

MEETING MINUTES

RETIREMENT BOARD OF TRUSTEES OF THE LOUISIANA ASSESSORS' RETIREMENT FUND

TUESDAY, JULY 29, 2014

A meeting of the Board of Trustees of the Louisiana Assessors' Retirement Fund was held at 1:00 p.m. on July 29, 2014, at the Louisiana Assessors' Association Office located at 3060 Valley Creek Drive, Baton Rouge, Louisiana. The following officers were present: President Lee Brown, Vice President James Laurent, Jr., Treasurer Rick Ducote and Members James Stevenson, Rhyn Duplechain, Richard Earl, James Johnson, Stephanie Smith, Charlie Henington, Brian Wilson, Louis Hebert, Glenda Gaspard, Irby Gamble and Phyllis Mendoza. Absent were Senator Elbert Guillory and Representative Kevin Pearson.

Following the call to order, roll call, prayer, Pledge of Allegiance, and Public comment period wherein no members of the public spoke, a motion by Erroll Williams seconded by Phyllis Mendoza passed unanimously to approve the minutes of the meeting held April 22, 2014.

After the presentation of the financial report for May by Anita Owens, a motion was entered by James Johnson and seconded by Irby Gamble to accept the financial report. The motion passed unanimously.

A motion was made by Rhyn Duplechain, seconded by Charlie Henington and passed with no objections to accept the report of refunds, transfers, reciprocals, retirees, and deaths as presented by Kathy Bertrand.

The next agenda item was a presentation by system actuary Greg Curran on the expected cost of granting a COLA with an effective date of October 1, 2014 and as allowed under La. R. S. 11:241 – 246 or La. R.S. 11:1461.

A motion was made by Phyllis Mendoza, seconded by Jimbo Stevenson to recommend a COLA under La. R.S. 11:242 [\$1 (A+B) COLA]. A substitute motion was then made by Phyllis Mendoza to grant a COLA under La. R.S. 11:242 [\$1 (A+B) COLA] without Legislative approval or an Attorney General Opinion. The motion was seconded by Erroll Williams and then a roll call vote was requested. The motion failed with 8 Nays and 4 Yeas.

A motion was then made by Charlie Henington to obtain an AG opinion to determine if the Board can grant a COLA this year without legislative approval. The motion was seconded by Louis Hebert and passed with the unanimous consent of Members present and voting.

A motion was then made by Glenda Gaspard, seconded by Charlie Henington and passed with no objections that pending a favorable opinion from the Attorney General's office a COLA would be granted with an effective date of October 1, 2014 using the "X(A+B) formula set forth in La. R.S. 11:242.

A motion entered by Erroll Williams, seconded by Jimbo Stevenson passed to approve the 2014_2015 actuarial contract for G. S. Curran & Company, Ltd. at the increased amount of \$62,100 and a one-time contract in the amount of \$3,500 to recalculate the 2013 Actuarial Valuation Report due to the new GASB 67 & 68 requirements.

A motion was made by Charlie Henington and seconded by Irby Gamble to approve the LARF financial audit contract in the amount of \$16,950 as submitted by audit firm Hawthorn, Waymouth & Carroll, L.L.P. for the fiscal year 2014_2015. The motion carried.

The next agenda item was a presentation by Investment Consultant Jon Breth of The Bogdahn Group. Mr. Breth reviewed the Fund's last quarter and year-to-date investment performance. Due to the recent losses experienced in Americus Fund IV due to the non-renewal of tenants' expired leases, Mr. Breth suggested the Board consider writing down the Americus Fund IV investment to a zero balance on our books. A motion was made by Erroll Williams, seconded by Jimbo Stevenson and passed with no objections.

After hearing presentations by three different hedge fund managers, Erroll Williams made a motion to invest \$15 million with Titian Advisors. A substitute motion was then made by Stephanie Smith and seconded by Charlie Henington to invest \$15 million with Ironwood without legislative approval. A roll call vote taken on the substitute motion failed with 7 Nay votes and 5 Yea votes.

A motion was made by Rhyn Duplechain and seconded by Phyllis Mendoza to transfer \$10 million from D. E. Shaw and invest \$5 million each in the Orleans Capital and Pimco investment portfolios. The motion carried with unanimous consent.

After consideration of the proposed LARF budget for 2014_2015, a motion to accept the budget as presented was entered by Erroll Williams, seconded by Louis Hebert and passed.

A motion was made to go into Executive Session to consult with counsel and receive legal advice pursuant to La. Statute 42:17 (A)(10) and La. Code of Evidence Article 506 regarding overpayments and underpayments made by the system and the necessary steps to recoup/reimburse system funds. The motion was made by Charlie Henington, seconded by Jimbo Stevenson, and passed with unanimous consent.

A motion to end the Executive Session was made by Irby Gamble, seconded by James Johnson and carried with no objections.

Mr. Louis Hebert made a motion, seconded by James Johnson to authorize counsel to compose letters to provide notice to affected members of over and under payments by the Retirement System. The motion passed.

A motion to adjourn was made by Charlie Henington, seconded by Jimbo Stevenson and the meeting was adjourned.