

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

**Monday, February 2, 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, *Ms. Lauren Bailey - observer for Senator D. A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement, Mr. Matt Tessier – observer for Representative Joel C. Robideaux – Chairman of the House Committee on Retirement

Members Absent: Mr. Jay Dardenne – Secretary of State

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. Richard Ranallo – Segal Advisors

* Ms. Bailey arrived at 9:46 a.m.
Mr. Hall arrived at 9:47 a.m.
Mr. Ranallo left at 9:55 a.m.

ANNOUNCEMENTS

There were no announcements.

APPROVAL OF BOARD MINUTES

December 7, 2009 Regular Board Meeting

ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to approve the minutes of the December 7, 2009 Regular Board meeting.

December 8, 2009 Regular Board Meeting

ON MOTION BY MS. CRAIN, SECONDED BY MR. WALTHER, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to approve the minutes of the December 8, 2009 Regular Board meeting.

January 4, 2010 Investment Committee Meeting

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to approve the minutes of the January 4, 2010 Investment Committee meeting.

RETIREMENT REPORTS

Approval of October 1, 2009 – December 31, 2009 Reports (Book I)

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

ON MOTION BY MS. MCKEE, SECONDED BY MR. RESTER, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to accept the Retirement Reports (Book I).

Before continuing with the agenda Mr. Wilmer announced that Mr. Davis would be unable to attend today's meeting due to a critical matter that needed to be handled at the Secretary of State's Office.

ADMINISTRATION

Staff Reports (October 1, 2009 – December 31, 2009)

Human Resource Actions

Ms. Forbes presented the report on human resource actions and then addressed questions from the Board.

Travel Expenses

Year-to-Date

Ms. Forbes presented the year-to-date report, which included the amount budgeted for travel, amount expended, and remaining balance for the year. Ms. Forbes then addressed questions from the Board.

Staff

Ms. Forbes presented the report on travel expenses incurred by staff members and then addressed questions from the Board.

Overtime

Ms. Forbes presented the reports on compensatory time earned and overtime paid, which have been condensed into one report. Ms. Forbes noted that the target date for completion of the imaging project is June 30, 2010. To meet this deadline staff members have been given the opportunity to work on the imaging project, preparing folders for imaging, which will cause an increase in the amount of compensatory time earned during the next quarter. Ms. Forbes then addressed questions from the Board.

ON MOTION BY MS. MCKEE, SECONDED BY MS. CRAIN, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to accept the Staff Reports.

Other Business

There was no other business to discuss under Administration.

EVALUATION OF CONSULTANT

Mr. Brosnan provided a handout on the *Synopsis of Consultant Evaluation*, which was a compilation of evaluation forms received from the Board of Trustees and staff. He noted that the overall ratings have improved considerably from last year, particularly in the areas of communication, availability and categories related to substantive analysis and reporting. Staff was also pleased with the increased analytical data that is now a part of the quarterly performance book and the cooperation and work received on Securities Lending and establishing the distressed debt portion of the portfolio.

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to accept the Evaluation of Consultant.

REPORT AND CONSIDERATION OF RECOMMENDATIONS OF INVESTMENT COMMITTEE MEETING

Mr. Brosnan provided the following recommendations of the Investment Committee during their meeting on Monday, February 1, 2010:

1. Approval of a search for a manager to transition the RiverSource portfolio assets.
2. Recommendation by staff and consultant for approval by the Board of the investment vehicle to be used in the interim while the RFP is being conducted.
3. Authorizing staff to draft an RFP document for presentation to the Investment Committee at its March 8, 2010 meeting.
4. Allowing staff to transition the RiverSource portfolio if proper management is in doubt due to early departure of the RiverSource portfolio team.
5. Approval of Asset Allocation Mix 2.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to approve all five recommendations of the Investment Committee.

ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to change the order of the agenda to allow Item VII to be discussed before Item VI.

LEGAL

Collections

Mr. Ponder reported that LSERS collected \$742.02 for the fourth quarter, October 1, 2009 through December 31, 2009. He noted that legal action has been reduced due to the efforts of staff in the Accounting and Retirement Departments. Mr. Ponder then addressed questions from the Board.

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to accept the Collections Report.

Litigation

There was nothing to report on litigation.

ON MOTION BY MS. LANDRY, SECONDED BY MR. FAULK, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to accept the Litigation Report.

Other Business

There was no other business to discuss under Legal.

LEGISLATION

Discussion of Legislative Agenda

Mr. Ponder provided a review of legislation affecting the system and its members that may be introduced during the 2010 Legislative Session. Discussion was held on each item as it was presented.

Ms. Bailey arrived at 9:46 a.m.

Mr. Hall arrived at 9:47 a.m.

Mr. Ranallo left at 9:55 a.m.

Discussion on legislation continued, which led to a 30 minute educational presentation by Mr. Hall on LSERS' future funding requirements relative to possible legislation.

Mr. Wilmer announced that a Special Board meeting will be held on Monday, March 8, 2010, upon adjournment of the Investment Committee meeting.

Other Business

There was no other business to discuss under Legislation.

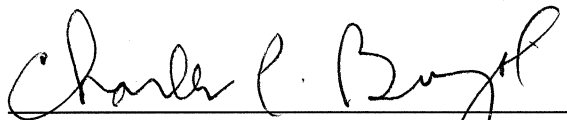
PUBLIC COMMENT

There were no public comments.


OTHER BUSINESS

There was no other business to discuss.

ON MOTION BY MS. LANDRY, SECONDED BY MR. RESTER, Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to adjourn at 10:31 a.m.



Charles P. Bujol – Executive Director



Larry Wilmer – Chairman