

Teachers' Retirement System of Louisiana  
Board of Trustees  
Upon Adjournment of Executive Committee – Friday  
February 7, 2012

**MEMBERS PRESENT:** Anne H. Baker, Dr. William C. "Bill" Baker, Holly B. Gildig, David A. Hennigan, Superintendent Darryl C. Kilbert, Robert Lawyer, Jim Napper (Treasurer's Designee), John G. Parauka, Joe A. Potts, Jr., and Carlos J. Sam

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Kathy Hattaway, Joyce P. Haynes, Senator Elbert Guillory, Representative J. Kevin Pearson, and State Superintendent John White

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Lisa Honore, Jeff LaCour, Steve Marangos, Melinda Parker, Matt Tessier, Katherine Whitney, Laurie Wright, Charlene Wilson, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates

Each member of the Board received the following:

1. *February 2012 Board Book*
2. *Investment Committee Meeting February 6, 2012, Performance Report–December 30, 2011*
3. Investment Committee Presentation Booklets from Hewitt EnnisKnupp; Baillie Gifford, Artisan Partners Limited Partnership, MFS Institutional Advisors, and LSV Asset Management
4. Letter of September 16, 2011 and December 1, 2011 to Mr. James Owens, LSV Asset Management from Jeff LaCour, relative to a contract compliance audit of LSV
5. *2012 Regular Legislative Session Legislation Affecting TRSL as of February 6, 2012*
6. *2012 Regular Legislative Session Retirement Public Notices as of February 6, 2012*
7. Letter of February 1, 2012 to the TRSL Board of Trustees from Shelley Johnson, SJ Actuarial Associates, relative to a recommendation for an actuarially assumed rate of return for TRSL
8. *February 2012 TRSL's Boardroom Beacon, Social Security Reductions*
9. 2012 Board Reference Manual
10. Article titled "Legislators file raft of bills dealing with state retirement system" that appeared January 28, 2012 in The Times Picayune ([www.nola.com](http://www.nola.com), New Orleans, LA)

11. Article titled "Retirement Reform is Risky Business" that appeared January 28, 2012 on The Hayride website ([www.thehayride.com](http://www.thehayride.com))
12. Article titled "Jindal pushes retirement revamp for state workers" that appeared January 26, 2012 on KATC website ([www.katc.com](http://www.katc.com), Lafayette, LA)
13. Article titled "Governor Jindal Unveils Re-Vamped State Retirement Systems" that appeared January 25, 2012 on the Sulfur Daily News website ([www.sulfurdailynews.com](http://www.sulfurdailynews.com), Sulfur, LA)
14. Article titled "Louisiana state pension proposal features 'cash-balance' plan, later retirement" that appeared January 25, 2012 on The Times Picayune website ([www.nola.com](http://www.nola.com), New Orleans, LA)
15. Article titled "Gov. Jindal reveals Pension Reform Plan" that appeared January 26, 2012 on the WAFB website ([www.wafb.com](http://www.wafb.com), Baton Rouge, LA)
16. Article titled "Metairie lawmaker's bill yanks some retirement pay for felons" that appeared January 25, 2012 in The Times Picayune ([www.nola.com](http://www.nola.com), New Orleans, LA)
17. Article titled "Jindal unveils pension overhaul proposal" that appeared January 25, 2012 in the Business Report ([www.businessreport.com](http://www.businessreport.com), Baton Rouge, LA)
18. Article titled "Make retirement system changes" that appeared January 30, 2012 in the Daily World and The Advertiser ([www.dailyworld.com](http://www.dailyworld.com), Opelousas, LA, and [www.theadvertiser.com](http://www.theadvertiser.com), Lafayette, LA)
19. Article titled "Cortez files tweaks to teacher retirement that appeared January 31, 2012 in the Independent Weekly ([www.theind.com](http://www.theind.com), Lafayette, LA)
20. Article titled "Jindal's retirement agenda mirrors that of ALEC, but blindsided state employees should have seen it coming" that appeared January 31, 2012 on the Louisiana Voice website ([www.louisianavoice.com](http://www.louisianavoice.com))
21. Article titled "Jindal: La. at crossroads" that appeared February 1, 2012 in The Advocate ([www.theadvocate.com](http://www.theadvocate.com), Baton Rouge, LA)
22. Article titled "Our views: State pensions a big problem" that appeared February 1, 2012 in The Advocate ([www.theadvocate.com](http://www.theadvocate.com), Baton Rouge, LA)
23. Article titled "State must change rules for retirement" that appeared January 31, 2012 in the The Advertiser ([www.theadvertiser.com](http://www.theadvertiser.com), Lafayette, LA)

Mrs. Baker called the meeting to order at 11:50 a.m. Superintendent Darryl 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 6, 2012 (Including Minutes of Committee Meetings held January 5 & 6, 2012)**

ON MOTION OF MRS. GILDIG, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Board voted to approve the minutes of the meeting of the TRSL Board of Trustees held January 6, 2012 (including minutes of committee meetings held January 5 & 6, 2012).

