

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

**Monday, March 9, 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 12:34 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., and Ms. Lori Pierce - designee for Mr. John Kennedy – State Treasurer

Members Absent: Mr. Jay Dardenne – Secretary of State, Senator D.A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement, Representative Joel C. Robideaux – Chairman of the House Committee on Retirement

Staff Present: Mr. Charles P. Bujol - Executive Director, Debra H. Dudley - Assistant Director, Mr. Warren D. Ponder - Executive Counsel, Mr. Brendan Brosnan - Chief Investment Officer, Ms. Jennifer Champagne - Administrative Assistant 6

Also Present: Mr. Brett Hazen – Segal Advisors

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## **APPROVAL OF AGENDA**

A revised agenda dated March 6, 2009 was presented to the Board for approval.

**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, Ms. Lori Pierce, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to approve the agenda.

## **CONSIDERATION OF REVISIONS TO 2009-2010 BUDGET APPROVED ON OCTOBER 13, 2008**

A proposed revised 2009-2010 budget dated March 3, 2009 was distributed to Board members. This revised budget replaced the one that was originally mailed to Board members.

Mr. Bujol provided a brief summary of the proposed revised budget. It was noted that this budget reflects an overall reduction of \$1,229,990, which is a 13.7% decrease in the 2009-2010 budget that was approved by the Board on October 13, 2008.

Ms. Dudley noted that the only change in the budget being presented at today's meeting and the revised budget that was originally sent to Board members was located on page 3, which reflects a \$2,400 decrease in out-of-state travel by the Investments Department for conferences and conventions. A detailed, line-by-line review of the revised budget followed. Mr. Bujol and Ms. Dudley then addressed questions from the Board.

Mr. Faulk requested that staff provide a breakdown of travel and the remaining balance allocated to travel in future quarterly reports.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the revised 2009-2010 budget.

## **LEGAL**

### **LPAA AUTHORITY/REDUCTION OF NUMBER OF AUTOMOBILES**

Mr. Ponder provided a brief synopsis of a letter that was received from the Division of Administration (DOA), through Louisiana Property Assistance Agency (LPAA), regarding the transfer and surrender for surplus of one of LSERS' vehicles due to underutilization of its two vehicles. A letter was submitted to the DOA, asking for an exemption, but the request was denied.

Mr. Ponder then read the actual language of the Louisiana constitution, which states:

(5)(a) All assets, proceeds, or income of the state and statewide public retirement Systems, and all contributions and payments made to the system to provide for retirement and related benefits shall be held, invested as authorized by law, or disbursed as in trust for the exclusive purpose of providing such benefits, refunds, and administrative expenses under the management of the boards of trustees and shall not be encumbered for or diverted to any other purpose.

### **CONSIDERATION OF ASKING FOR ATTORNEY GENERAL OPINION**

Discussion was held on this matter. It was noted that the vehicles are part of the assets of the agency, purchased with agency funds, and intended for administrative purposes involving the system. The question arose as to whether the Division of Administration has the authority to tell the Board how to handle its assets in reference to these vehicles. It was suggested that the Board obtain an attorney general's opinion regarding this matter.

**ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board authorized obtaining an Attorney General's opinion.

### **RENEWAL OF CONTRACTS**

Mr. Ponder provided a brief review of rules governing executive sessions.

The following contracts were presented to the Board for review:

#### **LEASE AGREEMENT PROPOSAL WITH TENANT OFI**

Handouts on the lease agreement proposal with tenant Office of Financial Institution (OFI) were distributed. Mr. Bujol noted that meetings have been held with the administrator of OFI regarding the proposed lease rates, which are not scheduled to go into effect until November 1, 2010. A detailed review of the proposed lease agreement was provided.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board authorized Administrative staff to continue negotiations with OFI and report back to the Board.

#### **HALL ACTUARIAL ASSOCIATES AND SEGAL ADVISORS, INC.**

Mr. Bujol noted that the contracts with Hall Actuarial Associates and Segal Advisors, Inc. are scheduled for renewal. It was recommended that the Board extend their contracts at the existing rates for a period of two years.

**ON MOTION BY MS. CRAIN, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board extended the contracts for Hall Actuarial Associates and Segal Advisors, Inc., for a period of two years at the current rate.

**REPORT/RECOMMENDATIONS OF INVESTMENT COMMITTEE**

Mr. Brosnan noted that the staff reports were presented and accepted by the Investment Committee earlier that morning.

**ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board ratified the staff reports presented and accepted by the Investment Committee.

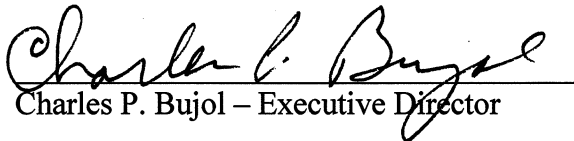
**OTHER BUSINESS**

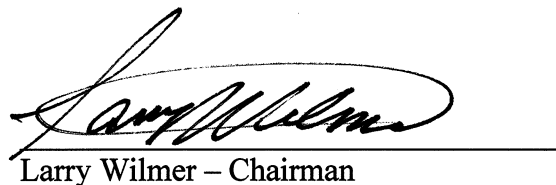
Mr. Bujol provided a brief review of a “Notice of Intention to Introduce Retirement Bill – HLS 09RS-540” that was advertised in the Advocate on Friday, March 6, 2009. It was noted that merging of the retirement systems would affect LSERS and its members. A meeting has been scheduled with other retirement systems later that afternoon. The importance of communicating this information to their constituents was stressed.

Mr. Ponder reviewed two other public notices that announced the intention to introduce Retirement Bills HLS 09RS-230 and HLS 09RS-546. A brief review of each notice followed.

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 1:21 p.m.

  
Charles P. Bujol – Executive Director

  
Larry Wilmer – Chairman