

**Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
July 31, 2018**

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

I. Call to Order

Ms. Charlene Menard called the meeting to order at 9:00 a.m.

II. Invocation and Pledge of Allegiance

Ms. Deborah Waskom offered an invocation, and Mr. Dwayne Wall led the Pledge of Allegiance.

III. Roll Call

Ms. Kathy Bourque then called the roll. Board members present were: Ms. Charlene Menard, Mr. Robert Poche, Ms. Sandra Moorer, Mr. Dwayne Wall, Ms. Deborah Waskom, Mr. John Broussard, and Mr. Joe Salter. Mr. Dennis DiMarco, Representative Barbara Carpenter, and Senator Barrow Peacock were absent. A quorum was present. Others present included: Ms. Kathy Bourque (System Director); Ms. Rebecca Wisbar (Legal Counsel); Ms. Cynthia Averette and Mr. Walker Reynolds (representing the Custodian of Assets, Hancock Whitney); Mr. Jon Breth (representing the Investment Consultant, AndCo Consulting); and Mr. Greg Curran and Ms. Sondra Bordelon (representing Actuary and Administrator, G. S. Curran & Company, Ltd.). In the audience were: Ms. Margaret Corley (Senate Retirement Staff Attorney), Ms. JoAnn Jensen (ROVERS Retiree), Mr. Howard Tull (JoAnn Jensen's CPA), Ms. Cheryl Decoteau (West Feliciana ROV), Ms. Billie Meyer (Acadia ROV), Mr. Brian Champagne (St. Charles ROV), Ms. Pat Guidry (St. Martin ROV), Mr. Michael Bertrand (Vermillion ROV), Ms. Connie Crumhorn (St. Bernard ROV), Ms. Stephanie Agee (Bossier ROV), Ms. Lisa Medine (St. James ROV), and Mr. Steve Raborn (EBR ROV).

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. Waskom and second by Mr. Salter, the Board voted unanimously to approve the minutes from the April 24, 2018 meeting.

VI. Presentation by Investment Consultant, AndCo Consulting

Mr. Breth reviewed the 2018 second quarter performance ending June 30, 2018. He stated that there was an overall positive second quarter for the stock market. Mr. Breth stated that headlines with rhetoric around the administration regarding trade caused markets to bounce around during the quarter. He confirmed that the returns for international markets were negative versus U.S. equities which were positive. Mr. Breth stated that this was due to the U.S. dollar having appreciated in value throughout the quarter. He also confirmed that the Russell 2000 actually held up the best during the second quarter where small caps dominated performance. Regarding fixed income, Mr. Breth stated that these were interest rate sensitive. Mr. Breth then discussed the graph on page 3 of his report noting that growth dominated performance in the second quarter of 2018. He

stated that the graphs on page 4 demonstrated that both the technology and healthcare sectors have dominated in the past year and that energy was the best performing sector during the second quarter. Mr. Breth stated that one of the significant differences was that FANG (Facebook, Amazon, Netflix, and Google) stocks did not leave a large footprint meaning they were not the top performers this quarter. He pointed out that we are starting to see more individual stock divergence. Also, Mr. Breth noted that the global bond benchmarks were impacted by the rising U.S.D. and more interest rate sensitivity. Mr. Breth also discussed fixed income and pointed out that U.S. high yield bonds have continued to rise at a steady pace with a 1 % increase in the second quarter.

