

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

**Tuesday, August 24, 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 8:38 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, Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, *Mr. Jeffrey Faulk, Sr., Mr. Randy Davis – designee for Mr. Jay Dardenne – Secretary of State, Ms. Lauren Bailey – observer for Senator D. A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement

Members Absent: Mr. Eugene Rester, Jr., Mr. John Kennedy – State Treasurer, 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. Jennifer Champagne – Administrative Assistant 6 (Recording Secretary)

Also Present: *Mr. Charles Hall – Hall Actuarial Associates

* Mr. Faulk arrived at 8:44 a.m.
Mr. Hall arrived at 9:33 a.m.

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

May 17, 2010 Regular Board Meeting

ON MOTION BY MR. WALTHER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the May 17, 2010 Regular Board meeting.

May 18, 2010 Regular Board Meeting

ON MOTION BY MS. CRAIN, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the May 18, 2010 Regular Board meeting.

June 14, 2010 Investment Committee Meeting

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the June 14, 2010 Investment Committee meeting.

June 14, 2010 Special Board Meeting

ON MOTION BY MS. CRAIN, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the June 14, 2010 Special Board meeting.

July 12, 2010 Investment Committee Meeting

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the July 12, 2010 Investment Committee meeting.

ADMINISTRATION

Consideration of 2011 Board Meeting Schedule

A proposal for the 2011 board meeting schedule was presented for consideration and discussion.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the 2011 board meeting schedule.

Consideration of 2011 Election Schedule

Elections for the Active Member District 1 seat will be held in 2011. A proposal for the 2011 election schedule was presented for consideration and discussion.

Mr. Faulk arrived at 8:44 a.m.

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the 2011 election schedule.

LSERS' 2011-12 Budget Discussion

LSERS' 2011-12 budget will be presented to the Board for consideration and approval at the October 11, 2010 Special Board meeting. Mr. Bujol noted that administration will be very conservative when preparing LSERS' budget, in anticipation of budget cuts throughout the State. Ms. Forbes provided a brief review of Administration's budgetary process, which will now require that department managers submit justification for all requested line items on the budget.

ON MOTION BY MS. MCKEE, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board accepted LSERS' 2011-12 Budget Discussion.

Adoption of Louisiana Compliance Questionnaire for June 30, 2010

Ms. Forbes provided a review of the Louisiana Compliance Questionnaire for June 30, 2010, which is in conjunction with the audit being conducted for the reporting period ending June 30, 2010. Board members were asked to review the questionnaire carefully, as adoption will attest that the Board is in compliance. Ms. Forbes read the following resolution to be entered into the minutes:

Louisiana Compliance Questionnaire

“Whereas, the Louisiana Compliance Questionnaire was presented to the Board of Trustees of the Louisiana School Employees’ Retirement System in an open meeting;

Resolved, the Board of Trustees of the Louisiana School Employees’ Retirement System adopts the Louisiana Compliance Questionnaire as presented;

Adopted by the Board of Trustees of the Louisiana School Employees’ Retirement System at a Regular Meeting held on August 24, 2010.”

ON MOTION BY MR. WALTHER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board accepted and adopted the Louisiana Compliance Questionnaire for June 30, 2010.

Reports (April 1, 2010 – June 30, 2010)

Retirement

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

Human Resources Actions

Ms. Forbes presented the report on human resources actions during the past quarter. It was noted that merit increases will not be granted during FY 2010-11. Ms. Forbes then addressed questions from the Board, which led to a discussion on the economy of the state and how it will affect the 2011-12 budgets statewide.

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. It was noted that LSERS is ending the fiscal year 2009-10 with a travel expenses balance of \$52,648.52, which reflects cancelled travel due to weather and an executive order issued by the Governor. Ms. Forbes then addressed questions from the Board.

Overtime

Ms. Forbes presented the overtime report, which included overtime attributed to the imaging project. She noted that the next quarterly report, which begins July 1, 2010, will reflect no paid overtime related to the imaging project, as this project has been completed. Ms. Forbes then addressed questions from the Board.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted all of the administrative reports presented.

Building Maintenance – Update on Chiller

Mr. Bujol provided an update on the chiller and noted that the earliest possible date for installation of the chiller is early March 2011. This led to a discussion on events leading up to the purchase of a new chiller.

Discussion of Potential Administrative Policy Changes

Ms. Forbes provided a review on two items for discussion of potential administrative policy changes:

Extended sick leave: Apply the same rules for contributions on workers' compensation to contributions on extended sick leave. A review of these rules was provided, which led to a discussion on how this affects members and employers.

Death of DROP participant or retiree if death occurs 30 days after retirement and LSERS does not have an affidavit on file: Apply the same rules as dictated in statutes for Teachers' Retirement System of Louisiana (TRSL). A review of proposed procedures was provided, which led to a discussion on how this affects a surviving spouse and/or ex-spouse, if applicable, and procedures to assure that required documents are on file.

It was noted that these technical changes could be presented for the 2012 legislative session.

Other Business

There was no other business to discuss under Administration.

Mr. Hall arrived at 9:33 a.m.

LEGISLATION

Update on 2010 Legislative Session

Mr. Ponder noted that information on the 2010 Legislative session has been published in the August 2010 newsletter. An update on the legislative session was provided, specifically on bills that affect the system and its members, which led to a discussion on contribution rates. Mr. Hall provided a review of contribution rates and how they are derived.

Update on Social Security Offset

Mr. Ponder reviewed a letter he submitted to members of the Louisiana Congressional Delegation on the financial struggles of LSERS members who have to deal with the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). It was noted that letters are still being received after publishing the article in the newsletter two years ago.

Other Business

There was no other business to discuss under Legislation.

ON MOTION BY MS. CRAIN, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the updates on Legislation.

LEGAL

Litigation

Discussion of EBR Parish School Board vs LSERS No. C539 015 pending in the 19th Judicial District Court

ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT WITH NO OBJECTIONS VOICED, the Board went into Executive Session for discussion of EBR Parish School Board vs LSERS No. C539 015 pending in the 19th Judicial District Court.

The following were in attendance during Executive Session: Mr. Larry Wilmer, Mr. Philip B. Walther, Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., Mr. Randy Davis, Ms. Lauren Bailey, Mr. Charles Hall, Mr. Charles P. Bujol, Ms. Carolyn Forbes, Mr. Warren D. Ponder, Mr. Brendan Brosnan, Mr. Jerry Rhodus, and Ms. Jennifer Champagne.

ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board returned to Regular Session.

Consideration of hiring Roedel Parsons Law Firm to represent LSERS in EBR Parish School Board Suit

ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board approved hiring Roedel Parsons Law Firm to represent LSERS in EBR Parish School Board Suit.

Other Litigation

There was no other litigation to discuss.

Collections

Mr. Ponder reported that LSERS collected \$2,943.44 during the last quarter. It was noted that three cases that were placed on a payment schedule have been paid in full. Mr. Ponder then addressed questions from the Board.

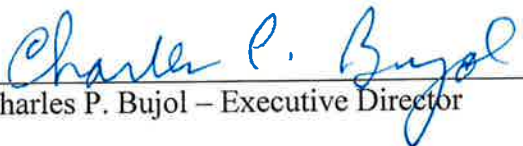
Other Business

There was no other business to discuss under Legal.

OTHER BUSINESS

There was no other business to discuss.

ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 10:00 a.m.



Charles P. Bujol – Executive Director



Larry Wilmer – Chairman