

**Registrars of Voters Employees' Retirement System
Minutes of the Special Meeting of the Board of Trustees
March 8, 2017**

The special meeting of the Board of Trustees for the Registrars of Voters Employees' Retirement System was held at the Louisiana State Archives Building located at 3851 Essen Lane in Baton Rouge, Louisiana.

I. Call to Order

Mr. Dennis DiMarco called the meeting to order at 2:03 p.m.

II. Invocation and Pledge of Allegiance

Ms. Sandra Moorer offered an invocation and Mr. Dwayne Wall led the Pledge of Allegiance.

III. Roll Call

Ms. Lorraine Dees then called the roll. Board members present were: Ms. Billie Meyer, Ms. Charlene Menard, Mr. Dennis DiMarco, Mr. Dwayne Wall, Ms. Sandra Moorer, and Ms. Deborah Waskom. Representative Barbara Carpenter and Senator Barrow Peacock were absent. A quorum was present. Others present at the request of the Board included: Ms. Lorraine Dees (System Director), Ms. Denise Akers (Legal Counsel), Ms. Annie Smith (House Retirement Staff Attorney), Mr. Greg Curran (representing Actuary and Administrator, G. S. Curran & Company, Ltd.), and Mr. Tom Schedler (Louisiana Secretary of State). In the audience were Mr. Brian Champagne (St. Charles ROV), Mr. Steve Raborn (East Baton Rouge ROV), Ms. Shelly Bouvier (Administrative Assistant Jefferson Parish ROV), Mr. Matt Dees (spouse of Ms. Lorraine Dees), Ms. Michelle Richard (Cameron ROV), Mr. Willie Johnson (Tangipahoa Deputy), Mr. Kenny Husser (Tangipahoa Deputy), Mr. Robert Poche (Ascension ROV), Ms. Connie Crumhorn (St. Bernard ROV), Ms. Juanita Coco (St. Bernard Deputy), Ms. Rita James (Winn ROV & Association President), Ms. Shanika Olinde (Point Coupee ROV), Ms. Christa Medaries (Ouachita ROV), Ms. Lisa Revere (St. Tammany Deputy), Ms. Golda Ensminger (Concordia ROV), Mr. John Sansone (St. Tammany Deputy), Ms. Cheryl C. Milburn (St. Landry ROV), Ms. Lauren Jones (St. Landry Deputy), Ms. Connie Huett (retiree), Ms. Alena Huett (retiree), Ms. Isabelle Butler (Ouachita Deputy), Mr. David Norris (East Carroll Deputy), Ms. Joni Ronsonet (St. Mary Deputy), Ms. Lisa Medine (St. James ROV), Ms. Donna Brignac (St. James Deputy), Ms. Mildred Adams (Iberia ROV), Ms. Frankie Rideau (Iberia Deputy), Ms. Patricia Sanders (Claiborne ROV), Ms. Jolene Holcombe (St. Mary ROV), Ms. Robin Darbonne (Beauregard ROV), Ms. Denise Kelso (Rapides Deputy), Ms. Sandra Bonnette (Rapides Deputy), Ms. Sherri Melder (Rapides Deputy), Ms. Dianna Stone (Lincoln ROV), Ms. Angie Roberts (Jackson ROV), Ms. Melanie Smith (Webster ROV), Ms. Pat Guidry (St. Martin ROV), Ms. Angie Durand (St. Martin Deputy), Ms. Stephanie B. Agee (Bossier ROV), Ms. Jeannette Sutton (Bossier Deputy), Ms. Janet S. Burks (Bossier retiree), Ms. Stacy L. Ryan (West Baton Rouge ROV), Ms. Leann Jenkins (Plaquemines Deputy), Ms. Kathleen Ketnor (Plaquemines ROV), and Ms. Linda Stewart (Rapides ROV).

IV. Public Comments

Upon motion by Charlene Menard and second by Billie Meyer, the Board voted unanimously to revise the agenda to receive comments from Secretary of State, Mr. Tom Schedler, out of order.

V. Address by Secretary of State, Tom Schedler

Mr. Schedler stated that his office provided all Human Resources functions for the Registrars of Voters. He added that the Secretary of State's office had a Board position on two of Louisiana's public retirement systems, the Louisiana School Employees' Retirement System and the Teachers' Retirement System. He further noted that the Legislature had placed representatives from the Treasurer's Office and the Division of Administration on a number of public retirement system boards. He stated that he wanted to have a seat on the ROVERS Board of Trustees because the state's employer contributions for ROVERS were paid through the Secretary of State's budget.

