

**Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
January 18, 2016**

The meeting of the Board of Trustees for the Registrars of Voters Employees' Retirement System was held at the Renaissance Hotel at 7000 Bluebonnet Boulevard in Baton Rouge, Louisiana.

I. Call to Order

The Chairman of the Board, Mr. Dennis DiMarco, called the meeting to order at 9:04 a.m.

II. Invocation and Pledge of Allegiance

Ms. Sandra Thomas offered an invocation, and Ms. Debbie Waskom led the Pledge of Allegiance.

III. Roll Call

Ms. Lorraine Dees called the roll. Board members present were: Ms. Sandra Thomas, Ms. Charlene Menard, Ms. Deborah Waskom, Mr. Dennis DiMarco, and Ms. Billie Meyer. Representative J. Kevin Pearson, Senator Russell Peacock, and Mr. Dwayne Wall were absent. A quorum was present. Others present included Ms. Lorraine Dees (Director), Ms. Denise Akers (Legal Counsel), Ms. Terry Meagher (representing the Custodian of Assets, Capital One Bank), Mr. Jon Breth (representing Investment Consultant, The Bogdahn Group), Mr. Greg Curran and Mr. Brian Shoup (representing Actuary and Administrator, G. S. Curran & Company, Ltd.), and Ms. Shelley Bouvier (Assistant to Mr. DiMarco).

IV. Public Comments

With no public comments, the Board moved onto the next agenda item.

V. Review and Approval of Minutes

Upon motion by Ms. Thomas and second by Ms. Meyer, the Board voted unanimously to approve the minutes from the December 11, 2015 meeting.

With no further business, the Board agreed to move onto the next agenda item.

VI. Presentation by Capital One

Ms. Meagher directed the Board's attention to the Custodian Report. She reviewed with the Board the breakdown of assets and the total assets as of December 31, 2015, totaled \$76,185,743. Next, Ms. Meagher reviewed the historical plan year end balances comparing market values at year end between 2012 and 2015. Page 6 showed a breakdown of investment fees paid in the plan year-to-date totaling \$140,774 which did not include the Mutual Fund fees. She explained that the class action settlement payments for the Quarter End totaling \$690 were collected this past quarter for claims with non-active money managers. Next, she reviewed the Member Supplemental market value reconciliation for the Quarter End totaling \$1,063,463.

Ms. Meagher then presented the Members Supplemental Savings Plan Asset Management report for December 31, 2015. Ms. Meagher reviewed the Portfolio Asset Allocation on page 3 which showed all asset classes within their tactical ranges. Then, she directed the Board to page 4 showing Quarter End gross returns totaled 1.51%, while YTD gross returns were -0.01%.

Upon motion by Ms. Waskom and second by Ms. Meyer, the Board voted unanimously to approve the Custodial Report and the Member Supplemental Savings Report.

VII. Presentation by the Investment Consultant, The Bogdahn Group

Next, Mr. Breth presented the Board with the Investment Performance Review as of December 31, 2015. He explained that the S&P 500 gained 7.0% for the quarter, and the Emerging Markets had positive returns for the quarter at 0.7% but were down 14.9% for the year. ROVERS exited the Emerging Market position at the July 16, 2015 meeting. China and oil continue to weigh on the markets.

Mr. Breth then directed the Board to the Monthly Flash Report; on page 1 he pointed out the Total Fund Composite Returns for the QTD was up 2.45% but down 2.93% for 2015. Orleans Energy and Advisory Value continue to weigh down the domestic equities. Dodge & Cox International is a contrarian investor that is down 11.35% YTD but is expected to bounce back.

Mr. DiMarco asked if the Fed will raise rates in 2016. Mr. Breth stated it will be more data dependent than using a ridged timeline, but they will not be in a hurry to raise rates.

Next, Mr. Breth reviewed the fixed income asset allocation and performance. Page 2 of the report showed Templeton Global Bond Fund outperformed by 3.52% because of rising interest rates. PIMCO Diversified outperformed as well, up 1.25% YTD. Mr. Breth stated that the hedge funds are still in liquidation, but the portfolio weight is minimal. American Core Realty made the report, but the performance update did not make it in, which was up around 2.0%. Mr. Breth reflected on the termination of PIMCO All Asset Fund (PAAIX) at the prior meeting and was replaced with BlackRock Multi-Asset Income Portfolio.

