

**Louisiana State Employees' Retirement System
Management Committee Meeting
Thursday, May 19, 2016**

The Management Committee of the Louisiana State Employees' Retirement System met on Thursday, May 19, 2016 in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Ms. Shannon Templet, Chair, called the meeting to order at 12:42 p.m. Roll was called by Ms. Abby Partin, recording secretary.

Members Present: Ms. Beverly Hodges, Judge William Kleinpeter, Mr. Rick McGimsey (designee of the Commissioner), Ms. Lori Pierce, Ms. Kathy Singleton, Ms. Shannon Templet, Ms. Lorry Trotter

Members Absent: Mr. Thomas Bickham, Ms. Virginia Burton, Ms. Janice Lansing, Senator Barrow Peacock, Representative Kevin Pearson, Mr. John Kennedy

Staff Present: Ms. Cindy Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director and Chief Operating Officer; Mr. Trey Boudreaux, Chief Administrative Officer; Ms. Tina Grant, Executive Counsel; Ms. Tricia Gibbons, Retirement Benefits Administrator; Mr. Artie Fillastre, Chief Fiscal Officer; Ms. Tonja Normand; Public Information Director; Mr. Dan Bowden, IT Director; Mr. Ryan Babin, Audit Director; Mr. Bobby Beale, CIO; Mr. Steve Stark, General Counsel; Mr. Trey Roche, Attorney; Ms. Allison Vince, Retirement Benefits Supervisor; Mr. Mark Diaz, Public Information Officer; Ms. Amanda Celestine, Executive Management Officer; Ms. Abby Partin, recording secretary

Also Present: Ms. Shelley Johnson, Foster & Foster, Mr. Charles Hall, Hall Actuarial, Mr. John Garrett, Cavanaugh Macdonald Consulting, Ms. Katherine Whitney, TRSL

A quorum was announced present and the meeting opened for business. There were no public comments.

The Chair took the meeting out of the regular order of business.

New Business

Mr. John Garrett of Cavanaugh Macdonald Consulting gave a presentation on the Development of the Discount Rate Assumption.

Judge Kleinpeter moved, seconded by Ms. Hodges, to recommend that the Board give preliminary approval of a plan to reduce the discount rate from 7.75% to 7.5%, in .05% increments over five years for funding and GASB purposes, beginning with the June 30, 2016 valuation and the FY 16-17 actuarially required contribution. With no objection or discussion, the motion carried.

Judge Kleinpeter moved, seconded by Ms. Hodges, to recommend the Board give preliminary approval to reduce the discount rate from 7.75% to 7.5%, for purposes of internal calculations, beginning January 1, 2017. With no objection or discussion, the motion carried.

The Chair returned the meeting to the regular order of business.

Regular Business

Ms. Templet called for approval of the April 22, 2016 Management Committee minutes. **Judge Kleinpeter moved, seconded by Ms. Trotter, to approve the minutes. With no objection or discussion, the motion carried.**

In the Executive Counsel's report, Ms. Grant announced there is a new appeal this month. She explained Ms. Bessie Hall was scheduled to appear before the board today but has chosen to present her appeal in writing. Ms. Grant distributed documentation pertinent to the appeal. Ms. Hall questions her eligibility to apply for disability retirement while out of state service. She suggested the Board read the information, take the matter under advisement, and make a final decision at the June meeting.

New Business

Ms. Gibbons presented a request to revoke the benefits of a disability member who has failed to return the required annual attending physician statement. **Judge Kleinpeter moved, seconded by Ms. Hodges, to recommend that the Board approve the revocation of benefits of the described disability retiree, due to non-compliance with R.S. 11:220 B. With no objection or discussion, the motion carried.**

Ms. Vince reviewed the list of alternate physicians to be added to the State Medical Disability Board. **Judge Kleinpeter moved, seconded by Ms. Trotter, to recommend the Board approve the lists of physicians submitted as alternate physicians to the State Medical Disability Board. With no objection or discussion, the motion carried.**

Ms. Rougeou stated she had cost information relative to the discount rate. She explained the increased costs of the 2016 valuation based solely on the change in the discount rate is an additional \$8 million.

Ms. Hodges moved, seconded by Judge Kleinpeter, to go into Executive Session for the purpose of reviewing the May 2016 Disability Report. With no objection or discussion, the motion carried.

Judge Kleinpeter moved, seconded by Ms. Trotter, to return to regular session. With no objection or discussion, the motion carried.

Ms. Hodges moved, seconded by Ms. Trotter, to approve the May 2016 Disability Report. With no objection or discussion, the motion carried.

Ms. LeBlanc stated Mr. Fillastre has calculated the Harbor Police Retirement System FYE 2016 DROP interest rate to be 7.6352%. Mr. Fillastre stated three members have met the requirements for DROP interest. **Ms. Trotter moved, seconded by Judge Kleinpeter, to recommend that the Board approve the Harbor Police DROP interest rate of 7.6352%. With no objection or discussion, the motion carried.**

Mr. Boudreaux stated he is seeking ratification of an approval he received from Judge Kleinpeter and Ms. Templet in relation to submitting the 2016-17 proposed operating budget to the Joint Legislative Budget Committee. He explained Civil Service is considering the suspension of merit increases for the year; therefore, the increases were removed from the budget. He further stated the JLBC meeting scheduled for tomorrow has been postponed and has not been re-scheduled. **Ms. Hodges moved, seconded by Judge Kleinpeter, to recommend that the Board ratify the 2016-2017 budget, as presented. With no objection or discussion, the motion carried.**

Ms. LeBlanc recommended changes to the Charter for the Executive Director 3.0 as it relates to the Performance Evaluation Process.

- On page 5, Section 13, subsection a., change May to July
- On page 6, Section 13, subsection c. and d., change June to August
- On page 6, Section 13, subsection e., change July to September

Ms. Hodges moved, seconded by Judge Kleinpeter, to recommend that the Board approve the changes to the Charter for the Executive Director, as presented. With no objection or discussion, the motion carried.

Mr. Boudreaux reviewed the Chief Administrative Officer's comments. He stated anyone wanting to attend the LAPERS Conference should let Amanda Celestine know their plans. **Ms. Pierce moved, seconded by Ms. Hodges, to approve travel for any trustee interested in attending the LAPERS Conference in New Orleans, September 18-21, 2016. With no objection or discussion, the motion carried.**

Ms. LeBlanc reviewed the Deputy Director and Chief Operating Officer's comments. Ms. Normand gave a PowerPoint presentation on the Hermes Awards which is an international competition for creative professionals involved in the concept, writing and design of traditional

materials and programs, and emerging technologies. LASERS won two platinum awards, one gold award, and three honorable mentions.

Ms. Rougeou reviewed the Executive Director's comments. In addition to her comments, she presented a video clip of an apology Representative Barry Ivey made to LASERS Board and staff during a House Retirement Committee meeting.

Other Business

There was no further business to discuss.

Adjournment

The meeting adjourned at 2:01 p.m.