Mr. Schedler indicated to the Board and the audience that he was a direct person and that he did not like people putting words in his mouth. He stated that he never said that he wanted to take over the ROVERS Board or that he wanted to see the ROVERS Board merged with the Clerks of Court Retirement & Relief Fund Board. He added that if those were his objectives, he would say so. He reiterated that he was merely asking for a seat on the ROVERS Board.

Mr. Schedler expressed that some in the Registrars Association have fought him on everything and that with increases in the employer contribution rate it was a huge budgetary issue.

Ms. Debbie Wascom asked for clarification related to the potential fiscal impact of adding the Secretary of State or his designee to the ROVERS Board. She stated that it was her understanding that the system would incur no expense for education or travel. Ms. Wascom also asked about his intentions related to the potential of a merger of the ROVERS plan with another plan.

Mr. Schedler stated that he would not introduce a bill to merge ROVERS with another system.

Ms. Charlene Menard stated that she was sorry to have missed the meeting at the Registrars Association Convention where Mr. Schedler first spoke about the bill. She stated that she was shocked to learn about the bill and asked why it was not brought to the retirement board first.

Mr. Schedler stated that he took the opportunity to address the Registrars at the convention. Mr. Schedler discussed the fact that he did not bring up participation on the ROVERS Board years ago. He stated that in a recent conversation with Joe Salter, who sits on the LSERS and TRSL Boards, the point was brought up that of all of the Boards that the Secretary of State should sit on, ROVERS would make the most sense.

Mr. Schedler stated that when the Attorney General's opinion led to a required payment of employer contributions of almost \$100,000, he paid the funds. He added that he would not be in a position to do that in today's budget situation.

Ms. Moorer asked Mr. Schedler why he wanted to be on the Board now. She added that he had never sent representatives to attend Board meetings which were held in Baton Rouge.

Mr. Schedler stated that her point was reasonable. He agreed that he had not attended and agreed that perhaps they should have.

Ms. Moorer added that if Mr. Schedler should have a position due to the employer contributions paid through the Secretary of State's budget, the police jurors would also be able to make that argument.

Mr. Schedler stated that he had not discussed the issue with the Police Jury Association.

Ms. Moorer stated that she felt that the Treasurer's office or Legislative Auditor would offer more knowledge about finance and investments.

Mr. DiMarco asked if Mr. Schedler would join the Board in opposing any future merger bill. Mr. Schedler stated that he would.

Ms. Meyer stated that at the seminar, Mr. Schedler stated that he wanted to have an ear at the Board's table. She asked if he wanted to be a voting member.

He added that he did want to be a voting member. Mr. Schedler stated that he did not know why Registrars were discussing the possibility of a merger with the Clerks. He stated that such an idea did not come from his office or his mouth.

Ms. Meyer asked what he would get by being on the ROVERS Board. Mr. Schedler responded that he felt he should be on the Board for transparency in government.

Ms. Dees told the group that when Mr. Schedler started, he set up a meeting with her, John Moreau and Billie Meyer to discuss the \$100,000 due related to the Attorney General's opinion. She stated that the system had the money within a week. She added that although they had disagreed on occasion, she respected Mr. Schedler.

Mr. Schedler told the group that were he to be added to the Board of Trustees, he would not fight Board decisions after a vote is taken. He added that he would likely appoint Joe Salter to represent him on the ROVERS Board since he sits on the LSERS and TRSL Boards.

Ms. Moorer stated that she was concerned that if the Registrars on the Board disagreed with Mr. Schedler, it could affect their evaluations by the Secretary of State.

Mr. Schedler stated that he was not involved in the evaluation procedure. He added that he only got involved in cases of appeals or disputes. He indicated that votes and discussion at the Board level would not affect the evaluations. He reiterated that he did not have any hidden agenda and that he was sorry that the discussion had deteriorated to this.

Audience member, Brian Champagne, stated that the Board is currently made up of 8 members including Representative Carpenter and Senator Peacock and that they periodically had concerns about quorums. He stated that he had spoken with Representative Carpenter who was in Brazil for her position as Dean of International Education at Southern University. He said that Representative Carpenter stated that she was not currently in favor of Senate Bill 3. He added that he felt that Mr. Schedler had sprung this bill on the Registrars at the conference. He stated that the system board meets at the Renaissance Hotel in Baton Rouge and that the meetings are open to the public. He added that the Secretary of State's office could attend.

Audience member, Mildred Adams, stated that several years ago the Board was presented with a request to add a retiree to the Board. She stated that the Board needs a retiree to represent the system's retirees. She added that it would be more credible for a retiree to be considered to serve.

Mr. DiMarco answered that the Board members were already concerned about retirees, but state law limits the ability of the system to pay retiree COLA's.

Audience member, Robert Poche, asked if Joe Salter votes on the other Boards he serves on. Mr. Schedler replied that he did.

