

**Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
December 11, 2015**

The meeting of the Board of Trustees for the Registrars of Voters Employees' Retirement System was held at the LSU Ag Center at 1010 Lafayette Street in Lafayette, LA 70501.

I. Call to Order

The Vice-Chair of the Board, Ms. Charlene Menard, called the meeting to order at 1:03 p.m.

II. Invocation and Pledge of Allegiance

Ms. Sandra Thomas offered an invocation, and Mr. Dwayne Wall led the Pledge of Allegiance.

III. Roll Call

Ms. Lorraine Dees called the roll. Board members present were: Ms. Sandra Thomas, Ms. Charlene Menard, Ms. Deborah Waskom, Ms. Billie Meyer, and Mr. Dwayne Wall. Mr. Dennis DiMarco, Representative J. Kevin Pearson and Senator Elbert Guillory were absent. A quorum was present.

Others present included: Mr. Greg Curran and Mr. Brian Shoup (representing Actuary and Administrator, G. S. Curran & Company, Ltd.), Ms. Denise Akers (Legal Counsel), Ms. Lorraine Dees (System Director), Ms. Michelle Cunningham and Mr. Eddie McIntyre (representing the system's auditor, Duplantier, Hrapmann, Hogan, & Maher, L.L.P.), Gail Maxine Navarre (Deputy Registrar Lafayette Parish), Georganna Hebert (Deputy Registrar Lafayette Parish), and Jessica Petry (Deputy Registrar Lafayette Parish).

IV. Public Comments

Ms. Menard asked if there were any public comments. Hearing none, the meeting continued.

V. Review and Approval of Minutes

Upon motion by Ms. Meyer and second by Ms. Thomas, the Board voted unanimously to approve the minutes from the November 3, 2015 meeting.

With no further business, the Board agreed to move on to the next agenda item.

VI. Presentation by Duplantier, Hrapmann, Hogan & Maher

Ms. Michelle Cunningham presented the audit report on the financial statements of the Registrar of Voters Employees' Retirement System (ROVERS) for the year ended on June 30, 2015. Ms. Cunningham introduced Mr. Eddie McIntyre who directly supervised the ROVERS audit. She directed the Board to a presentation outlining the results of the audit. On page 2 and 3, she covered the management's and auditor's responsibilities. On page 4, Ms. Cunningham stated that ROVERS received the highest and cleanest opinion on their audit, an unmodified opinion.

Ms. Cunningham directed the Board to page 5, regarding the emphasis of matter paragraph which stated the Pension Liability was based on actuarial assumptions used by the system's actuary, G. S. Curran & Company. On page 7, she highlighted all of the Government Accounting Standards Board (GASB) policies and procedures disclosed in Note 1. On Pages 8 and 9, Ms. Cunningham addressed the significant accounting estimates and judgments made, including the fair value of investments. Ms. Cunningham stated there were no uncorrected misstatements, no difficulties encountered, and no disagreements with management while performing the audit as stated on page 10. She stated they are recommending on page 11 that the retirement system draft a formal written credit card and expense reimbursement policy to be approved by the Board. Ms. Dees stated that she will work on drafting a policy for the Board to review at the January Board Meeting.

Ms. Thomas asked if the Board needed to institute a control on check writing over a certain amount.

Ms. Cunningham stated that if Ms. Dees uses a DROP Ledger that is being reviewed by an outside party, that would be sufficient.

Mr. Shoup stated that G. S. Curran & Co. is reviewing and approving the DROP Ledger before any DROP money is released.

Pages 12 and 13 of the report outlined the required supplementary information and the other supplementary information like a Schedule of Investments, Administrative Expenses, and Per Diems paid to trustees.

Ms. Thomas asked if the Board amended the budget for the IRS late fee that was discussed at the prior meeting.

Mr. Curran stated that G. S. Curran & Co. would present the financial statements at the next board meeting and recommend adjusting the budget if needed.

Pages 15 through 19 outlined a condensed comparative Statement of Fiduciary Net Position including total assets of \$81,370,003, total additions of \$6,671,110, total deductions of \$5,819,714, net asset increase of \$851,396, and a Members' Supplemental Savings Trust Fund position of \$1,161,176 which has decreased by \$141,411 due to \$168,720 of member withdrawals. Ms. Cunningham directed the Board to page 21 which outlined the Net Pension Liability of Employers as \$24,490,398 which is spread out among the employers of ROVERS for IRS reporting purposes. Page 21 also stated the Plan Fiduciary Net Position as a Percentage of Total Pension Liability or "funded ratio" to be 76.86%. Then on page 23 and 24, Ms. Cunningham stated that for Census Data Testing the auditors selected Livingston Parish, Tangipahoa Parish, Jefferson Parish, and the State of Louisiana. There were two findings at one employer and no findings at the other three employers. Ms. Cunningham directed the Board to page 25 to say that GASB 68 auditing will be done the first of 2016, auditing the schedule of employer allocations and schedule of pension amounts that were reported by the actuaries for fiscal 2015.

