

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
May 3, 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, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Doris Dumas, Randall Harrison, Lisa Honore, Heather Landry, Jennifer Roche, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; and Susan Dunham, Louisiana Department of Education

Each member of the Board received the following:

1. *May 2011 Board Book*
2. *Investment Committee Meeting–May 2, 2011, Performance Report–March 31, 2011*
3. Investment Committee Presentation Booklets from Hamilton Lane and Hewitt EnnisKnupp
4. Article titled "Session to include 'Dead Peasant' Bill, other controversial issues" that appeared April 22, 2011 in the Town Talk (www.thetowntalk.com, Alexandria, LA)
5. Article titled "Another Rocky Session Begins" that appeared April 24, 2011 on the American Press website (www.americanpress.com, Lake Charles, LA)
6. Article titled "Workload to focus on finances for state" that appeared April 27, 2011 in the Tri-Parish Times (www.triparishtimes.com, Houma, LA)
7. Article titled "Follow new rules on double-dipping" that appeared April 22, 2011 in The Advertiser (www.theadvertiser.com, Lafayette, LA)
8. Article titled "State law may allow hiring of retirees; Policies to benefit part-time teachers" that appeared April 27, 2011 in The Daily Reveille (www.lsureveille.com, Baton Rouge, LA)

9. Article titled "Milton: School cuts on horizon" that appeared April 20, 2011 in The Advocate (www.theadvocate.com, Baton Rouge, LA)
10. Article titled "Analysis: Pension funds try to get rates right" that appeared April 21, 2011 on Reuters website (www.reuters.com, New York, NY)
11. Article titled "NCPERS Survey finds Public Pension Funds Experiencing Robust Recovery, Solid Funding Levels Following Market Downturn" that appeared April 25, 2011 on the Business Wire website (www.businesswire.com)
12. *2011 Regular Legislative Session Legislation as of May 2, 2011*
13. Letter dated April 27, 2011 from Shelley R. Johnson, SJ Actuarial Associates to Maureen H. Westgard, relative to SB 12 of 2011 – Tier 2 Plan
14. *TRSL – June 30, 2011 Appropriations Scenarios; Projected Impact on Future Employer Contribution (\$ and %)* prepared by SJ Actuarial Associates
15. *TRSL Comparison of 5 Year FAC to 3 Year FAC* - prepared by SJ Actuarial Associates
16. Letter dated April 29, 2011 from Terry A.M. Mumford, Ice Miller to Maureen H. Westgard and Roy Mongrue, Jr., relative to Critical Qualification Requirements for Pending Legislation
17. *TRSL 2011 Fiscal Year Goals; Major Projects by Balanced Scorecard Area*
18. *TRSL Statistics FY 2010 – FY 2011*(as of 03/31/11)

Mrs. Baker called the meeting to order at 10:40 a.m. Mr. Potts 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 April 5, 2011 (Including Minutes of Committee Meetings Held April 4 & 5, 2011)

ON MOTION OF MRS. BECKWITH, SECONDED BY MR. LAWYER, AND CARRIED, the Board voted to approve the Minutes of the Meeting of the TRSL Board of Trustees held April 5, 2011(including minutes of committee meetings held April 4 and 5, 2011).

Investment Committee Report

ON MOTION OF DR. ABSHIRE, SECONDED BY SUPERINTENDENT KILBERT, 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

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

Mrs. Baker in the Chair.

Board Chair Update

Mrs. Baker reminded Trustees that the Director's annual evaluation would be discussed at the June Personnel Committee meeting and asked Trustees to complete the evaluation form and return it to her by Friday, May 20th.

Director's Update

Ms. Westgard updated the Board on the following items:

- Candidates who qualified for the 2011 TRSL Trustee elections:
 - District 2
John G. Parauka: Social Studies Teacher/Benjamin Franklin High School
Toya M. Washington-Kendrick: Assistant Principal/Recovery School District
 - District 3
Hennessy T. Melancon: Assistant Principal/Lafourche Parish School Board
Carlos J. Sam: Director, Innovative & Specialized Programs/EBR Parish School Board
 - District 4
Clara B. Devereaux: 5th Grade Teacher & Admin. Asst./Webster Parish School Board
David A. Hennigan: Budget Coordinator/Caddo Parish School Board
Dr. Judy Lavender Nicholas: Librarian/Caddo Parish School Board
Gregory O'Quinn: Assistant Principal/Caddo Parish School Board
Emma Shepard, Ed. S.: Literacy Coach/Caddo Parish School Board
 - Superintendents (SPECIAL ELECTION)
Darryl C. Kilbert: Orleans Parish School Board

As the only candidate qualifying for the special election for the City and Parish Superintendents Trustee position, Superintendent Kilbert will be sworn-in in June.

