

**Teachers' Retirement System of Louisiana  
Board of Trustees  
Upon Adjournment of Legislative Committee – Friday  
February 7, 2014**

**MEMBERS PRESENT:** Robert Lawyer, Joe A. Potts, Jr., Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, and Superintendent John White

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Lisa Honore`, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants

Each member of the Board received the following:

1. February 2014 Board Book
2. *Investment Committee Meeting February 6, 2014, Performance Report – December 31, 2013*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C.; LS Power Equity Advisors, LLC; and Hewitt EnnisKnupp
4. *2014 Regular Legislative Session Legislation Affecting TRSL as of February 4, 2014*
5. Information packets for TRSL Legislative Committee meeting of February 7, 2014, relative to actuarial costs associated with legislation affecting TRSL - Shelley Johnson, Foster & Foster Actuaries and Consultants
6. *TRSL's Boardroom Beacon, Welcome to Roadmap to Retirement, February 2014*
7. TRSL Press Release of February 3, 2014 – *TRSL earns 17.9% investment return in 2013*

Mr. Lawyer called the meeting to order at 12:10 p.m. Dr. Baker 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 10, 2014  
(Including Minutes of Committee Meetings Held January 9 and 10, 2014)**

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to approve the Minutes of the Meeting of the TRSL Board of Trustees held January 10, 2014 (including Minutes of Committee Meetings held January 9 and 10, 2014).

**Investment Committee Report**

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

*Mr. Potts in the Chair.*

**Executive Committee Report**

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

*Mr. Lawyer in the Chair.*

**Legislative Committee Report**

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

Superintendent Luce asked that the legislative team work with and convey to Representative Pearson that the Board opposes House Bill 44 due to the provision in the bill declaring that the state is not constitutionally required to provide payments for post-1988 UAL; but supports the other provisions of the bill.

**Director's Update**

Ms. Westgard notified the Board that the Office of Computer Services will perform maintenance on state computer systems on February, 22, 2014; and on March 1 or 2, TRSL will be conducting building repairs. TRSL's internet, email, and on-line services will be affected due to the power-down times.

**Adjournment**

ON MOTION OF MR. POTTS, SECONDED BY MR. HENNIGAN, AND CARRIED, the Board voted to adjourn at 2:25 P.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
12:00 p.m. – Thursday  
February 6, 2014**

- MEMBERS PRESENT:** Joe A. Potts, Jr., Kathy Hattaway, Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), Holly B. Gildig, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Robert Lawyer, and Joyce P. Haynes
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Dr. Jerry J. Baudin, Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett, Hamilton Lane Advisors, LLC; Scott Coopridier and Russ Ivinjack, Hewitt EnnisKnupp; Darpan Kapadia and Edward Sondey of LS Power Equity Advisors, LLC

**Roll Call**

Mr. Potts called the meeting to order at 12:06 p.m. The secretary called the roll and a quorum was established. Mr. Potts appointed Mrs. Haynes to serve on the Committee as an alternate for Dr. Abshire.

**Private Market Update and Review of Potential Private Market Investments**

Paul Yett of Hamilton Lane Advisors, L.L.C., presented a private market update.

**LS Power Equity Partners III, L.P.**

Mr. Yett reviewed a potential alternative investment in LS Power Equity Partners III, L.P.

Darpan Kapadia and Edward Sondey of LS Power Equity Advisors, LLC appeared before the Committee to make a presentation on LS Power Equity Partners III, L.P.

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAKER, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated February 6, 2014, pertaining to investments in LS Power Equity Partners III, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Lindsay Goldberg IV, L.P.

Mr. Yett reviewed a potential alternative investment in Lindsay Goldberg IV, L.P.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated February 6, 2014, pertaining to investments in Lindsay Goldberg IV, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

**Private Market Annual and Advisory Committee Reports**

Mr. Yett presented private market annual reports on Kohlberg & Company, Platinum Equity Capital Partners, and Starwood Capital Group.

ON MOTION OF MR. HENNIGAN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual reports as presented.

**Presentation and Review of Solicitation for Proposals (SFP) for International Large Cap Value Manager**

Phil Griffith presented the SFP for International Large Cap Value Manager.

ON MOTION OF MRS. GILDIG, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the SFP for International Large Cap Value Manager (for subsequent approval at the March Investment Committee Meeting).

**Review of Deferred Retirement Option Plan (DROP) Liquid Asset Account Option**

Ms. Westgard gave a brief overview of the history of the DROP program and interest credit.

Scott Coopridger and Russ Ivinjack of Hewitt EnnisKnupp presented an evaluation of the DROP liquid asset account options.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to retain the Dreyfus Fund as a money market investment.

### **Capital Market Update and Review of TRSL Investments**

#### **Monthly Investment Review**

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopriider and Mr. Ivinjack presented Hewitt EnnisKnupp's February 6, 2014 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through December 31, 2013.

Mr. Coopriider, Mr. Ivinjack, and Dana Brown presented the annual review of the following managers: International Equity Developed - Baillie Gifford Overseas Limited (ACWI) and LSV Asset Management (ACWI); and International Large Capitalization - MFS Institutional Advisors, Inc. (Value) and Artisan Partners Limited Partnership (Growth)

#### **Adjournment**

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to adjourn at 2:43 p.m.

Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Investment Committee – Thursday  
February 6, 2014

**MEMBERS PRESENT:** Robert Lawyer, Joe A. Potts, Jr., Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, and Kathy Hattaway

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire

**OTHER MEMBERS PRESENT:** Joyce P. Haynes, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse

**Roll Call**

Mr. Lawyer called the meeting to order at 2:58 p.m. The secretary called the roll and a quorum was established.

