

Teachers' Retirement System of Louisiana  
Board of Trustees  
Upon Adjournment of Executive Committee – Tuesday  
February 8, 2011

- MEMBERS PRESENT:** Anne H. Baker, Dr. Sheryl Abshire, Dr. William C. "Bill" Baker, Eula Beckwith, Holly B. Gildig, Kathy Hattaway, Joyce Haynes, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., Dr. Dominic Salinas, and Gavin L. Vitter
- MEMBERS ABSENT:** Senator D.A. "Butch" Gautreaux, Superintendent Paul Pastorek, Jim Napper (Treasurer's Designee), and Representative J. Kevin Pearson
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Philip Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Lisa Honore, Melinda Parker, Katherine Whitney, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates

Each member of the Board received the following:

1. *February 2011 Board Book and TRSL Board Book Addendum, Supplemental Articles*
2. *Investment Committee Meeting–February 7, 2011, Performance Report–December 31, 2010*
3. Investment Committee Presentation Booklets from Hewitt EnnisKnupp, Mondrian Investment Partners, Dimensional Fund Advisors, MFS Institutional Advisors, and LSV Asset Management
4. *Funding Review Panel Proposals, January 31, 2011*
5. *TRSL UAL Payments, Monthly Payments vs. July 1 Payment*, SJ Actuarial Associates
6. Draft legislation relative to TRSL and continued payment of the unfunded accrued liability portion of employer contributions after participation ceases
7. Article titled "Retirement costs a growing burden for schools" that appeared January 21, 2011 in the Daily Iberian (New Iberia, LA)

8. Article titled "A hidden cost of state government" that appeared January 21, 2011 in the Morning Paper (Ruston, LA)
9. Article titled "Recruiting Campaign by LRTA Causes Confusion Among Teachers" that was posted January 31, 2011 by the Jefferson Parish Public School System
10. Article titled "Proposed GASB Rules Show Why Only Market Valuation Fully Captures Public Pension Liabilities" that appeared in the Financial Analysts Journal, Volume 67, Number 2, March/April 2011
11. *TRSL's Boardroom Beacon, "Asset Allocation & Diversification", February 2011*

Mrs. Baker called the meeting to order at 11:35 a.m. Superintendent Kilbert led the Pledge of Allegiance, the secretary called the roll, and a quorum was established.

### **Approval of the Minutes of the Meeting of the TRSL Board of Trustees Held January 11, 2011 (Including Minutes of Committee Meetings Held January 10 and 11, 2011)**

Mrs. Baker asked that the Executive Committee minutes be revised to include the following language in the Update on Priestley Charter School Delinquent Contributions, prior to the Committee convening into Executive Session:

*Superintendent Kilbert recused himself from the discussion, due to his position as Superintendent of the Orleans Parish School Board, and was not present during the executive session.*

ON MOTION OF MRS. BECKWITH, SECONDED BY DR. ABSHIRE, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held January 11, 2011, (including minutes of committee meetings held January 10 and 11, 2011, and the proposed revision to the Executive Committee meeting held January 11, 2011).

### **Investment Committee Report**

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. VITTER, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein.

### **Legislative Committee Report**

ON MOTION OF DR. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to accept the report of the Legislative Committee and to approve the recommendations contained therein.

*Dr. Abshire in the Chair.*

**Executive Committee Report**

MRS. BAKER MADE A MOTION to accept the report of the Executive Committee and to approve the recommendations contained therein. DR. SALINAS SECONDED THE MOTION. Superintendent Kilbert requested to abstain from the vote. The Secretary called the roll.

	Yea	Nay	Other
Mrs. Baker	Y		
Dr. Abshire	Y		
Dr. Baker	Y		
Mrs. Beckwith	Y		
Sen. Gautreaux			<i>absent</i>
Mrs. Gildig	Y		
Ms. Hattaway	Y		
Mrs. Haynes	Y		
Supt. Kilbert			abstain
Mr. Lawyer	Y		
Mr. Napper			<i>absent</i>
Supt. Pastorek			<i>absent</i>
Rep. Pearson			<i>absent</i>
Mr. Potts	Y		
Dr. Salinas	Y		
Mr. Vitter	Y		
<b>Total</b>	<b>11</b>	<b>0</b>	<b>1</b>

THE MOTION to accept the report of the Executive Committee and to approve the recommendations contained therein CARRIED by a vote of 11 yeas, 0 nays, and 1 abstention.