- Securities Litigation –TRSL has received payment from settlement with Bristol-Myers Squibb

Adjournment

ON MOTION OF MRS. BECKWITH, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 11:00 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
9:30 a.m. – Monday
May 2, 2011**

MEMBERS PRESENT: Dr. Sheryl Abshire, Dr. Dominic Salinas, Dr. William C. "Bill" Baker, Superintendent Darryl Kilbert, Kathy Hattaway, Eula Beckwith, and Anne H. Baker

MEMBERS ABSENT: Senator D.A. "Butch" Gautreaux, Jim Napper (Treasurer's Designee), and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Holly Gildig, Joyce Haynes, Robert Lawyer, Joe A. Potts, Jr., and Gavin L. Vitter

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; Scott Coopridner, Russ Ivinjack and Jamie McCallister, Hewitt EnnisKnupp; and Shelley Johnson, SJ Actuarial Associates;

Roll Call

Dr. Sheryl Abshire called the meeting to order at 9:30 a.m. The secretary called the roll and a quorum was established.

Private Market Update and Review of Potential Private Market Investment

Paul Yett of Hamilton Lane Advisors, L.L.C., presented a private market update, and reviewed potential alternative investment in Carlyle Realty Partners VI, L.P.

ON MOTION OF DR. SALINAS, SECONDED BY MRS. BECKWITH, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated May 2, 2011, pertaining to investments in Carlyle Realty Partners VI, L.P. (up to \$75 million).

Presentation and Approval of Solicitation for Proposal (SFP) for Large Cap Growth Manager

Mr. Griffith presented the SFP for Large Cap Growth Managers.

ON MOTION OF MRS. BECKWITH, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to approve the SFP for Large Cap Growth Manager.

Appointment of Subcommittee to Review Responses to the SFP for Global Fixed Income Manager

Dr. Abshire appointed the following members to serve on the Subcommittee to Review Responses to the Solicitation for Proposal for Global Fixed Income Manager: Dr. Salinas as Chair, Dr. Baker, Ms. Hattaway, Mr. Napper, and Dr. Abshire.

Presentation and Discussion of Asset Allocation Models for TRSL

Scott Coopridier, Russ Ivinjack, and Jamie McAllister of Hewitt EnnisKnupp appeared before the Committee to give a presentation on potential asset allocation models for TRSL. The presentation qualified for 1.5 hours of Investment Education.

Public Market Update and Review of TRSL Investments

Mr. Griffith presented an overview of TRSL's total plan and public market investments. Scott Coopridier, Russ Ivinjack and Jamie McAllister of Hewitt EnnisKnupp appeared before the Committee to present their May 2, 2011 Meeting Packet. Staff and consultant reviewed performance of TRSL investments through March 31, 2011.

Quarterly Review of Optional Retirement Plan (ORP) Providers

Jamie McAllister, Russ Ivinjack, and Scott Coopridier, of Hewitt EnnisKnupp appeared before the Committee to give a quarterly performance review on TRSL ORP providers: ING, TIAA-CREF and VALIC.

ON MOTION OF DR. SALINAS, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, consistent with the consultant's recommendation, the Committee voted to decline ING's request to add five new funds to the investment option line-up.

Mr. Cagle briefed the Committee on the ORP administrative fee which covers the cost of administration and maintenance of the ORP.

ON MOTION OF DR. BAKER, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to reduce the fee to cover the cost of administration and maintenance of the ORP from 0.1% to 0.05%.