**Discussion of September Board Meeting and LAPERS Dates**

Subsequent to adoption of TRSL's September 2014 meeting dates, the 2014 LAPERS conference was scheduled for September 7th-9th. TRSL's September Board meetings had been scheduled for Thursday and Friday, September 4th and 5th. Due to the close proximity of the dates, Ms. Westgard presented several options for review to revise the September Board meeting dates.

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to reschedule the September 2014 Board meetings from September 4th and 5th to the morning of September 7th.

**Adjournment**

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 3:13 p.m.

**Teachers' Retirement System of Louisiana**  
**Legislative Committee**  
**8:30 a.m. – Friday**  
**February 7, 2014**

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Jim Napper (Treasurer's Designee), Joe A. Potts, Jr., Holly B. Gildig, Robert Lawyer, Joyce P. Haynes, and David A. Hennigan
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kathy Hattaway, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Lisa Honore, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Graig Luscombe, Louisiana Retired Teachers' Association; Laura Gail Sullivan and Margaret Corley, Louisiana Senate

**Roll Call**

Dr. Baker called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Mrs. Haynes and Mr. Hennigan to serve on the Committee as alternates for Dr. Abshire and Mr. Sam (Mr. Sam arrived at 8:40 a.m.).

Ms. Westgard noted that the Board previously supported the Board Sponsored bill – compliance with applicable federal tax law (SB 20 by Senator Guillory).

## Discussion of 2014 Permanent Benefit Increase (PBI)

Ms. Westgard reviewed the Resolution and Legislation relative to the 2014 PBI.

### Resolution

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the Resolution as presented.

### Legislation - PBIs/COLAs/Supplemental Benefits

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to support **SB 21** by Senator Guillory (Board Sponsored).

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to support **HB 31** by Representative Jones.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to support **HB 4** by Representative P. Williams.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to take no position on **SB 17** by Senator Long.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to remain neutral on **HB 88** by Representative Barrow.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to remain neutral on **HB 90** by Representative Barrow.

## Discussion and Review of Legislation for the 2014 Regular Session

Ms. Westgard reviewed the bills affecting TRSL that have been filed for the 2014 Legislative Session. The Committee took action on the bills as follows:

### Unfunded Accrued Liability

ON MOTION OF DR. BAUDIN, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to oppose **HB 43** by Representative Pearson.

ON MOTION OF MRS. HAYNES, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to oppose **HB 86** by Representative Ivey.

ON MOTION OF MR. NAPPER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to **support SB 3** by Senator Guillory.

ON MOTION OF MR. POTTS, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to **remain neutral** on **SB 22** by Senator Guillory.

### **Investments**

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **oppose HB 80** by Representative Miller.

### **Actuarial Valuation Method**

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **support SB 13** by Senator Peacock.

### **Funding/Employer Contributions**

Mr. Napper moved and Mr. Potts seconded a motion to support SB 26 by Senator Guillory. Mrs. Haynes made a substitute motion to remain neutral on SB 26 and Dr. Baudin seconded the substitute motion. Mr. Napper objected to the substitute motion and the secretary called the roll. Dr. Baudin, Mrs. Gildig, Mrs. Haynes, Mr. Hennigan, and Mr. Lawyer voted yea; Mr. Napper and Mr. Potts voted nay. The SUBSTITUTE MOTION to **remain neutral** on **SB 26** PASSED by a vote of 5 yeas and 2 nays.

Mr. Napper recused himself from discussion on HB 37, HB 44, HB 89, and HB 38.

Mrs. Haynes moved to oppose HB 37. There was no second to the motion. ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **remain neutral** on **HB 37** by Representative Pearson.

Mr. Potts moved and Mr. Lawyer seconded a motion to oppose HB 44. Mr. Hennigan objected to the motion and the secretary called the roll. Dr. Baudin, Mrs. Gildig, Mrs. Haynes, Mr. Potts, and Mr. Lawyer voted yea; Mr. Hennigan voted nay. The motion to **oppose HB 44** PASSED by a vote of 5 yeas and 1 nay.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to **remain neutral** on **HB 89** by Representative Miller.

Mr. Lawyer moved and Dr. Baudin seconded a motion to support HB 38 by Representative Pearson. Mr. Potts made a substitute motion to remain neutral on HB 38, and Mrs. Haynes seconded the motion. There was no objection and the motion **to remain neutral on HB 38** by Representative Pearson CARRIED.

### **Membership**

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to **remain neutral on HB 25** by Representative Talbot.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to **remain neutral on HB 45** by Representative Seabaugh.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **remain neutral on HB 81** by Representative N. Landry.

### **Return to Work**

ON MOTION OF MR. LAWYER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to **remain neutral on SB 29** by Senator Walsworth.

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **remain neutral on HB 29** by Representative Cox.

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **remain neutral on HB 21** by Representative Hensgens.

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **remain neutral on HB 82** by Representative Jones.

### **Deferred Retirement Option Program (DROP)**

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to **take no position on HB 28** by Representative Brossett.

### **Optional Retirement Plan (ORP)**

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to **take no position on SB 5** by Senator Guillory.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **remain neutral** on SB 23 by Senator Guillory.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to **remain neutral** on HB 6 by Representative Pearson.

### **Disability**

ON MOTION OF MR. POTTS, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to **take no position** on HB 63 by Representative Leger.

### **Adjournment**

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 12:00 p.m.