Ms. Cunningham presented the Board with the actual audit report and directed the Board to the Agreed Upon Procedures of Census Testing for their approval along with the report itself.

Ms. Waskom asked Ms. Cunningham if she had looked into Errors and Omissions Coverage by DHHM.

Ms. Cunningham stated that DHHM does not carry Errors and Omissions Coverage, but that they are going to revisit the 2011 945 Report to make sure the proper amounts were paid and reported. DHHM received a power of attorney authorization from Ms. Dees to contact the IRS on behalf of the retirement system to investigate the payments received by the IRS in 2011.

Upon motion by Mr. Wall and second by Ms. Waskom, the Board voted unanimously to accept the Auditor's Report as presented by Ms. Cunningham.

With no further business, the Board agreed to move on to the next agenda item.

VII. Presentation by G. S. Curran & Company

Mr. Curran presented the June 30, 2015 Actuarial Valuation for funding. He stated that the funding valuation report provided the system with the required employer contribution rate. He added that the system was funded according to the Aggregate Funding Method and explained that this funding method spread liabilities over the future working lifetime of employees and does not produce an Unfunded Accrued Liability.

Mr. Curran stated that an Experience Study was conducted prior to this valuation to comply with state statutes requiring an experience study every five years. He added that the details of the experience study were contained within a separate report provided for the Board's viewing. He stated that part of that study included a Mortality Study which was performed in conjunction with the Clerks of Court and Assessor Retirement Systems, as ROVERS shares similar experience with those systems. He added that there was no change in the assumed rate of return this year.

He reviewed the system's gains and losses for the year on page 6 of the report. The plan experienced a reduction in the normal cost accrual rate of 2.3128% related to significant gains related to assumption changes, 0.8458% related to new members, and 0.6260% related to liability experience. This was offset partially by an asset experience loss of 0.6039%.

He reviewed the calculation of the minimum recommended net direct employer contribution rate and stated that the Fiscal 2017 minimum rate was 14.75%. He stated that the system did not meet the requirements needed to grant a cost of living increase but that a contribution gain of \$882,567 was credited to the system's Funding Deposit Account, because the Board voted to maintain a contribution rate above the minimum actuarially required employer contribution rate.

He recommended that the Board strongly consider holding the employer rate above the minimum actuarial employer contribution rate again. He reminded the Board that Act 370 was signed into law, which would allow the Board to use these contribution gains to help pay for a future cost of living adjustment.

Mr. Curran next presented the actuarial valuation for accounting purposes which was produced in conjunction with the Governmental Accounting Standards Board (GASB) Statements 67 and 68. He stated that GASB required the accounting valuation be prepared based on the Entry Age Normal actuarial funding method. He stated that this method spread gains and losses differently from the funding valuation method. He reviewed the required cash flow analysis within GASB Statement 67 necessary to determine the discount rate. He stated that because of the constitutional requirement that the plan be actuarially funded, the plan was not projected to have a crossover as defined by GASB. He

added that in accordance with Board instructions, the GASB valuation was produced using a discount rate equal to the valuation interest rate for funding purposes. He also stated that the breakdown of the Net Pension Liability for the plan by employer was included in the back of the GASB report.

Upon motion by Ms. Thomas and second by Ms. Meyer, the Board voted unanimously to accept the June 30, 2015 actuarial valuation for funding.

Upon motion by Ms. Waskom and second by Mr. Wall, the Board voted unanimously to accept the actuarial valuation for accounting purposes, or "GASB valuation report".

With no further business, the Board agreed to move on to the next agenda item.

IX. Other Business

Ms. Menard asked if there was any other business.

Ms. Dees stated that she would bring information on Error and Omissions Policies and a draft Credit Card Usage and Expense Reimbursement Policy at the January meeting.

Ms. Menard announced the next official meeting date and location of January 18th, 2016 at 9:00 am at the Renaissance Hotel in Baton Rouge, LA.

Mr. Wall stated that he would like to host the April 2016 Board meeting at his office in Covington, LA.

XII. Adjourn

Upon motion by Ms. Thomas and second by Ms. Meyer, the Board voted unanimously to adjourn the meeting at 2:51 p.m.