

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
January 6, 2012

MEMBERS PRESENT: Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Superintendent Darryl C. Kilbert, Robert Lawyer, John G. Parauka, Joe A. Potts, Jr., and Carlos J. Sam

MEMBERS ABSENT: Jim Napper (Treasurer's Designee) and Acting State Superintendent Ollie Tyler

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

OTHERS PRESENT: Shelley Johnson, SJ Actuarial Associates and Anna Dearmon, Louisiana Division of Administration

Each member of the Board received the following:

1. *January 2012 Board Book*
2. *Investment Committee Meeting January 5, 2012, Performance Report–November 30, 2011*
3. Investment Committee Presentation Booklets from Hewitt EnnisKnupp; Hamilton Lane; and Energy Capital Partners
4. *2012 Regular Legislative Session Retirement Public Notices as of January 5, 2012*
5. *Summary of FY 2011 TRSL Return-to-Work (RTW) Retiree Data*
6. *TRSL 2012 Fiscal Year Goals, Major Projects by Balanced Scorecard Area*
7. *January 2012 TRSL's Boardroom Beacon, Understanding TRSL's Death and Survivor Benefits*
8. 2012 Ethics Certification form

Mrs. Baker called the meeting to order at 11:00 a.m. Mrs. Haynes 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 December 6, 2011 (Including Minutes of Committee Meetings Held December 5 & 6, 2011)

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 December 6, 2011 (including minutes of committee meetings held December 5 & 6, 2011).

Elections Committee Report

ON MOTION OF SUPERINTENDENT KILBERT, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to accept the report of the Elections Committee and to approve the recommendations contained therein. Superintendent Kilbert and Mrs. Baker welcomed Mr. Hennigan, Mr. Parauka, and Mr. Sam to the Board of Trustees.

Investment Committee Report

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

Executive Committee Report

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

Introduction of Newly Hired Staff

Robyn Jenkins-King and Cliff Horn, Public Information Officers 3 and 2, respectively; Steve Marangos, Information Technology Deputy Director 1; and Matt Tessier, Attorney 3, were hired by TRSL during the period 10/01/11 through 12/31/11. Mr. Cagle introduced Mr. Horn and Mr. Marangos. Mr. Mongrue introduced Mr. Tessier. Ms. Jenkins-King was not present at the meeting.

TRSL Board and Staff Ethics Certification

Ms. Westgard noted that Ethics Certifications for 2012, which certify compliance with all Louisiana state ethics laws and TRSL ethics policy, were collected from Trustees and staff.

Director's Update

Ms. Westgard advised that the January 2012 Boardroom Beacon topic is Understanding TRSL's Death and Survivor Benefits.

Adjournment

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. SAM, AND CARRIED, the Board voted to adjourn at 11:25 a.m.

Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Thursday
January 5, 2012

MEMBERS PRESENT: Superintendent Darryl C. Kilbert, Kathy Hattaway, Jim Napper (Treasurer's Designee), David A. Hennigan, Carlos J. Sam, Robert Lawyer, John G. Parauka, and Anne H. Baker

OTHER MEMBERS PRESENT: Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Holly B. Gildig, Joyce P. Haynes, Joe A. Potts, Jr.

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

OTHERS PRESENT: Vanessa Hennigan; Paul Yett, Hamilton Lane; Anna Dearmon, Louisiana Division of Administration

Superintendent Kilbert called the meeting to order at 8:30 a.m.

Oaths of Office

Roy Mongrue, Jr., General Counsel administered Oaths of Office to newly elected TRSL Board of Trustees members, John G. Parauka, representing District 2; Carlos J. Sam representing District 3; and David A Hennigan representing District 4. Mr. Parauka, Mr. Sam, and Mr. Hennigan will serve a four-year term from January 1, 2012 through December 31, 2015. Each Trustee introduced themselves and gave a brief review of their background.

Roll Call

The secretary called the roll and a quorum was established.

2012 Elections Review

Ms. Westgard and Dr. Honore presented information on the upcoming 2012 Elections.

- a. Proposed Guidelines for a One-Year Pilot Program Which Would Provide Candidates the Opportunity to Include Biography Statements Limited to 250 Words on the Election Ballot

ON MOTION OF MR. NAPPER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the proposed guidelines for a one-year pilot program which would provide candidates the opportunity to include biography statements limited to 250 words on the election ballot.

- b. Review and Approval of Proposed Call for Candidates Postcards for Upcoming Elections

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to approve the proposed Call for Candidates postcards for upcoming elections in Districts 5 and 6.