*Mrs. Baker in the Chair.*

**Director's Update**

- Elevator repairs are complete
- Publication of Information Concerning Boards, Commissions, And Like Entities on website in accordance with RS 49:1301-1302
- Public Record Requests Received from BGR and Pitchbook
- TRSL (and all state agencies) was closed February 3 & 4, 2011 due to inclement weather conditions

- LRTA Video
- LRTA Executive Committee Meeting. – rescheduled for February 18, 2011 – AMBA
- Boardroom Beacon – Asset Allocation

**Adjournment**

ON MOTION OF MRS. BECKWITH, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to adjourn at 11:55 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
8:30 a.m. – Monday  
February 7, 2011**

- MEMBERS PRESENT:** Dr. Sheryl Abshire, Dr. Dominic Salinas, Dr. William C. "Bill" Baker, Superintendent Darryl C. Kilbert, Kathy Hattaway, Eula Beckwith, Jim Napper (Treasurer's Designee), and Anne H. Baker
- MEMBERS ABSENT:** Senator D.A. "Butch" Gautreaux and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Holly B. Gildig, Joyce Haynes, Robert Lawyer, Joe A. Potts, Jr., and Gavin L. Vitter
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Philip Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Desiree Marshall, Genett Washington, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; Scott Coopridner and Russ Ivinjack, Hewitt EnnisKnupp; Ormala Krishnan and Todd Rittenhouse, Mondrian Investment Partners; James Charles and Allen Pu, Dimensional Fund Advisors; Camille Lee and Kimberly Hyland, MFS Institutional Advisors; and James Owens and Scott Kemper, LSV Asset Management

Dr. Sheryl Abshire called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established.

Mrs. Baker, on a point of personal privilege, noted that Dr. Abshire was sworn-in on January 22, 2011 as trustee representing District 7 on the TRSL Board of Trustees for the term January 2011 -December 2014 in Lake Charles, Louisiana.

**Discussion of Asset Allocation**

Scott Coopridner and Russ Ivinjack of Hewitt EnnisKnupp appeared before the Committee to give a presentation on Asset Allocation. The presentation qualified for 2 hours of Investment Education.

## Public Market Update and Review of TRSL Investments

Mr. Griffith and Dana Brown presented an overview of TRSL's total plan and public market investments. Staff reviewed performance of TRSL investments through December 31, 2010.

Mr. Griffith notified the Committee that Aletheia Research and Management, Inc. (domestic large cap growth manager) would be placed on a watch list due to personnel turnover.

## Portfolio Reviews:

Mr. Brown, Mr. Coopriider and Mr. Ivinjack, gave an overview of the firms managing International Small-Cap and International Large-Cap portfolios.

### International Small-Cap

Ormala Krishnan and Todd Rittenhouse of Mondrian Investment Partners  
James Charles and Allen Pu of Dimensional Fund Advisors

Mr. Coopriider and Mr. Ivinjack reviewed performance of TRSL investments through December 31, 2010.

### International Large-Cap Value

Camille Lee and Kimberly Hyland of MFS Institutional Advisors  
James Owens and Scott Kemper of LSV Asset Management

## Introduction to Private Equity

Mr. Coopriider and Mr. Ivinjack gave a presentation on Private Equity. The presentation qualified for 1.25 hours of Investment Education.

**Adjournment**- ON MOTION OF MRS. BECKWITH, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 3:35 pm.

**Teachers' Retirement System of Louisiana  
Legislative Committee  
9:00 a.m. – Tuesday  
February 8, 2011**

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Robert Lawyer, Joyce Haynes, Gavin L. Vitter, Dr. Sheryl Abshire, Kathy Hattaway, Jim Napper (Treasurer's Designee), and Anne H. Baker
- MEMBERS ABSENT:** Sen. D.A. "Butch" Gautreaux, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Eula Beckwith, Holly B. Gildig, Superintendent Darryl C. Kilbert, Joe A. Potts, Jr., and Dr. Dominic Salinas
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phillip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Lisa Honore, Melinda Parker, Katherine Whitney, Pamela Young, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; Susan Dunham, Louisiana Department of Education; Alison Ocmand, Louisiana Federation of Teachers; Matt Tessier, Louisiana House of Representatives; Patrick Goldsmith and Paul Richmond, Louisiana Legislative Auditor's Office; Graig Luscombe, Louisiana Retired Teachers' Association; and Lauren Bailey and Laura Gail Sullivan, Louisiana Senate

Dr. Baker called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established.

**Update on Interim Legislative and Executive Committee meetings**

Ms. Westgard presented an update on the following meetings:

- BESE Finance Committee – January 19, 2011

ON MOTION OF MRS. HAYNES, SECONDED BY MR. LAWYER, AND CARRIED, the Committee authorized the Director to request a mid-year projection for the FY 12-13 contribution rate, using 12/31/10 data.

- Funding Review Panel – January 21, 2011 and scheduled for February 24 & 25, 2011
- LSU Retirement – January 20 and 24, 2011
- PRSAC – February 22, 2011

**Discussion of Request by Legislative Staff Regarding the PBI (Permanent Benefit Increase) Study and Estimated Costs Associated with a 2% and 3% PBI**

Ms. Westgard presented an update on the request by legislative staff regarding the PBI study and estimated costs associated with a 2% and 3% PBI.

MRS. BAKER MADE A MOTION to further develop the proposed working concept for funding future PBIs as presented by Mr. Hall. MR. VITTER SECONDED the Motion, and Mr. Napper OBJECTED to the motion.

The secretary called the roll.

