

Louisiana School Employees' Retirement System
Quarterly Board Meeting
Tuesday, February 5, 2013
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. Jeffrey Faulk, Sr., Chairman of the Board, called the meeting to order at 8:37 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Champagne.

Members Present: Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., Mr. Henry Yearby, *Mr. Joe Salter - designee for Mr. Tom Schedler – Secretary of State, *Ms. Anna Dearmon – designee for Ms. Kristy Nichols – Commissioner of Administration

Members Absent: Mr. John Kennedy – State Treasurer, Senator Elbert L. Guillory - Chairman of the Senate Committee on Retirement, 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. George W. Meyer, III – Chief Investment Officer, Ms. Jennifer Champagne - Administrative Assistant

Other Staff Present: Ms. Larisa Ellard – Internal Auditor, Mr. Christopher Saik – Investment Officer

* Ms. Dearmon arrived at 9:20 a.m.
Mr. Salter arrived at 9:58 a.m.

DIRECTOR'S ANNOUNCEMENTS

There were no announcements.

PUBLIC COMMENT ON ANY ITEM ON AGENDA

Mr. Faulk called for public comment on any item on the agenda. There were no comments.

EDUCATIONAL PRESENTATION ON SECURITIES LENDING (BNY MELLON)

A 45 minute educational presentation, which included a handout titled *Securities Lending Presentation*, was provided by BNY Mellon:

Yvonne Utz - Senior Relationship Manager, First Vice President
Raymond Kronz - Client Service Officer, Vice President
Michael McDermott - Managing Director

* Ms. Dearmon arrived at 9:20 a.m.

APPROVAL OF MINUTES**December 3, 2012 Quarterly Board Meeting**

ON MOTION BY MR. RESTER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the December 3, 2012 Quarterly Board meeting.

December 4, 2012 Quarterly Board Meeting

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the December 4, 2012 Quarterly Board meeting.

January 7, 2013 Investment Committee Meeting

ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the January 7, 2013 Investment Committee meeting.

ADMINISTRATION

Reports (October 1, 2012 – December 31, 2012)

Human Resources Actions

Ms. Forbes presented the report on personnel actions that occurred during the reporting period and then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board accepted 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 and board members. Ms. Forbes then addressed questions from the Board.

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Travel Expenses reports.

Overtime

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

ON MOTION BY MR. YEARBY, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Overtime report.

Other Business

There was no other business to discuss under Administration.

AUDIT

Assumption Parish School Board Audit Report

Ms. Ellard provided a review of the *Assumption Parish School Board* audit report and then addressed questions from the Board and LSERS administrative staff.

Other Business

Ms. Ellard provided a synopsis of a *Benefit Recipient Verification* audit to be conducted in the near future. There was no other business to discuss under Audit.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Audit report.

LEGISLATION

Discuss and Consider Action Regarding Cost-of-Living Adjustment (COLA)

Mr. Bujol reviewed the presentation and handout provided by Mr. Hall on Monday, February 4, 2013 in reference to a *Cost-of-Living Adjustment (COLA)* for LSERS retired members. Discussion was held on making a recommendation to the legislature on granting this adjustment, which involved two groups of retirees:

Group A. 2 ½ % Formula

- All who retired before 7/1/2001
- DROP retirees who entered DROP before 7/1/2001 AND retired on/after 7/1/2001 (only years after DROP were based on 3.33% formula)

Group B. 3.33% Formula

- Retired on/after 7/1/2001 (exclude Group A eligible from this group)

ON MOTION BY MS. MCKEE, SECONDED BY MS. LANDRY, Mr. Rester, Ms. McKee, Ms. Landry, Ms. Crain, Mr. Faulk, and Mr. Yearby **voted affirmatively** to recommend to the legislature granting a cost-of-living adjustment from the entire amount (principal and interest) in the Experience Account to retirees in Group A. Mr. Walther opposed.

Other Business

Mr. Bujol provided a review of advertised legislation bills relative to retirement systems and then addressed questions from the Board.

There was no other business to discuss under legislation.

LEGAL

Litigation

Mr. Bujol provided an update on litigation and then addressed questions from the Board.

* Mr. Salter arrived at 9:58 a.m.

Collections

Mr. Bujol provided a report on collections during the last quarter and then addressed questions from the Board.

Other Business

There was no other business to discuss under Legal.

REPORT/RECOMMENDATIONS OF PERSONNEL COMMITTEE MEETING

Ms. Mckee, Chairman of the Personnel Committee, provided the following report on recommendations from the Personnel Committee, which met on Monday, February 4, 2013:

- Extend Carolyn Forbes' employment beyond July 1, 2013
- Grant 4% Performance Pay Adjustments for LSERS current eligible classified and unclassified staff effective October 1, 2012
- Hire Lauren Bordelon Bailey as LSERS Executive Counsel at a salary of \$80,000

ON MOTION BY MR. WALTHER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the report and approved the recommendations from the Personnel Committee.

OTHER BUSINESS

A report was provided by Board members who attended the 2013 NCPERS Legislative Conference and met with representatives of the Louisiana Congressional delegation in Washington, D.C.

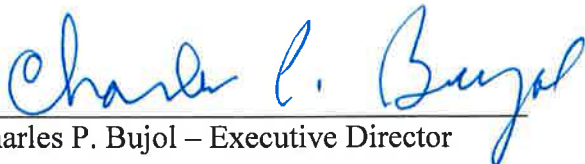
There was no other business to discuss.

PUBLIC COMMENT

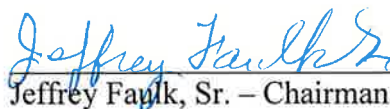
There were no public comments.

ADJOURNMENT

ON MOTION BY MS. LANDRY, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 10:14 a.m.



Charles P. Bujol – Executive Director



Jeffrey Faulk, Sr. – Chairman