Next, Mr. Breth instructed the Board to review page 10 which demonstrated the asset allocations and performance net of fees. He pointed out that ROVERS ended up 7.08% fiscal year- to- date. He reminded the Board that Eagle Capital replaced Advisory Research in September of 2017 and since inception that has been a great decision for ROVERS performing up at 10.5%. Regarding the international equities, Mr. Breth stated that Dodge & Cox and Vontobel were both value oriented, and he currently does not recommend any action or change at this time. He stated that the underperformance of fixed income was mainly due to the appreciation of the U.S.D. Also, Mr. Breth confirmed ROVERS recently received some payouts from CDK and that Equitas and Greenspring were in liquidation. Then, he discussed Westwood and Blackrock which are real return funds that had slightly positive quarters. He stated that Westwood was comprised of 50% S&P 500 and 50% Barclays aggregate whereas Blackrock was comprised of 50% MSCI World and 50% Barclays aggregate. Mr. Breth also mentioned that the CIO of Westwood would be stepping away in March of 2019. Mr. Breth stated that it would be beneficial for ROVERS to take a look at other options, and his plan was to bring those to the Board at the next meeting. Also, for the next meeting he would like to provide education for infrastructure investing.

Ms. Waskom asked Mr. Breth how he felt about Russia regarding their investments with the United States. Mr. Breth stated most information out in the media seemed to be hot air especially until we see the midterm election results. He also stated that he did not see any real impact that we would require action at this time.

Upon motion by Mr. Broussard and second by Ms. Waskom, the Board voted unanimously to approve the report as presented by AndCo Consulting.

VII. Presentation by Hancock Whitney

Ms. Averette informed the Board that the transition to Hancock Whitney was completed on July 13, 2018. She also mentioned that there will likely be a computer system conversion in approximately six months.

Ms. Averette then directed the Board's attention to the Custodial Report. She reviewed the breakdown of assets for the period ending June 30, 2018, with a total asset balance of \$94,030,695.49 and pointed out that 41.4% of the portfolio was invested in domestic equities. For comparison purposes, she stated that page four of the report demonstrated the growth, broken down by category going back to June 30, 2014, with a market value of \$78,000,080.02 through June 30, 2018, with a market value of \$94,030,695.49. Ms. Averette stated that the total mutual fund account was approximately 50.9%. Then, she explained that page 5 summarized the investment fees for period ending June 30, 2018, for each money manager as well as the consulting firm totaling \$308,023.60. Lastly, she confirmed that the class action settlement payment total received was \$817.13.

Next, Mr. Reynolds presented the Members Supplemental Savings Plan Investment Performance Review for June 30, 2018, totaling \$906,591. He discussed the breakdown of the Portfolio Asset Allocation which showed that approximately 62.3% of the assets are in fixed income and cash, and the remaining 37.7% of assets are invested in equities. He stated that for the year, the account was at 3.64%, and the portfolio had averaged 4.7% since inception. Regarding the holdings within the account, Mr. Reynolds noted that it was represented by Exchange Traded Funds (ETF's).

Ms. Waskom asked if the Supplemental Savings account could be rolled over. After clarification of her question, Mr. Curran stated that the funds in each member's supplemental savings account could be rolled over, or the member could take a disbursement once they were eligible to receive those funds.

Upon motion by Mr. Wall and second by Mr. Broussard, the Board voted unanimously to approve the Custodial Report and the Member Supplemental Savings Report as presented by Hancock Whitney Bank.

A break was taken at 9:50 a.m., and the meeting reconvened at 10:04 a.m.

VIII. Presentation by Daul Insurance Agency, Inc., Daniel Goynes

Ms. Bourque informed the Board that Mr. Goynes notified her this morning that he would not be able to attend the meeting. She informed the Board that his quote was included in their meeting packet.

Upon motion by Ms. Waskom and second by Mr. Poche, the Board voted unanimously to defer the Daul Agency Presentation to the next ROVERS Board meeting.

IX. Report from the System's Attorney, Rebecca Wisbar

Ms. Wisbar introduced herself and thanked the Board for allowing her to attend the meeting. First, Ms. Wisbar discussed the adoption of the Board Governance Policy Manual as well as the Policies and Procedures Manual that had previously been emailed to the Board for review prior to the meeting.

