

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

**Monday, October 10, 2011
Upon adjournment of Investment Committee Meeting**

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., Vice-Chairman of the Board, called the meeting to order at 11:00 a.m. 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. Ron Henson - designee for Mr. John Kennedy – State Treasurer, Mr. Tim Palmatier - designee for Mr. Tom Schedler – Secretary of State, *Ms. Laura Gail Sullivan - observer for Senator D. A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement

Members Absent: Mr. Larry Wilmer, 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. Jason St. Romain – Auditor 2, *Ms. Donna Racca - Accountant Administrator 2, *Mr. Jack Allen – IT Director 2, Ms. Jennifer Champagne - Administrative Assistant 6 (Recording Secretary)

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

*Ms. Sullivan arrived at 11:20 a.m.
Ms. Racca, Mr. Allen, and Mr. Hazen left at 12:05 p.m.
Ms. Sullivan, Mr. St. Romain, and Mr. Hall left at 12:13 p.m.

DIRECTOR'S ANNOUNCEMENTS

There were no announcements.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER, Mr. Walther, Mr. Rester, Ms. McKee, Ms. Landry, Ms. Crain, Mr. Faulk, Mr. Henson, and Mr. Palmatier **voted affirmatively** to approve the agenda.

PUBLIC COMMENT ON ANY ITEM ON AGENDA

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

ANNUAL REPORTS – FY ENDING JUNE 30, 2011**FINANCIAL – DUPLANTIER, HRAPMANN, HOGAN, & MAHER**

*William G. Stamm, CPA – Senior Audit Partner
Michelle H. Cunningham, C.P.A., Audit Partner*

Mr. Stamm and Ms. Cunningham presented an audit report of the financial statements of the Louisiana School Employees' Retirement System (LSERS). It was noted that LSERS received the highest opinion that could be obtained in an audit. A detailed review of the audit was provided. Mr. Stamm and Ms. Cunningham then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Financial Report.

Ms. Sullivan arrived at 11:20 a.m.

ACTUARIAL VALUATION – CHARLES HALL, HALL ACTUARIAL SERVICES

Charles G. Hall, Hall Actuarial Associates

Mr. Hall provided a detailed report on the actuarial valuation of assets and liabilities, as well as funding requirements, for the Louisiana School Employees' Retirement System as of June 30, 2011. It was recommended that the Board approve the actuarial valuation, which included the recommended contribution rate of 30.8% projected for fiscal year 2012-13. Mr. Hall then addressed questions from the Board.

ON MOTION BY MS. MCKEE, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted and adopted the Actuarial Valuation, which includes the projected employer contribution rate of 30.8% for FY 2012-13.

REPORT/RECOMMENDATIONS OF INVESTMENT COMMITTEE

Mr. Brosnan noted that there were no recommendations from the Investment Committee to be considered.

LSERS PROPOSED 2012-13 BUDGET

Mr. Bujol and Ms. Forbes provided a review of LSERS proposed 2012-13 budget and then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved LSERS 2012-13 Budget.

Ms. Racca, Mr. Allen, and Mr. Hazen left at 12:05 p.m.

LEGISLATIVE UPDATE

Mr. Ponder provided insight on legislation that may be presented during the 2012 Legislative Session and the impact on LSERS and its members. It was noted that the pre-filing deadline for retirement bills is the end of January 2012.

Ms. Sullivan, Mr. St. Romain, and Mr. Hall left at 12:13 p.m.

DISCUSSION OF POTENTIAL LITIGATION REGARDING SHERI HARREL

Ms. Landry made a motion, seconded by Ms. Crain, to discuss this matter in executive session.

Roll Call Vote #1

ON MOTION BY MS. LANDRY, SECONDED BY MS. CRAIN, the Board voted to go into executive session to discuss potential litigation regarding Sheri Harrel. Philip B. Walther – yes; Eugene Rester, Jr. – yes; Judith Ann McKee – yes; Kathy B. Landry – yes; Betty Crain - yes; Jeffrey Faulk, Sr. – yes; Ron Henson – yes; Tim Palmatier – yes. **YES - 8, NO - 0, ABSTAIN - 0, MOTION CARRIED.**

All board members and unclassified staff in attendance went into executive session.

The board reconvened in regular session.

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board gave administrative staff the authority to seek advice and an opinion on the matter discussed in Executive session.

OTHER BUSINESS

Mr. Bujol submitted a request to add discussion of HCR 135 to the agenda. A brief review of HCR 135 was provided, along with a summary of meetings involving the four state retirement systems. Consensus of the four directors was to hire someone outside of the four retirement systems to assist in providing a response to the legislature. A recommendation was made to hire Mr. Robert Klausner of Klausner & Kaufman, P.A. It was noted that the four state retirement systems would provide assistance to Mr. Klausner and that the bill for his services would be pro-rated based on asset totals of each system.

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

ON MOTION BY MR. WALTHER, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board gave Mr. Bujol the authority to hire Mr. Robert Klausner of Klausner & Kaufman, P.A.

There was no other business to discuss.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

ON MOTION BY MS. LANDRY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:34 p.m.



Charles P. Bujol – Executive Director



Jeffrey Faulk, Sr. – Vice-Chairman