Audience member, David Norris, stated that even if the Board believed what Mr. Schedler stated, they could not know who would be the Secretary of State in the future. He expressed concern that three members of the Board would not have a retirement that depended on ROVERS. He stated that the number one job of the Board is to provide pensions to the members.

Mr. Schedler stated that he respected Mr. Norris' position, but he would have one vote out of nine potential votes. He stated that there were three ex-officio members out of the nine total. Mr. Schedler further stated that the money for employer contributions is state taxpayer funds. For this reason, having taxpayer and legislative representation on the Board is important for transparency.

Attorney, Ms. Denise Akers, spoke to the audience. She stated that the law requires each Board member to be a fiduciary to the system. She further explained that whether or not a Board member is also a member of the system, they all have a legal obligation to the beneficiaries of the system.

Ms. Waskom stated that she would make her decision based on the facts. She stated that if she had a Board that made decisions about how much she had to pay, she would want to have some input. She added that as fiduciaries, if Board members made decisions that were not fiduciarily sound, they were personally liable. She added that everyone who sits on the ROVERS Board takes the job seriously.

Upon motion by Ms. Waskom and second by Ms. Menard, the Board voted to support Senate Bill 3 during the 2017 regular legislative session. Mr. DiMarco, Ms. Menard, Ms. Meyer, and Ms. Wascom voted in support of the motion, and Ms. Moorner and Mr. Wall voted against the motion. The motion carried 4 – 2.

VI. Other Business

Ms. Moorner asked that the Board amend the agenda to discuss an issue with the system's 2016 1099R forms.

Upon motion by Ms. Moorner and second by Mr. Wall, the Board voted unanimously to amend the agenda to consider the issue of the system's 1099R forms filed for 2016.

Ms. Moorner stated that individuals retiring with 30 years of service have been coded with a distribution code of "1" on the 1099R's which means that a 10% penalty would apply for early distributions only for retirees under the age of 55. Ms. Moorner stated that she spoke with a number of other retirement systems and found that they used codes for normal distribution or early distribution with a qualifying exception. These codes would not result in a 10% penalty.

After the Board discussed the issue of coding on the 1099R forms, Ms. Moorner asked that the system's actuary and attorney work with the CPA to review the issue.

Ms. Dees stated that the individual involved had called her. She told the retiree that the system cannot give tax advice to retirees and that the system hired outside CPA's to create the 1099R's.

After further discussion, upon motion by Ms. Moorner and second by Mr. Wall, the Board voted unanimously to have the system's actuary and attorney work with the CPA to see if ROVERS could code the individual involved with a "2" or "7" which would avoid a 10% penalty.

Ms. Moorner stated her concern related to the tax filing date of April 15th. Mr. DiMarco stated that the member could ask their CPA to file an extension, if necessary.

[Because audience members did not all identify themselves for the recorder, some of the names of audience members who made comments are not included below.]

Audience members stood up and asked to be recognized. They voiced their concerns with the Board supporting Senate Bill 3. Others stated that it bothered them that their opinions were not taken into account before the vote was taken.

Ms. Meyer asked how many audience members had been attending ROVERS Board meetings in the past. She also asked if they trusted the retirement Board members.

Association President, Rita James, stated that they trusted the Board of Trustees to be the decision makers on behalf of members. She added that she did not understand why Secretary Schedler wants to be on the Board. She told the audience that if they did not support Senate Bill 3, they should call their Representative and Senator to voice their opinion.

Mr. DiMarco stated that the Board of Trustees did not know about the bill before the convention. He added that his vote was based on getting answers related to Mr. Schedler's intentions related to merger of the system. He stated that he took him at his word.

Brian Champagne stated that the Registrars were put with the Secretary of State as a pass through. He stated that they also answered to the local governments.

Audience members expressed additional concerns that Secretary Schedler had changed from wanting a voice to wanting a vote.

Ms. Dees stated that everyone got a notice to contact the ROVERS Board members to offer their opinions before the meeting. She stated that only Brian Champagne called a Board member.

Brian Champagne stated that he heard from many others. Ms. Meyer asked why Mr. Champagne was getting called and not the Board or the System's Director.

Mildred Adams asked why the Board did not ask for the audience opinions before the vote. Mr. DiMarco stated that it was the Board's responsibility to make the decision based on their experience with the system.

In response to further questions about why some Board members voted in favor, Ms. Meyer stated that they felt the Secretary answered their questions.

Robert Poche stated that he did tell the Board before the meeting that everyone he had spoken with was against the bill.

Prior to adjournment, the numerous membership present expressed their opposition to Senate Bill 3 and requested a re-vote by the Board. No further action was taken.

XII. Adjourn

Upon motion by Ms. Menard and second by Ms., Meyer, the Board voted unanimously to adjourn the meeting at 3:07 pm.