Ms. Waskom asked for an explanation of the statement in the Policies and Procedures Manual that stated personal time was accrued at 10/12 hours per month. Mr. Curran explained that it means a member gets ten days per year, but it would be accrued 1/12 of that per month. He further explained by stating that a member would have to be employed the entire year (12 months) to accrue the full ten days.

Upon motion by Mr. Broussard and second by Mr. Salter, the Board voted unanimously to accept and adopt the Board Governance Manual and the Policies and Procedures Manual.

Next, Ms. Wisbar discussed mileage reimbursement for the System Director. Ms. Bourque explained that prior to this meeting she had reimbursed herself for mileage to and from the post office and bank, since she had been using her own vehicle. She stated that G. S. Curran and Company questioned this item when reconciling the bank statements because it was not clearly specified in the Director's contract. Ms. Moorer stated that she would like for Ms. Bourque to attend the ROV Association Seminar in the early part of 2019 and would like that meeting to be included in any mileage reimbursement for the System Director.

Upon motion by Mr. Broussard and second by Mr. Wall, the Board voted unanimously to approve the payment to Ms. Bourque as System Director both prospectively and retroactively regarding mileage reimbursement for travel related to business on behalf of ROVERS.

Regarding unemployment insurance, Ms. Wisbar confirmed that this coverage was a requirement of the Board per the statute, and they should give authorization to the Director to obtain quotes, set up payments and submit payments for this insurance.

Upon motion by Mr. Poche and second by Ms. Waskom, the Board voted unanimously to authorize the Director to obtain quotes, set up payments and submit payments for unemployment insurance.

Then, Ms. Wisbar updated the Board on House Bill 20 of the 2018 Regular Session. She reminded the Board that this bill would allow a natural or juridical person to serve as Director of ROVERS. Ms. Wisbar stated that Representative Carpenter advised that it did pass the House but stalled in the Senate. Mr. Broussard stated that Senator Cortez deferred House Bill 20 in the Senate Committee.

Upon motion by Mr. Salter and second by Ms. Waskom, the Board voted unanimously to accept the System Attorney's report.

Mr. Broussard suggested that Board members would need to attend committee meetings as well as the ROV Association showing their support for a bill like House Bill 20 to pass in the next Legislative session.

Upon motion by Ms. Moorer and second by Mr. Salter, the Board voted unanimously to request the reintroduction of House Bill 20 in the 2019 Legislative Session.

X. Report from G. S. Curran & Company

Mr. Curran reviewed the Profit & Loss Budget vs. Actual report which was for the Fiscal year. He reminded that Board that they previously approved a transition budget and the 2019 Fiscal year budget. He pointed out that the Board had four special meetings which caused an overage in that category. For computer and networking, the System came in below the budget as well as office expenses and supplies. Ms. Moorer asked why social security/Medicare was such a low budget item. Mr. Curran explained this was a new item due to Ms. Bourque being a contract employee not participating in the plan. He also stated that after Ms. Bourque's contract ended the Board could decide to make her a participating member of the System. Mr. Curran stated that total general expenses ended the fiscal year at 77.47% of budget, total investment services at 117.23% of budget, and total professional services at 109.47% of budget with a total actual at 103.72% of budget. Mr. Curran expressed that the most difficult area of the budget to determine would be the investment expenses, since it is tied to the value of the System's fund. Mr. Breth stated that he could work with the System and use the value that was made last year and grow that by the assumed rate of return. Mr. Curran agreed that would be a good starting point for budgeting investment services.

Ms. Moorer asked Mr. Curran to explain the AUP Audit under the accounting section of the budget. Mr. Curran stated that the Legislative Auditor had issued additional items to be tested in a list of agreed upon procedures. These were extra audits and included testing additional internal controls required by every state entity.