### **Investment Committee Report**

ON MOTION OF MR. LAWYER, SECONDED BY MR. POTTS, 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 MR. PARAUKA, AND CARRIED, the Board voted to accept the report of the Legislative Committee and to approve the motion contained therein.

### **Executive Committee Report**

ON MOTION OF MRS. BAKER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Board voted to accept the report of the Executive Committee.

### **Director's Update**

Ms. Westgard updated the Board on the following items:

- Call for Candidates postcards for Elections to the TRSL Board of Trustees will be mailed February 24, 2012
- February Boardroom Beacon – *Social Security Reductions*
- 2012 Board of Trustees Reference Manual
- Mr. Hennigan, Mr. Parauka, and Mr. Sam have completed education hours necessary to vote

### **Adjournment**

ON MOTION OF MR. SAM, SECONDED BY MR. HENNIGAN, AND CARRIED, the Board voted to adjourn at 12:00 p.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
9:00 a.m. – Monday  
February 6, 2012**

**MEMBERS PRESENT:** Robert Lawyer, Superintendent Darryl C. Kilbert, Dr. William C. "Bill" Baker, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), Anne H. Baker, Holly B. Gildig and Carlos J. Sam

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Kathy Hattaway, Senator Elbert Guillory, and Representative J. Kevin Pearson

**OTHER MEMBERS PRESENT:** Joyce P. Haynes, David A. Hennigan, and John G. Parauka

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

**OTHERS PRESENT:** Scott Coopridier and Russ Ivinjack, Hewitt EnnisKnupp; David Salter and Catharine Flood, Baillie Gifford; Sean Howley, Artisan Partners Limited Partnership; Camille Humphries Lee and Kimberly Hyland, MFS Institutional Advisors; James Owens and Scott Kemper, LSV Asset Management; Shelley Johnson, SJ Actuarial Associates; Anna Dearmon, Louisiana Division of Administration; and Mary Patricia Ray, Louisiana Federation of Teachers

**Roll Call**

Mr. Lawyer called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established. Mr. Lawyer appointed Mrs. Gildig and Mr. Sam to serve on the Committee as alternates for Dr. Abshire and Ms. Hattaway.

**Private Market Investment Advisory Committee Reports**

Maurice Coleman presented private market advisory committee reports on Levine Leichtman Capital Partners and Providence Equity Partners.

ON MOTION OF MR. NAPPER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to receive the reports on Levine Leichtman Capital Partners and Providence Equity Partners.

### **Overview of Asset Allocation Process**

Scott Coopridner and Russ Ivinjack, Hewitt EnnisKnupp presented an overview of the asset allocation process.

ON MOTION OF DR. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the asset allocation process overview, which counted as one hour of investment education.

### **Presentation and Review of Solicitation for Proposal (SFP) for Hedge Fund Consultant**

Philip Griffith presented the SFP for Hedge Fund Consultant.

ON MOTION OF MR. POTTS, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the SFP for a Hedge Fund Consultant (for subsequent approval at the March 2012 Investment Committee meeting).

### **Presentation and Approval of Solicitation for Proposal (SFP) for Emerging Market Debt Managers**

Mr. Griffith presented the SFP for Emerging Market Debt Managers, which was received at the January 2012 Investment Committee meeting for approval this month.

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the SFP for Emerging Market Debt Managers.

### **Investment Policy Statement (IPS)**

#### a. Approval of Investment Philosophy Section

Katherine Whitney presented the IPS Investment Philosophy Section which was received at the January 2012 Investment Committee meeting for approval this month.

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the Investment Philosophy Section of the IPS.

b. Presentation and Review of Roles and Responsibilities Section

Ms. Whitney presented the Roles and Responsibilities Section of the IPS.

ON MOTION OF MRS. GILDIG, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to receive the Rules and Responsibilities Section of the IPS (for subsequent approval at the March 2012 Investment Committee meeting).

**Public Market Update and Review of TRSL Investments**

Mr. Griffith presented an overview of TRSL's total plan and public market investments. Mr. Ivinjack presented Hewitt EnnisKnupp's February 6, 2012 portfolio summary report. Mr. Griffith and Mr. Ivinjack reviewed performance of TRSL investments through December 31, 2011.

**Portfolio Review**

Mr. Coopriider, Mr. Ivinjack, and Mr. Brown gave an overview of the International Large Cap Growth firms - Baillie Gifford and Artisan Partners Limited Partnership; and International Large Cap Value firms -MFS Institutional Advisors and LSV Asset Management.

Jeff LaCour briefly reviewed the process for contract compliance audits of investment managers. A contract compliance audit of LSV was completed in December for the period 7/1/2010 - 6/30/2011. No issues requiring action by LSV were identified during the review.