Mr. Breth said that he neglected to bring an updated Investment Policy Statement to the meeting, but he will email Ms. Akers and Mr. Curran with the updates. Mr. Breth stated it would then go out to the Board for review before the next regular Board Meeting.

Upon motion by Ms. Thomas and second by Ms. Meyer, the Board voted unanimously to approve The Bogdahn Group's Report.

VIII. Report from the System's Attorney

Ms. Akers stated that the litigation of Commonwealth is in the discovery phase. Ms. Dees was deposed for her testimony in the case regarding how Commonwealth Investment was presented to ROVERS.

Ms. Akers presented a piece of proposed legislation for the 2016 session that ROVERS needs to correct a mistake regarding the 100% limit of benefits based on the Final Average Compensation (FAC).

Mr. Curran addressed the Board on his findings regarding the legislation and how G. S. Curran & Company and the Director have been handling retirements where the 100% limit was enforceable. He explained how his office found that the limitation language had been inadvertently repealed. Mr. Curran stated that the retirement system has consistently applied the 100% of final average compensation limit and stated that not having such a limit would have a significantly negative actuarial impact on the plan. The Board discussed the fact that the removal of the limit language was unintentional and needed to be rectified immediately.

Upon motion by Ms. Meyer and second by Ms. Thomas, the Board voted unanimously to approve legislation to correct the repealing of the limitation of a member's benefit by 100% of the Final Average Compensation (FAC).

Upon motion by Ms. Thomas and second by Ms. Meyer, the Board voted unanimously to instruct G. S. Curran & Company to continue applying a 100% of final average compensation limit when calculating retirement benefits.

With no further business, the Board agreed to move onto the next agenda item.

IX. Presentation by G. S. Curran & Company

Mr. Shoup disseminated the financial statements for October 1 – December 31, 2015 to the Board. He reviewed the report with the Board noting the budget needed to be amended to reflect the IRS Penalty payment of 22,338.

Ms. Dees stated that she has been working with Ms. Cunningham (ROVERS Accountant) to contest the 2011 945 late payments. Ms. Cunningham is working with the IRS to determine when payments were received by the IRS and should have an update for the next Board meeting.

The Board discussed other budget items. Mr. Curran stated that there was a need to make a number of manual changes to the retirement system's computer database to fix issues that have developed over the past decade that Ms. Dees cannot fix based upon the current software features. He estimated the cost to do this maintenance at \$2,000 to \$3,000.

Upon motion by Ms. Thomas and second by Ms. Menard, the Board voted unanimously to increase the Computer and Network Services line item from \$2,000 to \$5,000 for Fiscal 2016.

Upon motion by Ms. Waskom and second by Ms. Meyer, the Board voted unanimously to request a quote from G.S. Curran and Company for an updated retirement system database program.

Mr. Shoup completed his presentation of the financial statements.

Upon motion by Ms. Thomas and second by Ms. Meyers, the Board voted unanimously to approve the draft financial statements by G.S. Curran and Company.

With no further business, the Board agreed to move onto the next agenda item.

X. Director's Report

Ms. Dees provided a Director's Report to the Board, and addressed the items on the handout including new employees, terminations, new DROP participants, DROP participants re-enrolled after DROP, DROP payments, retirement applications, and deaths.

Ms. Dees presented a Draft Credit Card Usage Policy for the Board's consideration. The Board decided to table any discussion about the policy until the next Board Meeting.

Ms. Dees stated that she is working with an insurance firm in Baton Rouge to obtain quotes for an Errors and Omissions Policy as well as Fidelity Bond Coverage.

Upon motion by Ms. Thomas and second by Ms. Meyer, the Board voted unanimously to accept the Director's Report.

XI. Other Business

After discussion among the board members, the next meeting date was scheduled for Friday, April 29, 2016, at 9:00 am at the Renaissance Hotel in Baton Rouge, LA.

XII. Adjourn

Upon motion by Ms. Menard and second by Ms. Meyer, the Board voted unanimously to adjourn the meeting at 11:02 am.