	Yea	Nay	Other
Dr. Abshire	Y		
Sen. Gautreaux			absent
Ms. Hattaway	Y		
Mrs. Haynes	Y		
Mr. Lawyer	Y		
Mr. Napper		N	
Rep. Pearson			absent
Mr. Vitter	Y		
Mrs. Baker	Y		
Dr. Baker	Y		
	<b>7</b>	<b>1</b>	

The MOTION to further develop the proposed working concept for funding future PBIs as presented by Mr. Hall, CARRIED by a vote of 7 yeas and 1 nay.



## **Discussion of Potential and Prefiled Legislation for the 2011 Regular Legislative Session**

Ms. Westgard noted that no legislation had been prefiled for the 2011 Regular Legislative Session at this time.

Mr. Mongrue presented a draft of legislation relative to TRSL and providing for continued payment of the unfunded accrued liability portion of employer contributions after participation ceases.

MRS. BAKER MOVED to approve the legislation as presented to be submitted for filing at the 2011 Regular Legislative Session, and MR. LAWYER SECONDED the motion.

MR. NAPPER MADE A SUBSTITUTE MOTION to delay action on the proposed legislation until the March meeting of the Legislative Committee, and DR. ABSHIRE SECONDED the motion. There was no objection and the SUBSTITUTE MOTION to delay action on the proposed legislation until the March meeting of the Legislative Committee CARRIED.

Ms. Westgard and Shelley Johnson presented information regarding TRSL UAL payments – Monthly vs. July 1 direct payment.

## **Adjournment**

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. VITTER, AND CARRIED, the Committee voted to adjourn at 10:40 a.m.

Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Legislative Committee – Tuesday  
February 8, 2011

**MEMBERS PRESENT:** Anne. H. Baker, Dr. Sheryl Abshire, Dr. William C. "Bill" Baker, Eula Beckwith, Joyce Haynes, Dr. Dominic Salinas and Kathy Hattaway

**OTHER MEMBERS PRESENT:** Holly B. Gildig, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., and Gavin L. Vitter

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phillip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Lisa Honore, Melinda Parker, Katherine Whitney, Pamela Young, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; Susan Dunham, Louisiana Department of Education; Matt Tessier, Louisiana House of Representatives; Patrick Goldsmith and Paul Richmond, Louisiana Legislative Auditor's Office; and Lauren Bailey and Laura Gail Sullivan, Louisiana Senate

Mrs. Baker called the meeting to order at 10:55 a.m. The secretary called the roll and a quorum was established.

**Presentation on Legislative Asset-Liability Modeling Analysis for LASERS and TRSL**

Mr. Paul Richmond, Louisiana Legislative Auditor's Office, made a presentation on Legislative Asset-Liability Modeling Analysis for LASERS and TRSL.

ON MOTION OF MRS. BECKWITH, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to receive the report on Legislative Asset-Liability Modeling Analysis for LASERS and TRSL.

### Overview of Ethics Reporting

This item was deferred until the March meeting of the Executive Committee.

### Update on Request for Private Letter Ruling on Charter School Membership in TRSL

Ms. Westgard and Mr. Mongrue presented an update on the request to the IRS for a private letter ruling on charter school membership in TRSL. The IRS has declined to take action at this time due to a pending project addressing how to arrive at a consistent level of standards for reviewing governmental plan status. The filing fee paid by TRSL was refunded since there was not a ruling.

ON MOTION OF DR. SALINAS, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the report on the Request for Private Letter Ruling on Charter School Membership in TRSL.

### Update on Priestley School Delinquent Contributions

Superintendent Kilbert recused himself from the discussion due to his position as Superintendent of the Orleans Parish School Board, and was not present during the executive session.

Mrs. Baker asked for a motion to convene into executive session to discuss potential litigation regarding Priestley School Delinquent Contributions, and that Ms. Westgard, Mr. Cagle, and Mr. Mongrue remain in the room.

DR. BAKER MADE A MOTION to convene into executive session to discuss potential litigation regarding Priestley School Delinquent Contributions, and that Ms. Westgard, Mr. Cagle, and Mr. Mongrue remain in the room. MRS. BECKWITH SECONDED THE MOTION. A roll-call vote was taken.

Dr. Abshire	Y
Dr. Baker	Y
Mrs. Beckwith	Y
Ms. Hattaway	Y
Mrs. Haynes	Y
Dr. Salinas	Y
Mrs. Baker	Y

The vote was unanimous and the Committee convened into Executive Session.

MRS. HAYNES MOVED to reconvene into regular session. A roll-call vote was taken.

Dr. Abshire	Y
Dr. Baker	Y
Mrs. Beckwith	Y
Ms. Hattaway	Y
Mrs. Haynes	Y
Dr. Salinas	Y
Mrs. Baker	Y

The vote was unanimous and the Committee reconvened into Regular Session.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the committee voted to certify the delinquency of contributions of Priestley Charter School (Priestley School of Architecture and Construction, Inc.) in the amount of \$106,104.27, plus interest accrued until paid, which is based on contributions reporting, and to authorize the Director to proceed with all steps legally available to collect all delinquent contributions of Priestley Charter School, as necessary, including those provided in Title 11 of the Louisiana Revised Statutes.

### Adjournment

ON MOTION OF MRS. BECKWITH, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 11:25 a.m.