

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

**Monday, July 16, 2012
Upon adjournment of Personnel 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. Chairman of the Board, called the meeting to order at 9:54 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., Ms. Linda Mathiew, Mr. Ron Henson - Designee for Mr. John Kennedy – State Treasurer, Mr. Joe Salter - Designee for Mr. Tom Schedler – Secretary of State, and Dr. Steven Procopio - Designee for Mr. Paul W. Rainwater – Commissioner of Administration

Members Absent: 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 Ponder - Executive Counsel, Mr. Brendan Brosnan - Chief Investment Officer, Mr. George Meyer - Investment Officer 2, Ms. Donna Racca - Accountant Administrator 2, Mr. Jack Allen - IT Director 2, Ms. Heidi Rowland - Retirement Benefits Assistant Administrator, and Ms. Jennifer Champagne - Administrative Assistant 6

Also Present: Mr. Brett Hazen – Segal Rogerscasey

* Mr. Rester arrived at 9:57 a.m.

APPROVAL OF AGENDA

A request was made to add *Discussion of Three Pending Lawsuits: 1) East Baton Rouge Parish School Board vs LSERS, et al, 2) Point Coupee Parish School Board vs LSERS, et al, and 3) Evangeline Parish School Board vs LSERS, et al, in executive session* to the agenda under Other Business.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE, Mr. Walther, Ms. McKee, Ms. Landry, Ms. Crain, Mr. Faulk, Ms. Mathiew, Mr. Henson, Mr. Salter, and Dr. Procopio **voted affirmatively** to add *Discussion of Three Pending Lawsuits: 1) East Baton Rouge Parish School Board vs LSERS, et al, 2) Point Coupee Parish School Board vs LSERS, et al, and 3) Evangeline Parish School Board vs LSERS, et al, in executive session* to the agenda under Other Business.

ON MOTION BY MS. MATHIEW, SECONDED BY MS. MCKEE, Mr. Walther, Ms. McKee, Ms. Landry, Ms. Crain, Mr. Faulk, Ms. Mathiew, Mr. Henson, Mr. Salter, and Dr. Procopio **voted affirmatively** to approve the agenda as amended.

PUBLIC COMMENT ON ANY ITEM ON THE AGENDA

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

Mr. Rester arrived at 9:57 a.m.

DISCUSSION AND CONSIDERATION OF ACTION REGARDING GOVERNOR JINDAL'S EXECUTIVE ORDER BJ 2012-5: PLAN DETERMINATION LETTER AND PRIVATE LETTER RULING

Mr. Bujol provided a review of the executive order and discussions with the attorney who assists LSERS Board and administrative staff on tax issues. Mr. Ponder and Dr. Procopio also provided information relative to the executive order.

Mr. Bujol made the following recommendations:

- Board apply for tax determination letter with full cooperation with Division of Administration
- Governor's Office and Division of Administration apply for private letter ruling regarding Social Security
- Governor's Office and Division of Administration provide updates on application to LSERS Board of Trustees and administration.

ON MOTION BY MS. MCKEE, SECONDED BY MS. MATHIEW AND CARRIED, the Board approved recommendations as submitted by LSERS Executive Director.

REPORT/RECOMMENDATIONS ON COMMITTEES**INVESTMENT**

Report/recommendations were not presented, as the Investment Committee was in recess.

PERSONNEL

Ms. McKee reported that the Personnel Committee recommended hiring George Meyer as interim Chief Investment Officer at an annual salary of \$78,000 effective August 1, 2012.

ON MOTION BY MR. RESTER, SECONDED BY MS. MATHIEW AND CARRIED, the Board approved the recommendations of the Personnel Committee.

UPDATE ON IBM iSERIES INTERNAL APPLICATION CONVERSION

Mr. Allen provided a PowerPoint presentation on the *IBM iSeries Internal Application Conversion*. Ms. Forbes and Mr. Allen then addressed questions from the Board.

OTHER BUSINESS**DISCUSSION OF THREE PENDING LAWSUITS IN EXECUTIVE SESSION**

- **East Baton Rouge Parish School Board vs LSERS, et al**
- **Point Coupee Parish School Board vs LSERS, et al**
- **Evangeline Parish School Board vs LSERS, et al**

ON MOTION BY MR. RESTER, SECONDED BY MS. MCKEE, the Board voted to go into executive session to discuss three pending lawsuits: 1) East Baton Rouge Parish School Board vs LSERS, et al, 2) Point Coupee Parish School Board vs LSERS, et al, and 3) Evangeline Parish School Board vs LSERS, et al. Philip B. Walther – yes; Eugene Rester, Jr. – yes; Judith Ann McKee – yes; Kathy B. Landry – yes; Betty Crain – yes; Jeffrey Faulk, Sr. – yes; Linda Mathiew – yes; Ron Henson – abstain; Joe Salter – yes; Steven Procopio, Ph.D. – yes. **YES – 9; NO – 0; ABSTAIN – 1. MOTION PASSED.**

Mr. Henson, designee for Mr. John Kennedy, went on record stating that upon advice of counsel for the Department of Treasury and because he represented Mr. Kennedy and the Department of Treasury, he recused himself from participating in executive session and from any discussion or action taken on these cases.

In attendance during Executive Session: All board members and designees listed in roll call vote, Mr. Bujol, Ms. Forbes, Mr. Ponder, Mr. Brosnan, and Mr. Meyer. Mr. Ponder stated, for the record, that Mr. Henson stepped out of the meeting and did not participate in the executive session.

ON MOTION BY MS. MCKEE, SECONDED BY MS. MATHIEW AND CARRIED, the board returned to regular session.

A handout on *LSERS Proposed Board of Trustees Meeting Schedule for Calendar Year 2013* was distributed for review before it is presented for consideration during the August 2012 quarterly board meeting.

There was no other business to discuss.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

ON MOTION BY MS. CRAIN, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 10:57 a.m.


Charles P. Bujol – Executive Director


Jeffrey Faulk, Sr. – Chairman