- c. Review and Approval of the Proposed 2012 Schedule of Regular Elections for District 5 and District 6

ON MOTION OF MR. LAWYER, SECONDED BY MR. SAM, AND CARRIED, the Committee voted to approve the Proposed 2012 Schedule of Regular Elections for Districts 5 and 6.

Adjournment

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adjourn at 9:03 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Elections Committee – Thursday
January 5, 2012**

MEMBERS PRESENT: Dr. Sheryl R. Abshire, Robert Lawyer, Kathy Hattaway, Superintendent Darryl C. Kilbert, Dr. William C. "Bill" Baker, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), and Anne H. Baker

OTHER MEMBERS PRESENT: Holly B. Gildig, Joyce P. Haynes, David A. Hennigan, John G. Parauka, and Carlos J. Sam

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

OTHERS PRESENT: Paul Yett, Hamilton Lane; Scott Coopriider, Russ Ivinjack, and Matt Pawlek, Hewitt EnnisKnupp; Douglas Kimmelman, Energy Capital Partners; Anna Dearmon, Louisiana Division of Administration; and Shelley Johnson, SJ Actuarial Associates

Roll Call

Dr. Abshire called the meeting to order at 9:08 a.m. The secretary called the roll and a quorum was established.

Private Market Update and Review of Potential Private Market Investments

Paul Yett of Hamilton Lane Advisors, L.L.C., presented an overview of the Hamilton Lane firm and history with TRSL, and an overview of the private equity asset class. The presentation qualified as one-half hour of Investment Education for Trustees.

Mr. Yett gave a private market update and reviewed a potential alternative investment in Energy Capital Partners Mezzanine Opportunities Fund, L.P.

Douglas Kimmelman of Energy Capital Partners appeared before the Committee to give a presentation on Energy Capital Partners Mezzanine Opportunities Fund, L.P.

ON MOTION OF DR. BAKER, SECONDED BY MR. NAPPER, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated January 5, 2012, pertaining to investments in Energy Capital Partners Mezzanine Opportunities Fund, L.P. (up to \$50 million).

Mr. Yett reviewed a potential alternative investment in Apollo European Principal Fund II, L.P.

ON MOTION OF MR. POTTS, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated January 5, 2012, pertaining to investments in Apollo European Principal Fund II, L.P. (up to \$50 million).

Private Market Annual Reports

Mr. Yett presented private market annual reports on Gores Capital Partners II, The Carlyle Group, and Rockpoint Group.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the private market annual reports on Gores Capital Partners II, The Carlyle Group, and Rockpoint Group.

Quarterly Transaction Summary of Private Market Investments (for the period ended September 30, 2011)

Mr. Coleman presented the Quarterly Transaction Summary of Private Market Investments (for the period ended (September 30, 2011)).

ON MOTION OF SUPERINTENDENT KILBERT, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to receive the Quarterly Transaction Summary of Private Market Investments (for the period ended September 30, 2011).

Presentation and Review of Solicitation for Proposal for Emerging Market Debt Managers

Mr. Griffith presented the Solicitation for Proposal for Emerging Market Debt Managers (for subsequent approval at February 2012 Investment Committee meeting).

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the Solicitation for Proposal for Emerging Market Debt Managers.

Investment Policy Update

Mr. Griffith and Ms. Whitney presented the proposed Investment Policy Statement, Investment Philosophy Section for approval at the February 2012 Investment Committee meeting.

ON MOTION OF NAPPER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to receive the proposed Investment Policy Statement, Investment Philosophy Section for approval at the February 2012 Investment Committee meeting.

Discussion of Potential Solicitation for Proposal for Hedge Fund Consultant

Ms. Westgard and Mr. Griffith presented information regarding the potential option for TRSL to solicit for a Hedge Fund Consultant.

ON MOTION OF DR. BAKER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve going forward with a Solicitation for Proposal for a Hedge Fund Consultant.

Quarterly Review of Optional Retirement Plan (ORP) Providers

Matt Pawlek of Hewitt EnnisKnupp presented the quarterly review of the Optional Retirement Plan providers.

ON MOTION OF MR. LAWYER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to receive the quarterly review of Optional Retirement Plan providers.

Public Market Update and Review of TRSL Investments (Consultant and Staff)

Mr. Griffith presented an overview of TRSL's total plan and public market investments. Scott Coopridger, Russ Ivinjack, and Matt Pawlek of Hewitt EnnisKnupp presented their January 5, 2012 performance update. Staff and consultant reviewed performance of TRSL investments through November 30, 2011.