The following representatives presented their firm's annual portfolio review.

**International Large Cap Growth**

- a. Baillie Gifford - David Salter and Catharine Flood
- b. Artisan Partners Limited Partnership - Sean Howley

**International Large-Cap Value**

- c. MFS Institutional Advisors - Camille Humphries Lee and Kimberly Hyland
- d. LSV Asset Management - James Owens and Scott Kemper

**Adjournment**

ON MOTION OF MRS. GILDIG, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 3:15 p.m.

Teachers' Retirement System of Louisiana  
Legislative Committee  
8:30 a.m. – Tuesday  
February 7, 2012

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), Carlos J. Sam, Anne H. Baker, David A. Hennigan and John G. Parauka
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Holly Gildig and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Lisa Honore, Jeff LaCour, Steve Marangos, Melinda Parker, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; Joe Salter, Louisiana Department of Education; Anna Dearmon, Louisiana Division of Administration; Stephanie Little, Louisiana House Retirement Committee; Laura Gail Sullivan, Louisiana Senate Retirement Committee; Whit Kling, State Bond Commission; Cindy Rougeau, Louisiana State Employees' Retirement System (LASERS); Shane Riddle, Louisiana Association of Educators; Graig Luscombe, Louisiana Retired Teachers' Association; and Mary Patricia Ray, Louisiana Federation of Teachers

**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 Mr. Hennigan and Mr. Parauka to serve on the Committee as alternates for Dr. Abshire and Mr. Sam.

## Pension Obligation Bond Overview

Mr. Whit Kling, Director, Louisiana State Bond Commission, presented an overview of Pension Obligation Bonds. This qualified as one hour of actuarial education for trustees.

## Update and Review of Potential Legislation/Issues for the 2012 Regular Legislative Session

### a. Update on Interim Legislative and Executive Committee Meetings

Maureen Westgard updated the Committee on the following meetings: Governor's Office – January 26, 2012, Funding Review Panel – January 30, 2012; State Principals' Association - February 16, 2012, and future meetings in Lincoln Parish – Ruston and Grambling.

### b. Update on Public Notices and Bills

Ms. Westgard presented an update on public notices and prefiled bills. 91 retirement bills have been filed; 42 bills impact TRSL.

TRSL may need to sponsor legislation regarding a USERRA provision. Staff and TRSL's tax attorney are researching the issue.

Ms. Westgard reviewed the bills impacting TRSL.

### c. Discussion of System Actuary's Recommended Assumed Rate of Return

Shelley Johnson, SJ Actuarial Associates presented her response to the Director's request for a recommendation regarding the actuarial assumed rate of return for TRSL.

ON MOTION OF MR. LAWYER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to receive the report.

## Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 11:15 a.m.

**Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Legislative Committee – Tuesday  
February 7, 2012**

- MEMBERS PRESENT:** Anne H. Baker, Dr. William C. "Bill" Baker, Robert Lawyer, and Superintendent Darryl C. Kilbert
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Joyce P. Haynes, and Kathy Hattaway
- OTHER MEMBERS PRESENT:** Holly B. Gildig, David A. Hennigan, Jim Napper (Treasurer's Designee), John G. Parauka, Joe A. Potts, Jr., and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Lisa Honore, Jeff LaCour, Steve Marangos, Melinda Parker, Paula Rhodes, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; Anna Dearmon, Louisiana Division of Administration; and Mary Patricia Ray, Louisiana Federation of Teachers

**Roll Call**

Mrs. Anne Baker called the meeting to order at 11:24 a.m. The secretary called the roll and a quorum was established.

**A Brief Introduction to TRSL's Enhanced Employer Application System**

Steve Marangos, Dana Vicknair, and Paula Rhodes presented an overview of TRSL's Enhanced Employer Application System. Mrs. Baker and Ms. Westgard commended staff on their work on the new system.

**Update on Charter School Participation in TRSL**

Roy Mongrue presented an update on charter school participation in TRSL. Responses from the IRS and Attorney General are still pending.

**Update on Potential Litigation Regarding:**

- a. Priestley School of Architecture and Construction, Inc.
- b. Firstline Schools, Inc. – John Dibert Community School
- c. Algiers Charter School Association

Mr. Mongrue presented an update on potential litigation regarding Priestley School of Architecture and Construction, Inc.; Firstline Schools, Inc. – John Dibert Community School; and Algiers Charter School Association. Staff is continuing to work with the Orleans Parish School Board on a potential resolution to the Priestley matter; the prospective Firstline litigation is still under review by the Attorney General's Office; and TRSL is still awaiting the contract amendment for Algiers, opting their schools back into TRSL (DOE General Counsel has informed TRSL General Counsel that the amendment language has been agreed to by Algiers and BESE, but that the document has not been executed).

**2. Adjournment**

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 11:43 a.m.