

**Registrars of Voters Employees' Retirement System  
Minutes of the Meeting of the Board of Trustees  
December 18, 2013**

The meeting of the Board of Trustees for the Registrars of Voters Employees' Retirement System was held at the Lafayette Parish Registrar of Voters Office at 1010 Lafayette Street, Suite #313 in Lafayette, Louisiana.

**I. Call to Order**

The Chairman of the Board, Mr. John Moreau, called the meeting to order at 9:24 a.m.

**II. Invocation and Pledge of Allegiance**

Ms. Sandra Sims 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: Mr. John Moreau, Ms. Sandra Sims, Mr. Dwayne Wall, Ms. Linda Rodrigue, and Ms. Charlene Menard. Representative J. Kevin Pearson, Senator Elbert Guillory, and Mr. Dennis DiMarco were absent. A quorum was present.

Others present included Mr. Greg Curran (representing Actuary and Administrator, G. S. Curran & Company, Ltd.), Ms. Denise Akers (Legal Counsel), Ms. Lorraine Dees (System Director).

**IV. Public Comments**

Mr. Moreau asked if there were any public comments. Hearing none, the meeting continued.

**V. Review and Approval of Minutes**

Upon motion by Ms. Sims and second by Ms. Menard, the Board voted unanimously to approve the minutes from the October 30, 2013 meeting.

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

**VI. Old Business**

Upon motion by Ms. Sims and second by Ms. Rodrigue, the Board voted unanimously to approve the minutes from the July 29, 2013 meeting and July 30, 2013 meeting.

Upon motion by Ms. Menard and second by Mr. Wall, the Board voted unanimously to accept the Custodial Report as presented by Ms. Meagher during the October 30, 2013.

Ms. Dees commented that she thought the Board should consider a review of the Custodial Bank. She stated that the System had been with Capital One and its predecessors for its entire history. She suggested that there be an RFP for a new Custodian.

Ms. Akers stated that she would send a sample RFP to Ms. Dees.

Upon motion by Ms. Sims and second by Ms. Menard, the Board voted unanimously to begin an RFP process for the Custodian of Plan Assets, to include Capital One and other banks that are deemed acceptable.

Upon motion by Ms. Menard and second by Mr. Wall, the Board voted unanimously to accept the Investment Consultant's Report as presented by Mr. Breth at the October 30, 2013 meeting.

Upon motion by Ms. Menard and second by Mr. Wall, the Board voted unanimously to accept the Director's Report as presented by Ms. Dees.

Ms. Dees then suggested that the Board promulgate the results of the Board election presented on October 30, 2013.

Upon motion by Ms. Rodrigue and second by Ms. Sims, the Board voted unanimously to accept the results of Mr. Moreau's election due to there being no opposition.

Upon motion by Ms. Rodrigue and second by Ms. Sims, the Board voted unanimously to accept the results of Mr. Wall's election due to there being no other member that qualified for the election.

Ms. Dees stated that the Board had discussed the Louisiana Auditor's Compliance Questionnaire for Fiscal 2013 at the October 30, 2013 meeting.

Upon motion by Ms. Sims and second by Ms. Menard, the Board voted unanimously to accept the Louisiana Auditor's Compliance Questionnaire for Fiscal 2013 as provided.

Ms. Dees stated that the LATEC conference would be in New Orleans from February 25, 2014 through February 28, 2014. She stated that she wanted to make sure that all Board Members' calendars were open for that date.

The Board then discussed possible changes to limit the amount of sick and annual leave that can be converted into retirement credit. Ms. Dees stated that she would put together a list of retirees without names to show years of service, years of leave time, and average compensation for retirement benefits. She stated that the Board could revisit this after the review or that she could present it at the annual seminar.

Ms. Dees stated that the Registrars' of Voters annual seminar would be February 18, 2014 through February 20, 2014. The Board discussed possibly having a meeting after the luncheon at the end of the seminar.

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

## **VII. Report from the System's Attorney, Denise Akers**

Ms. Akers began her report by giving a brief update on Commonwealth. She stated that there would be no need to go into Executive Session. She stated that ROVERS signed a contract on contingency for Mr. Kirk Reasonover to represent the System in the claim against Commonwealth Advisors. She explained that Mr. Reasonover had identified additional claims outside of the class action that he suggested the system pursue. She stated that Mr. Reasonover would likely be the best person to represent the System, but that he would need the System to sign a waiver of Conflicts of Interest since he also represented the class on other claims. She clarified that the Board had already approved Ms. Dees and herself to follow the lead of Firefighters' Retirement System and the Municipal Employees' Retirement System with regard to Commonwealth. She stated that in conjunction with her advice, Ms. Dees had signed the waiver. She then stated that Mr. Reasonover would be representing the creditors committee on other claims.

Upon motion by Ms. Menard and second by Ms. Rodrigue, the Board voted unanimously to accept the Attorney's Report as presented by Ms. Akers.

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

## **VII. Presentation by G. S. Curran & Company**

Mr. Curran provided each Board member with a copy of the June 30, 2013 Actuarial Valuation report for the Registrars of Voters Employees' Retirement System. He stated that the minimum recommended employer contribution rate had decreased from 24.50% to 22.50% for fiscal 2015, based on the valuation results. He stated that the report was based on data as of June 30, 2013.

