

MINUTES OF THE MEETING

LOUISIANA ASSESSORS' RETIREMENT FUND BOARD OF TRUSTEES

THURSDAY, SEPTEMBER 5, 2013

A special meeting of the Board of Trustees of the Louisiana Assessors' Retirement Fund was held at 10:00 A.M., on Thursday, September 5, 2013 at the Louisiana Assessors' Association Office located at 3060 Valley Creek Drive, Baton Rouge, Louisiana. The following officers were present: President Glenn Waguespack, Vice President Lee Brown, Treasurer James Laurent, Jr and Members Erroll Williams, James "Jimbo" Stevenson, Rhyn Duplechain, Richard Earl, James Johnson, Stephanie Smith, Glenda Gaspard, Louis Hebert, Phyllis Mendoza. Absent were Members Charlie Henington, Brian Wilson, Irby Gamble, Senator Elbert Guillory and Representative Kevin Pearson.

Following the call to order, roll call, prayer, and Pledge of Allegiance, on motion by Louis Hebert and second by Glenda Gaspard, and with no objections, the minutes of the July 22, 2013 meeting were accepted.

A presentation was given by retirement attorney, Sonia Mallett. The first item was with regards to the Assessors' 401A Self Directed DROP plan with Great West. Robert Tarcza, tax attorney with Tarcza & Associates and Connie Stevens of Great West Retirement Services were both present.

The board passed a motion to authorize our attorney's Sonia Mallett and Bob Tarcza to continue negotiating the proposed amendments to the contract originally dated July 1, 2012 with Great West, and requested that the attorney's bring these changes back to the board for approval. This motion was made by Mr. Rhyn Duplechain and seconded by Ms. Phyllis Mendoza and passed unanimously.

Another motion was made that after a proper 30 day notification to members, the Board will withdraw the authority of Great West to make available to participants in the self-directed plan any investments that can lose money and will also request an opinion from the Attorney General regarding the provision of a knowing and intelligent waiver that a participant may sign allowing the member to choose an investment that might lose principal. The motion was made by Richard Earl and seconded by James Johnson and unanimously passed.

A motion was made by Phyllis Mendoza and seconded by Louis Hebert to authorize the Executive Director to execute IRS Form 8655 "Reporting Agent Authorization" for LARF's Self Directed DROP Plan, allowing Great West to report on a tax basis any distributions from the Self Directed Plan and withhold 20% with remittance and issuance of all 1099R's.

Following a discussion of the proposed Money Manager contracts between LARF and Westfield and LARF and GAMCO, a motion was made by Erroll Williams and seconded by Phyllis Mendoza to authorize our tax attorney, Mr. Bob Tarcza to review and negotiate the terms of the contracts with both money managers, along with LARFs Investment Consultant Jon Breth of the Bogdhan Group. The motion carried, without opposition.

Ms. Sonia Mallett then provided a review of all retirement legislation passed in 2013 legislative session affecting LARF. House Bill 39, ACT 233 changes the retirement eligibility and benefits for new member of the Louisiana Assessors' Retirement System hired on or after October 1, 2013. Eligibility for new hires will be 12 years of service at age 60 or 30 years at age 55. Computation of Final Average Compensation will remain at the highest 60 consecutive months and the Accrual Rate will be 3%, unless 30 years of service are obtained then the rate of 3 1/3% will be granted. With regards to receiving the 3 3/3% accrual rate with 30 years of service, transferred credit at a lower rate must be upgraded.

Senate Bill 10 ACT 170 which provides funding criteria a statewide retirement system must meet before granting a cost of living adjustment (COLA). The law provides LARF with an alternative funding mechanism for a COLA. Mr. Gary Curran spoke briefly on the subject and indicated that he would provide a written summary to the board before the October 22, 2013 meeting, which he will not be able to attend. The board must make an irrevocable decision by December 31, 2013 to have future benefit increases governed by the new provisions. Further discussions will take place after the summary from Mr. Curran is received and at the December meeting.

Senate Bill 14 ACT 365 amends the general retirement law related to transfers between retirement systems.

House Concurrent Resolution 108 relates to the reporting of the system as it relates to notification to assessors and employees of assessors' office with regards to Pension Forfeiture reporting. Ms. Mallett suggested that our system make an annual presentation to the association to remind each parish office that the document is required to be signed by all new hires and it is to be maintained in the employer's office. This would satisfy our requirement as it applies to the provision.

Ms. Lindsey Hunter reviewed the following items:

- Elimination of employer deferred compensation matches.
Rules were published and promulgated with an effective date of August 20, 2013. Each office should eliminate the employer deferred compensation matches on their next payroll list dated after August 20.
- Advisement of recent correspondence to Palmetto Research Partners.
A conference call was scheduled with Lindsey Hunter, Jon Breth and Jennifer Borden to determine who is responsible for aggregating figures on investment returns.

- Discussion on lobbying.
An attorney general's opinion 03-0087, 2003 was provided that states that retirement system funds cannot be used to lobby the legislature.

Ms. Nannette Menou presented the board with information and correspondence on the purchase of Condo "C" from Dr. Wade. As the retirement board, the motion was made to "fund" the purchase of the suite for the Association. Motion was made by Mr. Erroll Williams and seconded by Mr. Louis Hebert, approved unanimously. Rates and terms will be determined later.

A motion was passed by Mr. Richard Earl and seconded by Mr. Erroll Williams and unanimously approved to have the Executive Director present tentative meeting dates for the Retirement Board for Year 2014. The board will consider six meeting dates rather than four for the upcoming year. Dates will be provided and discussed further at the next meeting.

The board then discussed their options and requirements to obtain education hours in the areas of actuarial science, ethics, laws, and investments.

There was no other business to be called to the attention of the Board.

The motion to Adjourn was made by Louis Hebert and seconded by Phyllis Mendoza and with unanimous consent the meeting was adjourned.