

MEETING MINUTES

LOUISIANA ASSESSORS' RETIREMENT BOARD OF THE LOUISIANA ASSESSORS' ASSOCIATION

TUESDAY, JUNE 2, 2020
1:30 P.M.

**CROWNE PLAZA HOTEL, PREMIER 1 ROOM
4728 CONSTITUTION AVE, BATON ROUGE, LOUISIANA 70808**

A meeting of the Louisiana Assessors' Retirement Board was held Tuesday, June 2, 2020 at 1:30 p.m. at the Crowne Plaza Hotel, Premier 1 Room, located at 4728 Constitution Ave., Baton Rouge Louisiana. The following members were present: President Wendy C. Aguillard, and Members Rhyn Duplechain, Richard Earl, Irby Gamble, Glenda Gaspard, Louis Hebert, Charlie Henington, Phyllis Mendoza, Glenn Waguespack and Erroll Williams. Absent were Vice President Tab Troxler, Treasurer Lance Futch and Members Lee Brown, Rick Ducote, Jimbo Stevenson, Senator Price and Representative Hollis.

Following the roll call, prayer, Pledge of Allegiance and public comment period wherein no members of the public spoke, the first item for discussion on the Agenda was the approval of the minutes from the January 21, 2020 meeting. A motion was made by Irby Gamble and seconded by Charlie Henington, all approved, and the approval of the minutes passed.

A review of the most recent financials for the Retirement fund, by Staff Accountant Anna Wessman was delivered. The March 31, 2020 Balance Sheet and Income Statement were presented. A motion was made by Louis Hebert, seconded by Richard Earl to accept the financials and passed with no objections.

The first Quarter 2020 Report on Refunds, Transfers, Reciprocals, Retirees and Deaths was presented and accepted with a motion by Earl Williams and seconded by Glenn Waguespack, and with no objections, passed.

AndCo Investment Consultant, Jon Breth then provided a remote Quarterly Performance review, of the Final March 31, 2020 Flash Report and a Preliminary April 30, 2020 report. After performance was reviewed, Jon Breth reviewed the Board's October 2019 decision to allocate funds to a new Money Manager, Principal. Based on the current situation, Mr. Breth suggested that we take \$22 million from the Principal cash account and split between our two alternative managers, Blackrock and JP Morgan, \$11 million each, until those funds are called by Principal, at which time withdrawals will be made. The committee approved the transactions with a motion by Richard Earl and a second by Erroll Williams, all approved, and the motion passed unanimously.

As a partial rebalancing entry, Mr. Breth suggested that we move \$15 million from Westfield to International Equities with \$10 million to State Street and \$5 million to Europacific Growth. There was a motion by Glenn Waguespack and a second by Louis Hebert to take the suggested steps. The motion passed unanimously.

Jon Breth then provided a U. S. All Cap Value Equity Manager Analysis for the period ending March 31, 2020. The Board decided to have Jon Breth schedule interviews with Fiduciary Management and Nuance for the July meetings.

The Retirement system auditors, Hawthorn, Waymouth and Carroll presented the Assessors' Retirement Fund Financial Audit, the Employer Pension Report and the Agreed Upon Procedure Audit, as of the fiscal year ending September 30, 2019. Mr. Blaine Crochet presented reviews on all three audits and with a motion by Glenn Waguespack and a second by Phyllis Mendoza all reports were accepted. The motion passed unanimously.

Mr. Greg Curran, system actuary, provided a discussion of the Employer Contribution Rate, based on the September 30, 2019 Actuarial Valuation report. The Board voted to delay the decision of setting the October 1, 2020 Employer contribution rate until the July meeting. The board asked that Mr. Curran provide an analysis of both a rate of 6% and 8% in the next quarterly meeting. The decision to delay, passed, with a motion by Glenn Waguespack and a second by Charlie Henington. All were in favor. Mr. Curran then provided information on the Actuarial equivalence assumptions and option factors. The assumptions and option factors were adopted with a motion by Richard Earl and a second by Irby Gamble, and passed with unanimous approval.

The next agenda item under the actuary's list, was a review of a possible situation where we have earnings and contribution payments to the retirement system of salary for one or more prior years and its potential impact. The actuary expressed his concern, that there could be some actuarial impact, depending on the year in which the annual earnings are applied and the future retirement date. The board acknowledged that in this case and similar cases, the member owes the contributions, applicable interest and penalties, with actuarial costs taken into consideration. The motion was that members who have proof that they elected a salary but were not able to pay it at that time, can pay the salary difference with Employee and Employer contributions plus interest and penalties, as the law applies and that the additional earnings would be applied to the earliest time period first; And to the extent that there is actuarial impact from that lump sum payment, the member will be charged any increase to make up the difference of the actuarial cost, at the time of purchase. The above acknowledgment was made as a motion by Richard Earl and a second by Irby Gamble, all were in favor.

A brief report was given by our retirement system attorney, Ms. Denise Akers on the 2020 Retirement Legislation that could impact our system. Ms. Denise reported that there weren't any bills presented that would impact our system. Ms. Akers then explained that the current cash custodian, for the 401A plan with Great West/Empower, is Wells Fargo, but they will no longer provide the service and the retirement system must elect a new custodian. She recommended that we elect Great West Trust Services as the Cash Custodian, as she has already reviewed and approved their contract. A motion was made by Glenn Waguespack and seconded by Louis Hebert to elect Great West Trust Services and that the agreement be negotiated by the Executive Director and General Counsel. The motion passed unanimously. Ms. Akers then provided an update on the Orleans Parish current Ad Valorem Taxes and the Consent Judgement payments.

Payment has been made in full for the remaining amount due the system, for the Consent Judgement, but only 80% of the estimated 2019-2020 Ad Valorem payments have been paid by Orleans to the retirement fund. A standard resolution with the outstanding amount of \$577,855.39 was provided by Ms. Akers. A motion was made by Charlie Henington and seconded by Glenn Waguespack to allow General Counsel to work with Executive Director to file the resolution with State Treasurer in event final payment of the 2019-2020 Ad Valorem taxes are not received. The motion passed without objection.

There being no further business to come before the Retirement Board, a motion to adjourn was made by Charlie Henington, seconded by Phyllis Mendoza and with no objections the meeting was adjourned.