

## **MINUTES OF MEETING**

### **LOUISIANA ASSESSORS' RETIREMENT FUND BOARD OF TRUSTEES**

**JULY 23, 2012**

**3060 VALLEY CREEK DRIVE  
BATON ROUGE, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Assessors' Retirement Fund was held at 1:30 P.M., July 23, 2012, at the Louisiana Assessors' Association Office located at 3060 Valley Creek Drive, Baton Rouge, Louisiana. The following officers were present: President Terry Baker, Vice President Glenn Waguespack, Treasurer Lee Brown and Members Rhyn Duplechain, Richard Earl, James Johnson, Pam Jones, Charlie Henington, Brian Wilson, Stephanie Smith, Louis Hebert, Phyllis Mendoza, Erroll Williams, and Jimbo Stevenson. Absent were Members Jimmy Dean, Senator Elbert Guillory and Representative Kevin Pearson.

Following the call to order, roll call, prayer, and Pledge of Allegiance, a motion and second by Louis Hebert and James Johnson passed unanimously to approve the minutes of the meeting held April 24, 2012.

A presentation of the financial report was made by Accountant Anita Owens.

The report on deaths, refunds and retirements for the second quarter of 2012 was made by Retirement Benefits Coordinator, Kathy Bertrand. A motion to accept the report by Ms. Bertrand was entered by Pam Jones and seconded by Louis Hebert. The motion passed with no objections.

The next agenda item was a presentation by the Investment Consultant. The Investment Consultant was unable to attend the meeting but had emailed the estimated return on Investments the prior week at which time the Consultant also had recommended no additional updates to the Investment Policy since its last revision in April 2011.

Agenda item 9 was consideration of the Louisiana Assessors' Retirement Fund budget for fiscal year 2012 – 2013, as presented by Executive Director, Nannette Menou. A motion was entered by Erroll Williams, seconded by Phyllis Mendoza and passed with no objections.

Next on the agenda was a presentation by Actuary Gary Curran. Mr. Curran presented different scenarios for the Retirement Board to consider as revisions to our current governing statutes that would strengthen the systems' ability to meet future benefit liabilities. The Board made following motions:

1. Motion and second by Louis Hebert and Brian Wilson to further study the effects of:
  - (a) changing the years used for calculation of final average compensation from three to five years for all members regardless of hire date. The phase-in would be designed to take place over a twenty-four month period of time whereby one month would be added per month to the final average compensation period.
  - (b) study the affects of changing the accrual rate for new hires from a 3.33% to 3.00%.

The motion passed with no objections to research further the effects of both studies as listed above.

2. Motion and second by Charlie Henington and Erroll Williams to hire the Attorney General's office to study and recommend a plan of action regarding the retirement system's consideration on invoking anti-spiking rules on deferred compensation contributions.

The motion passed with no objections.

An update on the Request for Proposal (RFP) process for an investment consultant was provided by Executive Director Menou.

A report to the Retirement Board was then provided by Nannette Menou to advise of money due the Retirement System from an assessor's office who failed to properly report deferred compensation contributions made to the employees in that parish from 2009 – present. The system actuary is working with the CPA employed by that assessor's office to determine the exact dollar amount due LARF. Contributions will also need to be posted to each employee employed by that assessor's office during the same period of time.

The next agenda item was a point in fact for the Retirement Board members of the recently passed legislation to increase the hours of education credit from 12 to 16 hours per education year, which currently spans the time frame from August 1, 2012 – July 31, 2013.

A brief update was provided by the Executive Director Menou regarding the availability as of July 1, 2012 of the new DROP 401(a) Plan provided through Great West Retirement Services. The new Plan will allow retiring members to maintain tax deferral and state tax exemption.

A motion was then made to add an agenda item to discuss correspondence received on July 20, 2012 from the Internal Revenue Service. The motion was entered by Pam Jones, seconded by Charlie Henington and passed unanimously.

The IRS sent a favorable determination letter dated July 17, 2012 and received by the Assessors' Retirement Plan Office on July 20, 2012 to maintain the Plan's exempt status pending Board approval of the proposed rules and with adherence to legislative provisions. Attorney Robert Schmidt with Adams and Reese Law Firm, the attorney hired by the Board to pursue compliance with IRS provisions to maintain the qualified status of the Assessors' Retirement Plan, forwarded a resolution to be approved by the Board to:

1. Adopt the Provisions of the Assessors' Retirement Plan pursuant to LA R.S.111404 whereby the statutory provisions of the Retirement Fund are to be implemented and clarified;
2. Condition the adoption of such rules subject to the Administrative Procedures Act allowing the Executive Director of the Louisiana Assessors' Association to submit the proposed rules to the Department of the State Register, and that the Executive Director shall be designated as the person to whom comments or questions may be directed in response to the notice of proposed rulemaking.

A motion was entered by Erroll Williams, seconded by James Johnson and passed with no objections to adopt the Resolution and accompanying rules as set forth in the provisions stated above.

There being no further business to come before the Board, a motion to adjourn was made by Pam Jones, seconded by James "Jimbo" Stevenson and with no objections the meeting was adjourned.