (Book I) for January 1, 2008 through March 31, 2008.

## **ADMINISTRATION**

### **REPORT ON JOINT LEGISLATIVE COMMITTEE ON THE BUDGET MEETING**

Mr. Bujol noted that LSERS' budget was on the agenda of the last Joint Legislative Committee on the Budget meeting, but was not heard. Another meeting has been scheduled during the month of June 2008 and a report will be provided to the Board at their next scheduled meeting.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Report on Joint Legislative Committee on the Budget Meeting.

## OTHER BUSINESS

There was no other business to discuss under Administration.

## LEGISLATION

### STATUS REPORT ON 2008 LOUISIANA LEGISLATIVE SESSION

Mr. Bujol announced the successful passage of HB 355 by the House and Senate Retirement Committees, which involves "Reapportionment of Active Member Districts". He then turned the report over to Mr. Ponder for review of this bill and other legislation.

Mr. Ponder provided a detailed report on the status of pending legislation that directly affects LSERS and its members, addressing questions as each bill was reviewed. Discussion was held on two specific bills, SB 201 and HB 1208, for submission of the Board's position on these bills.

Mr. Bujol and Mr. Ponder recommended support of SB 201 and opposition to HB 1208.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board offered opposition to HB 1208.

**ON MOTION BY MS. MCKEE, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board offered support of SB 201.

**ON MOTION BY MS. MCKEE, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Status Report on 2008 Louisiana Legislative Session.

## OTHER BUSINESS

There was no other business to discuss under Legislation.

## LEGAL

### COLLECTIONS

Mr. Ponder reported that from January 2008 through March 2008 \$2,098.88 was collected from individuals who owe money to LSERS. Total collections from January 1, 2008 to date were \$5,261.67.

## LITIGATION

Mr. Ponder provided a brief review of pending litigation that is scheduled for trial in October 2008. He noted that one of the attorneys representing LSERS in that case would be providing a full update on this case at the June 2008 meeting.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Legal Report.

## OTHER BUSINESS

There was no other business to discuss under Legal.

## INVESTMENTS

### APPROVAL OF INVESTMENT COMMITTEE MEETING MINUTES

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the March 10, 2008 Investment Committee meeting.

**ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the April 14, 2008 Investment Committee meeting.

### REPORT/RECOMMENDATIONS OF INVESTMENT COMMITTEE

Mr. Faulk, Chairman of the Investment Committee, noted that there were no recommendations of the Investment Committee to discuss.

**ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Report by the Investment Committee Chairman.

## TRADING COMPLIANCE REPORTS

Mr. Brosnan noted that there were no trading compliance reports required on the four managers who would be presenting their reports on Tuesday, May 6, 2008. Two of the managers are commingled funds that are exempt from the 10% trading requirements and the other two managers are real estate investment managers that are not involved in security trading.

**ON MOTION BY MS. MCKEE, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Trading Compliance Reports.

## INVESTMENT REPORT (BOOK II)

Mr. Brosnan noted that the Investment Report (Book II) of day-to-day investment transactions was available for review by the Board.

**ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Investment Report (Book II).

## OTHER BUSINESS

Mr. Brosnan provided an update on meetings regarding the required establishment of a “Terror Free” Index fund.

There was no other business to discuss under Investments.

## **PERSONNEL**

### STAFF REPORTS (JANUARY 1, 2008 – MARCH 31, 2008)

Ms. Dudley provided the following staff reports for the reporting period of January 1, 2008 through March 31, 2008:

- 1) Personnel Actions
- 2) Development Travel Expenses
- 3) Overtime

Ms. Dudley then addressed questions from the Board, specifically on disciplinary action and hours of overtime worked.

**ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Staff Reports on Personnel Actions, Development Travel Expenses, and Overtime for January 1, 2008 through March 31, 2008.

## APPROVAL OF PERSONNEL COMMITTEE MEETING MINUTES

### APRIL 14, 2008 PERSONNEL COMMITTEE MEETING

**ON MOTION BY MR. RESTER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the minutes of the April 14, 2008 Personnel Committee meeting.

## REPORT/RECOMMENDATIONS OF PERSONNEL COMMITTEE MEETING

Ms. Crain reported that all four unclassified employees had really good evaluations. She noted that there were no recommendations from the Personnel Committee.

**ON MOTION BY MS. MCKEE, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the report by the Chairman of the Personnel Committee.

## REPORT ON MANAGEMENT/EMPLOYEE RELATIONS IN THE RETIREMENT SECTION

Mr. Bujol and Mr. Ponder provided a report on management/employee relations in the Retirement Section. This included a review of the process used to conduct the investigation, a detailed report of their findings, and their opinion/recommendations on this matter. Mr. Bujol and Mr. Ponder both noted that there was no indication that any civil service rules and/or agency policies and procedures were violated. Mr. Bujol and Mr. Ponder then addressed questions from the Board, which led to a discussion on specific concerns within the department that arose from this investigation. Agency policies currently in effect, including grievance, harassment, leave, and disciplinary action, were reviewed and discussed. Consensus of the Board was to accept the opinions/recommendations presented, including independent supervisory training, allowing for improvement in management/employee relations in the Retirement Section.

**ON MOTION BY MR. RESTER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Report on Management/Employee Relations in the Retirement Section.

## CONSIDERATION OF MERIT INCREASES FOR UNCLASSIFIED EMPLOYEES

Mr. Bujol acknowledged the Board's reluctance in providing merit increases to the unclassified employees. He also noted that retirees would not be able to receive COLA'S this year, even with excess investment earnings, since legislation creating the experience account was effective July 1, 2007 and would not provide for a COLA this year.

Mr. Bujol asked the Board to consider merit increases for the unclassified employees.

**ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board tabled Consideration of Merit Increases for Unclassified Employees until further notice.

## OTHER BUSINESS

There was no other business to discuss under Personnel.

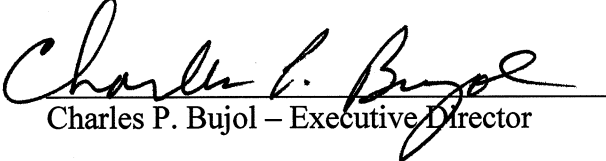
**PUBLIC COMMENT**


There were no public comments.

**OTHER BUSINESS**

There was no other business to discuss.

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

  
Charles P. Bujol – Executive Director

  
Larry Wilmer – Chairman