

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

Tuesday, May 22, 2012

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 8:33 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., and Ms. Linda Mathiew

Members Absent: Mr. John Kennedy - State Treasurer, Mr. Tom Schedler - Secretary of State, Senator Elbert L. Guillory - Chairman of the Senate Committee on Retirement, and 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. George Meyer - Investment Officer 2, Mr. Jason St. Romain - Auditor 2, and Ms. Jennifer Champagne - Administrative Assistant 6

Others Present: Mr. Brett Hazen - Segal Rogerscasey and Ms. Anna Dearmon - Division of Administration

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- LSERS Operating Budget for FY 2012-13 was approved by the *Joint Legislative Committee on the Budget* on May 10, 2012.
- Mr. St. Romain, LSERS Internal Auditor, will be transferring to the Inspector General's Office.
- LSERS will be replacing its current telephone system with an advanced system that will enhance services at an annual savings of \$7,600.
- Request to add *Discussion of DROP Notification Letter* to agenda will be presented under Other Business.
- Mr. Brosnan has agreed to extend his retirement date through July 31, 2012.

PUBLIC COMMENT ON ANY ITEM ON AGENDA

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

APPROVAL OF MINUTES**February 13, 2012 Quarterly Board Meeting**

ON MOTION BY MS. LANDRY, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the February 13, 2012 Quarterly Board meeting.

February 14, 2012 Quarterly Board Meeting

ON MOTION BY MR. WALTHER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the February 14, 2012 Quarterly Board meeting.

March 12, 2012 Investment Committee Meeting

ON MOTION BY MS. CRAIN, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the March 12, 2012 Investment Committee meeting.

March 12, 2012 Special Board Meeting

ON MOTION BY MR. WALTHER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the March 12, 2012 Special Board meeting.

April 16, 2012 Investment Committee Meeting

ON MOTION BY MS. MATHIEW, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the April 16, 2012 Investment Committee meeting.

April 16, 2012 Personnel Committee Meeting

ON MOTION BY MS. CRAIN, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the April 16, 2012 Personnel Committee meeting.

April 16, 2012 Special Board Meeting

ON MOTION BY MS. LANDRY, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the April 16, 2012 Special Board meeting.

ADMINISTRATION**Reports (January 1, 2012 – March 31, 2012)****Retirement**

Mr. Ponder provided a review of the memo on page 33 relative to *Records of Retired Members to the Board of Trustees* and recommended discontinuing publication of records of retired members in the board booklet.

ON MOTION BY MS. MCKEE, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the Board approved discontinuing publication of records of retired members in the board booklet.

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. WALTHER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved 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. MCKEE, SECONDED BY MS. MATHIEU AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Travel Expenses report.

Overtime

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

ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Overtime report.

Other Business

There was no other business to discuss under Administration.

AUDIT

Mr. St. Romain provided reports on the following audits and then addressed questions from the Board and LSERS administrative staff:

- Fleet Audit Report
- Parish School Board Privatization Audits
 - o St. Helena
 - o Point Coupee
 - o St. James
- Investment Managers' Questionnaires Report

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

LEGISLATION

2012 Legislative Session

Mr. Bujol and Mr. Ponder provided a review of the legislative session, which led to a discussion of amendments to HB 1030. It was recommended that the Board withdraw its opposition and offer its support to HB 1030.

ON MOTION BY MS. MCKEE, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board withdrew its opposition and offered support to HB 1030.

Other Business

There was no other business to discuss under Legislation.

ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the report on Legislation.

LEGAL

Litigation

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

Collections

Mr. Ponder 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.

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

OTHER BUSINESS

A request was made to add *Discussion of Deferred Retirement Option Plan (DROP) Eligibility Notification to Members* to the agenda under Other Business.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the Board added *Discussion of Deferred Retirement Option Plan (DROP) Eligibility Notification to Members* to the agenda under Other Business.

Ms. Forbes provided a review of a handout on *Deferred Retirement Option Plan (DROP) Eligibility Notification to Members*. Consensus of the Board was to continue notification of eligibility to members.

A request was made to add *Discussion of Summit Capital* to the agenda under Other Business.

ON MOTION BY MR. WALTHER, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the Board added *Discussion of Summit Capital* to the agenda under Other Business.

Mr. Hazen provided a review of proposed credit opportunities fund presented by Summit Partners Credit Fund, L.P. during the April 2012 meeting. He recommended that the Board grant the Chief Investment Officer authority to make a \$15 million commitment upon completion of the staff's due diligence analysis because the final closing date would be before the next scheduled meeting.

Mr. Rester made a motion to authorize the Chief Investment Officer to make a commitment of \$15 million based on the deadline for funding commitment.

It was noted that further research was needed and Mr. Rester withdrew his motion.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the Board authorized the Chief Investment Officer to research the fund and move forward with the \$15 million investment prior to the final closing date if in the best interest of the system.

There was no other business to discuss.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 9:59 a.m.


Charles P. Bujol – Executive Director


Jeffrey Faulk, Sr. – Chairman