

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

**Monday, July 13, 2009  
Held 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. Larry Wilmer, Chairman of the Board, called the meeting to order at 12:30 p.m. Roll was called by Ms. Champagne.

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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., Ms. Lori Pierce - designee for Mr. John Kennedy – State Treasurer, Mr. Randy Davis - designee for Mr. Jay Dardenne – Secretary of State, and \*Ms. Lauren Bailey - observer for Senator D.A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement

Members Absent: Representative Joel C. Robideaux – Chairman of the House Committee on Retirement

Staff Present: Mr. Charles P. Bujol - Executive Director, Ms. Debra H. Dudley - Assistant Director, Mr. Warren D. Ponder - Executive Counsel, Mr. Brendan Brosnan - Chief Investment Officer, Mr. Jerry Rhodus, Investment Officer 1, Ms. Kay Cummings - Retirement Benefits Assistant Administrator (in attendance for Item I of the agenda), Ms. Jennifer Champagne - Administrative Assistant 6

Also Present: Mr. Brett Hazen - Segal Advisors

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\*Ms. Lauren Bailey arrived at 12:32 p.m.

## **APPROVAL OF AGENDA**

The agenda was presented to the Board for approval.

**ON MOTION BY MR. FAULK, 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, Ms. Lori Pierce, Mr. Randy Davis, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to approve the agenda.

## **DISCUSSION OF DROP APPLICATION ON MEMBER CHARLIE E. JONES**

Mr. Ponder provided a brief review of a letter received from the Superintendent of Schools of the Avoyelles Parish School Board regarding the DROP application on member Charlie E. Jones. A detailed review of the chronological events involving Mr. Jones' application was provided by Ms. Kay Cummings, supervisor of the Retirement Department. Ms. Cummings, Mr. Ponder, and Mr. Bujol then addressed questions from the board, which led to a review of the system's policies and procedures, the Louisiana statutes governing DROP applications, and options available to Mr. Jones.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the formation of a committee to meet with Mr. Jones and review his options.

## **REPORT ON JOINT LEGISLATIVE COMMITTEE ON THE BUDGET**

Mr. Bujol noted that the Joint Legislative Committee on the Budget has approved LSERS' 2009-2010 budget.

## **2009 LEGISLATIVE SESSION**

Mr. Ponder provided a brief review of the 2009 Legislative Session. This was in conjunction with the review provided during the Investment Committee meeting and included bills that may affect LSERS' Board of Trustees and the system.

Mr. Wilmer called a recess at 1:00 p.m. to allow for continuance of the Investment Committee meeting.

Mr. Wilmer called the Special Board meeting back into session at 2:07 p.m.

## **UPDATE ON RENEWAL OF TENANT LEASE CONTRACT**

Mr. Bujol provided an update on the renewal of the tenant lease contract that was negotiated with the Commissioner of Financial Institutions, which included a detailed review of the terms of the lease.

**ON MOTION BY MS. LANDRY, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the renewal of the tenant lease contract with the Office of Financial Institutions.

Administrative staff will meet with the Commissioner of Financial Institutions to finalize the tenant lease contract.

## **INVITATION ONLY SEARCH FOR AN ADDITIONAL FIXED INCOME MANAGER APPROVED BY INVESTMENT COMMITTEE ON JUNE 8, 2009**

Mr. Brosnan noted that the Consultant and Staff had presented reasons why an “invitation only” search for a fixed income manager was prudent and necessary, given the circumstances surrounding the resignation of Evergreen/Tattersall. It was recommended that the new manager have a global fixed income mandate. The “invitation only” global fixed income search was approved by the Investment Committee on June 8, 2009, requiring ratification by the Board.

**ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the “invitation only” search for a global fixed income manager as recommended by the Investment Committee.

## **POSSIBLE RATIFICATION OF FINALIST IN FIXED INCOME MANAGER SEARCH**

Mr. Wilmer read the following recommendations from the July 13, 2009 Investment Committee meeting for ratification:

### **RECOMMENDATION #1**

**ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the committee recommended that Mondrian Investment Partners, Ltd. be hired as the new Global Fixed Income Manager.

**ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board ratified the Investment Committee’s recommendation to hire Mondrian Investment Partners as the new Global Fixed Income Manager.

RECOMMENDATION #2

**ON MOTION BY MS. MCKEE, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the committee agreed to allow staff and Segal Advisors to negotiate a fee with Mondrian Investment Partners, Ltd.

**ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board ratified the Investment Committee's recommendation to allow staff and Segal Advisors to negotiate fees with Mondrian Investment Partners, Ltd.

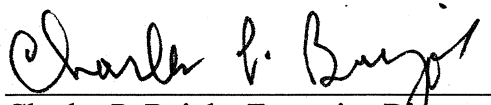
**PUBLIC COMMENT**

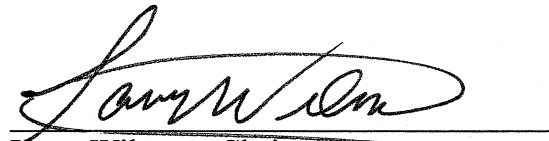
There were no public comments.

**OTHER BUSINESS**

There was no other business to discuss.

**ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board adjourned at 2:16 p.m.

  
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Charles P. Bujol – Executive Director

  
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Larry Wilmer – Chairman