Adjournment

ON MOTION OF MRS. BECKWITH, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 1:30 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Tuesday
May 3, 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: Senator 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, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Doris Dumas, Lisa Honore, Melinda Parker, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; Shane Riddle and Dr. Michael Walker-Jones, Louisiana Association of Educators; Susan Dunham, Louisiana Department of Education; Graig Luscombe, Louisiana Retired Teachers' Association; and Laura Gail Sullivan, Louisiana Senate

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

Update on Legislative and Executive Committee Meetings

Ms. Westgard updated the Committee on the following:

- Executive Order No. BJ 2011-6 *Executive Branch – Personal Services Expenditure Freeze*
- Senate Retirement Committee Meeting – April 26 and May 2, 2011 - Proposed Privatization of the Office of Group Benefits
- LRTA Spring Meeting – Ms. Westgard made a presentation to the Association, including an update on 2011 legislation

- Public Affairs Research Council (PAR) Annual Luncheon – April 29, 2011 – Ms. Westgard and Katherine Whitney attended; PAR will do a report on short and long-term changes in state retirement systems in 2012
- House Retirement Committee meeting - scheduled for Thursday, May 5, 2011
- The employer contribution rate using March 31st returns is estimated at this time to be 23.9% for 2012

Update and Review of 2011 Regular Legislative Session

- **Legislation Affecting TRSL**

Ms. Westgard presented an overview of legislation affecting TRSL and noted that no additional Senate Bills were filed since the April Board meeting. The following Senate Bills that the Board previously took a position on were withdrawn from the files of the Senate:

Senate Bill No. 8 by Senator Nevers (Return to Work) – neutral

Senate Bill No. 11 by Senator Quinn (Lawsuits & Public Retirement Systems) – opposed

The Committee took positions on legislation as follows:

Unfunded Accrued Liability

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to support HB 384 and HB 435 by Representative Pearson & Senator B. Gautreaux.

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to support HB 495 by Representative Pearson.

Return to Work

ON MOTION OF MRS. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to remain neutral on HB 150 by Representative Downs, HB 151 by Representative Hoffmann, HB 369 by Representative Gary Smith, and HB 417 by Representative Cortez.

Defined Benefit Plan

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to remain neutral on HB 530 by Representative Pearson.

Board of Trustees Composition

ON MOTION OF MRS. BAKER, SECONDED BY MR. VITTER, AND CARRIED, the Committee voted to remain neutral on HB 426 by Representative Kleckley.

Retirement Systems and Life Insurance

ON MOTION OF MR. LAWYER, SECONDED BY MR. VITTER, AND CARRIED, the Committee voted to oppose HB 386 by Representative Robideaux.

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to recommend an amendment removing TRSL from the bill.

Changes to Act 992 Provisions

ON MOTION OF MR. NAPPER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to support HB 571 by Representative Robideaux.

TRSL Membership

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to remain neutral on HB 149 by Representative Pope and HB 377 by Representative Pearson.

Establishment of a 2nd Tier of Benefits

Ms. Westgard provided an update on SB 12 by Senator Gautreaux.

- **Legislation Monitored by TRSL**

Ms. Westgard gave an overview of legislation being monitored by TRSL:

- HB 203 by Representative Geymann (Legislative Approval of Certain Executive Branch Salaries)
- HB 449 by Representative Abramson (Open Meetings Law)
- SB 148 by Senator Claitor (Legislative Sessions)

Ms. Westgard noted that a number of bills were filed affecting other state, statewide, and local retirement systems.

Ms. Westgard updated the Committee on the budget relative to the LSU AgCenter. Currently, funds are not included in the proposed general fund budget.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 8:55 a.m.

Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Tuesday
May 3, 2011

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

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OTHERS PRESENT: Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; Susan Dunham, Louisiana Department of Education; and Laura Gail Sullivan, Louisiana Senate

Roll Call

Mrs. Baker called the meeting to order at 10:05 a.m. The secretary called the roll and a quorum was established.

Reminder - Tier 2.1 Disclosure Form Due May 15, 2011

Ms. Westgard reminded Trustees that the Tier 2.1 Personal Financial Disclosure form must be filed by May 15, 2011. Any questions regarding the form should be directed to Mr. Mongrue.

Presentation of Proposed Trustee Meeting Dates for 2012 (for review and subsequent approval in June)

Ms. Westgard presented the proposed Trustee Meeting Dates for 2012.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to receive the proposed 2012 Trustee meeting dates for subsequent approval in June.

Director's Fiscal Year Update

Ms. Westgard and Mr. Cagle presented the Fiscal Year update. Mrs. Baker thanked the entire staff for their hard work.

Update on Delinquent Employer Contributions

Mr. Mongrue provided an update on delinquent employer contributions relative to Priestley and First-Line Charter Schools.

Adjournment

ON MOTION OF MRS. BECKWITH, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 10:35 a.m.