Next, Mr. Curran discussed the proposed budget changes effective July 1, 2018, for Fiscal year 2019. He explained that his office asked Ms. Bourque to indicate areas that she required additional funding since the transition budget. Mr. Curran stated that Ms. Bourque requested an additional \$12,960.00 for a total of \$24,960.00 to pay a part-time employee at \$15.00 per hour for approximately 32 hours per week. He also stated that the telephone & internet budget was increased by \$1,000.00, the bank charges by \$750.00 and that continuing education was reduced by \$2,000.00 since ROVERS was under budget last fiscal year. Then, Mr. Curran discussed the increase of the travel/mileage budget by \$750.00 to a total of \$1,500.00 which would partially be used to reimburse Ms. Dees for her mileage while training Ms. Bourque. Ms. Moorer stated that travel/mileage should be increased by \$1,500.00 to a total of \$3,000.00 so that Ms. Bourque could attend LAPERS, LATEC, and the ROV Association Seminar. Both Mr. Curran and Ms. Bourque agreed with the suggestion Ms. Moorer made pertaining to staff travel/mileage. Mr. Curran then explained that the decrease of the office equipment lease budget by \$1,200.00 covered the copier lease. Regarding changes to the actuarial fees, he stated this would be the decision of the Board. He stated that Ms. Bourque would be making a proposal that G. S. Curran & Co. would review all of the benefit estimates that she processed for members. Mr. Curran stated that the \$3,600.00 was the cost of G. S. Curran & Co. reviewing two estimates per month per year at

\$150.00 per estimate. Then, he explained that accounting and auditing fees would also increase due to the use of the online version of QuickBooks. The cost listed on the budget includes the training, setup, monthly subscription and any extra assistance with the new program. Mr. Curran stated that the overall total increase for administrative services was significantly affected due to investment services and money manager fees with a total increase of \$55,563.85. He stated that if investment fees were not included, then the total overall administrative fee increase would be \$29,816.44.

Ms. Moorer suggested at least a budget of \$500.00 for moving expenses so that the older files could be moved offsite at a later date, if needed.

Upon motion by Ms. Waskom and second by Mr. Salter, the Board voted unanimously to defer the decision to accept the proposed budget changes for fiscal year 2019 until later in the meeting after the Director's report was completed.

Mr. Curran then discussed the fact that the Legislative Auditor had announced that the Louisiana Legislative Auditor (LLA) would be using their consulting actuaries from Florida to run system valuations for fiscal 2018 using alternate assumptions. Based on previous conversations with the legislative auditors, Mr. Curran was under the impression that these assumptions would likely lead to a higher employer contribution rate. Mr. Curran stated that this would give PRSAC (Public Retirement Systems' Actuarial Committee) two reports for ROVERS to choose from in setting the employer rate. Mr. Curran informed the Board that Mr. Warren Ponder of MERS previously hosted a meeting and invited the Directors of all of the statewide and the two state systems that G. S. Curran & Company works with to attend. Mr. Curran confirmed that Ms. Bourque and Ms. Dees attended this meeting where he gave a presentation and his opinion regarding his views of the legislative auditor's assumptions. Mr. Curran stated that the legislative auditor would need information and assistance from the System actuaries in order to complete this project which was not part of G. S. Curran's contracted cost. Initially the legislative auditors stated they would be completing all eleven systems, but had since indicated that they would complete as many as possible. So far, Mr. Curran stated that the legislative auditors have requested information on MERS, MPERS, FRS, LSERS, and LSPRS. He stated that he thinks their goal would be complete the analysis on the five listed above and then focus on the remaining systems.

Mr. Broussard stated that the previous day he had met with the legislative auditor and had their consulting actuary on the phone. He stated that it was accurate to state that they do not anticipate getting to complete all of the statewide systems in one year. Mr. Broussard stated that the legislative auditor's actuaries admitted that their approach was more conservative than the system's actuary's approach. Personally, Mr. Broussard stated that the State Treasurer likes the legislative auditor's process but does not necessarily agree with their numbers. Mr. Curran confirmed that G. S. Curran has a process very similar to the legislative auditor's actuary's process; however, his firm's strategy uses long term assumptions instead of mid-term assumptions.