Mr. Curran directed the Board's attention to page 16 of the valuation report. He stated that the Present Value of Future Benefits was \$120,125,148.

Mr. Curran directed the Board's attention to page 17 of the valuation report. He stated that the Market Value of Assets was \$69,206,200. He clarified that the Market Value of Assets included investment assets, contributions, and cash held in the bank. He stated that the actuarial valuation was not directly based on the Market Value to determine the funding of the Plan. He added that for funding, the plan uses a five year smoothed asset value.

Mr. Curran directed the Board's attention to page 18 of the valuation report. He explained the process of the 5 year smoothing method, which uses the excess or shortfall of invested income for the current year and the previous 4 years versus the actuarial assumed rate of return. He stated that some of the years were being measured against the old 8.0% valuation interest rate, whereas the current valuation interest rate was 7.5%, which was used for the fiscal 2012 and fiscal 2013 valuation reports. He stated that there was a gain for the current fiscal year. He explained that there was a slight shortfall in fiscal 2012, and there were gains in both fiscal 2011 and fiscal 2010. He stated that there were significant losses in fiscal 2009.

Mr. Curran directed the Board's attention back to page 15 of the valuation report. He stated that the Actuarial Value of Assets was \$71,052,280. He stated that the Present Value of Future Employee Contributions was \$6,278,416. He explained that the Present Value of Future Employer Normal Cost was \$42,794,452. He indicated that when divided by the Present Value of Future Salaries of \$108,239,779, the resulting Employer Normal Cost Accrual Rate was 39.536714%. He stated that the Projected Fiscal 2014 Salary for Current Membership was \$13,144,648. When the Employer Normal Cost Accrual Rate is applied to this number, the Employer Normal Cost is \$5,196,962 as of July 1, 2013. He stated that the Normal Cost is adjusted with interest through the middle of the year and increased by \$310,207 for estimated administrative expenses. He stated that the Gross Employer Actuarially Required Contribution for Fiscal 2014 is \$5,698,532. He stated that this was decreased for Projected Revenue Sharing Funds of \$110,204 and Projected Ad Valorem Tax Contributions of \$2,515,777. He stated that the Net Direct Employer Actuarially Required Contributions for Fiscal 2014 was \$3,072,551. When divided by the Projected Payroll of \$13,605,388, the Employer's Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2014 is 22.58%. After adjustment and rounding, the resulting Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2015 is 22.50%.

Mr. Curran directed the Board's attention back to page 2 of the valuation report. He stated that the valuation process began with receiving data from Ms. Dees which contains all information for the active, terminated, retired, disabled, and surviving members of the System. He explained that the data is tested for accuracy and fixed if there were errors. He stated that the financial information was provided by the auditors, Duplantier, Hrapmann, Hogan, & Maher.

Mr. Curran directed the Board's attention to page 3 of the valuation report. He explained that the method used for the valuation report was called the Aggregate Actuarial Cost Method. He also briefly explained the changes in plan provisions.

Mr. Curran directed the Board's attention to page 4 of the valuation report. He stated that the Market Rate of Return was 10.10% for Fiscal 2013. He stated that this number might be slightly different than the number that the Investment Consultant would provide because that number includes all money within the system, and not only investments, which is what the Investment Consultant used. He stated that the Actuarial Rate of Return was 1.60%.

Mr. Curran directed the Board's attention to page 5 of the valuation report. He stated that salary increases were below projected levels. He stated that active withdrawals and retiree deaths were above projected levels. He explained that those three factors would be expected to decrease costs. He stated that retirement and DROP entries were above projected levels. He also stated that plan liability experience decreased the normal cost accrual rate by 0.6467%.

Mr. Curran directed the Board's attention to page 6 of the valuation report. He briefly explained how the normal cost accrual rate for Fiscal 2013 increased from 37.4883% to 39.5367% in Fiscal 2014.

Upon motion by Ms. Rodrigue and second by Ms. Sims, the Board voted unanimously to accept the actuarial valuation report as presented by Mr. Curran.

The Board then discussed Act 170 of the 2013 Legislative Session. Mr. Curran discussed the provisions of Act 170 and stated that it allowed the Board to elect to no longer be covered by the target ratio requirement to pay cost of living increases in the future. Mr. Curran discussed the difficulty that the target ratio would pose in authorizing a cost of living increase in the foreseeable future.

Upon motion by Ms. Sims and second by Ms. Rodrigue, the Board voted unanimously to make an irrevocable election to have future cost of living increases governed by R.S. 11:243.

Ms. Sims suggested that agendas and minutes be posted on the Electronic Registration Information Network.

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

### **IX. New Business**

Mr. Moreau asked if there was any new business. Hearing none, the meeting continued.

### **X. Other Business**

The Board discussed the date of the next quarterly meeting. It was decided that the meeting would be held at 8:30 a.m. on January 28, 2013 at the Renaissance Hotel in Baton Rouge.

Mr. Curran stated that the audit by Duplantier, Hrapmann, Hogan, & Maher needed to be submitted by January 15<sup>th</sup> to meet the deadline.

### **XIII. Adjourn**

Upon motion by Ms. Menard and second by Ms. Sims, the meeting was adjourned without objection a 12:20 p.m.