Adjournment

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 2:15 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
January 6, 2012

MEMBERS PRESENT: Dr. William C. "Bill" Baker, Robert Lawyer, Dr. Sheryl R. Abshire, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), Carlos J. Sam, Anne H. Baker, and Joyce P. Haynes

OTHER MEMBERS PRESENT: Holly Gildig, Kathy Hattaway, David A. Hennigan, Superintendent Darryl C. Kilbert, and John G. Parauka

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Steve Marangos, Melinda Parker, Paula Rhodes, Matt Tessier, 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, Louisiana Association of Educators; Anna Dearmon, Louisiana Division of Administration; Stephanie Little, Louisiana House Retirement Committee; Graig Luscombe, Louisiana Retired Teachers' Association; Lauren Bailey, Louisiana Senate Retirement Committee

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 to serve on the Committee as an alternate for Superintendent Kilbert.

Discussion and Approval of Potential Legislation for the 2012 Regular Legislative Session

a. Entry Age Normal Actuarial Method Follow-up

Ms. Westgard, Mr. Hall, and Mrs. Johnson presented information and a proposed draft of legislation regarding changing the actuarial valuation method used by TRSL from "Projected Unit Credit" to "Entry Age Normal".

The Director will formally request the system actuary to provide a recommendation regarding an actuarially assumed rate of return for TRSL.

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve submitting the proposed legislation regarding changing the actuarial valuation method used by TRSL from "Projected Unit Credit" to "Entry Age Normal" for filing in the 2012 Regular Legislative Session.

b. Delinquent Employer Contribution Collections

Mr. Napper recused himself from the discussion due to his position with the Treasurer's Office. Mr. Napper was not present during the discussion.

Mr. Mongrue presented information regarding collection of delinquent employer contributions. No action was taken.

c. Public Notices

Ms. Westgard presented information and a summary of public notices for retirement bills that have been filed as of January 5, 2012. Public notices must be published for all retirement bills prior to the bills being filed.

Approval of the TRSL Legislative Team for the 2012 Regular and Special Session(s) of the Louisiana Legislature

Dr. Baker outlined the roles of the legislative team and trustees in testifying and contact with the legislature.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to authorize the Board Chair, Legislative Committee Chair, Director, Deputy Director, General Counsel, Assistant Director, CIO, and Actuaries to represent TRSL at legislative hearings during the 2012 Legislative Session(s).

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 9:19 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Friday
January 6, 2012**

MEMBERS PRESENT: Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Robert Lawyer, Joyce P. Haynes, Kathy Hattaway, and Superintendent Darryl C. Kilbert

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, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Steve Marangos, Melinda Parker, Paula Rhodes, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, SJ Actuarial Associates; Anna Dearmon, Louisiana Division of Administration; Stephanie Little, Louisiana House Retirement Committee; and Lauren Bailey, Louisiana Senate Retirement Committee

Mrs. Baker called the meeting to order at 9:30 a.m. The secretary called the roll and a quorum was established.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Mr. LaCour presented Compliance Audit Reports – Retirees Returning to Work and Limited Scope Reviews. A "Summary of FY 2011 TRSL Return to Work (RTW) Retiree Data" was distributed to Trustees.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the committee voted to approve the Audit Reports as presented.

Progress Report on TRSL Balanced Scorecard Goals for 2011-2012

Ms. Westgard presented an overview of TRSL's Vision, Mission, Values and Goals Statement, Balanced Scorecard and Major Project Report by Balanced Scorecard Area. Mr. Cagle and respective managers presented a progress report on the major projects of the TRSL Balanced Scorecard Goals for 2011-2012.

Mrs. Baker thanked and commended staff for their tremendous work and commitment to the system and members.

ON MOTION OF DR. ABSHIRE, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the committee voted to receive the report.

Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the committee voted to receive the Quarterly Litigation Reports.

Update on Charter School Participation in TRSL

Mr. Mongrue presented an update on charter school participation in TRSL. The request for attorney general's opinion is pending. The IRS Qualified Employer Study is moving forward.

Update on Potential Litigation Regarding:

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

Superintendent Kilbert recused himself from the discussion regarding Priestley School due to his position as Superintendent of the Orleans Parish School Board. Superintendent Kilbert was not present during the discussion regarding Priestley.

DR. BAKER MOVED to convene into executive session to discuss potential litigation regarding Priestley School, Firstline Schools, and Algiers Charter School Association, and that Ms. Westgard, Mr. Cagle, Ms. Whitney, and Mr. Mongrue remain in the room. DR. ABSHIRE SECONDED THE MOTION. The secretary called the roll. The vote was unanimous and the Committee convened into Executive Session.

MR. LAWYER MOVED to reconvene into Regular Session. DR. BAKER SECONDED THE MOTION. A roll-call vote was taken. The vote was unanimous and the Committee reconvened into Regular Session.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to adjourn at 10:52 a.m.