Next, Mr. Curran asked the Board to reference the Actuarial Equivalence Assumption chart in their packet. As the System actuary, Mr. Curran stated that he was providing updates to the plan's option factors to incorporate the 6.75% valuation interest rate. Mr. Curran explained that the maximum benefit was the accrual rate times the member's service times the member's final average compensation. He further explained that an option factor was a reduction from the maximum benefit where a member could chose to provide a benefit upon his or her death to spouse or beneficiary. He stated that these options were proposed last year; however, he was not sure if a motion had been made to approve them effective July 1, 2018.

Upon motion by Mr. Poche and second by Mr. Broussard, the Board voted unanimously to approve and accept the new actuarial equivalence and option factors to incorporate the 6.75% valuation interest rate presented by G. S. Curran & Co. retroactively to July 1, 2018.

Then, Mr. Curran discussed the timeframe and cost for producing IPAS member statements. He confirmed that through June 30, 2018, Ms. Bourque posted all transactions on both old and new IPAS. Effective July 1, 2018, Mr. Curran stated that Ms. Bourque would only post transactions to the new IPAS system. Ms. Moorer reminded the Board that Ms. Dees promised that every member would receive a hard copy of their record prior to her retirement; however, that had never happened. Mr. Curran stated that there was evidence that the process had begun but was not completed. He also stated that he would prefer if the System reviewed the information prior to the data being sent out to the members. Mr. Curran stated that G. S. Curran & Company would be glad to complete the project based upon the hourly rates in their contract and explained to the Board the process that it would take to complete the project. He stated that G. S. Curran & Company estimated that the cost would be between \$1,500.00 - \$2,500.00. Mr. Curran stated that his firm would start immediately, since their valuation season would be starting soon. His goal would be to have the statements by the next ROVERS meeting. Mr. Broussard stated that it seems to be money well spent to confirm the conversion from the old IPAS to the new IPAS was successful.

Upon motion by Mr. Broussard and second by Ms. Waskom, the Board voted unanimously to approve the hiring of G. S. Curran & Co. to proof the data on the old versus new IPAS, and then Ms. Bourque will create and send out active member statements by the next ROVERS meeting.

Upon motion by Ms. Moorer and second by Mr. Salter, the Board voted unanimously to authorize the Director, Ms. Bourque, to send out annual Members Supplement Savings Fund (MSSF) Statements once the valuation is completed by G. S. Curran & Company.

Upon motion by Mr. Poche and second by Ms. Waskom, the Board voted unanimously to accept the reports given by G. S. Curran and Company.

XI. Director's Report

Ms. Bourque directed the Board to the Director's memo in their packet. First, she discussed the status of the COLA. She explained that all regular retirees, survivors and disability retirees that were retired two years prior to January 1, 2018, received a COLA. Ms. Bourque confirmed that a retro increase (January-May 2018) was paid on May 31, 2018, and the regular increase began on June 1, 2018. She also confirmed that the adjustment was 2% of the original benefit and 138 retirees/survivors received the increase. Mr. Curran informed the Board that Ms. Bourque and her assistant did a lot of work to make sure the COLA's were done correctly and in a timely manner.

Next, Ms. Bourque discussed the status of her findings when reviewing all of the disability, retiree, and DROP files. Ms. Bourque confirmed that a total of four retiree's benefits are being paid at the incorrect amount with a difference of \$.50 or less. She stated that since the difference was immaterial, she recommended leaving those benefits as is.

Ms. Bourque stated that two retirees were overpaid monthly benefits which have since been corrected. She stated that those retirees have been contacted and repayment of the overpayments has been requested. On the first retiree that was overpaid, Ms. Bourque stated that the retiree had a total overpayment of \$5,010.70 which has already been repaid with a cashier's check. That retiree is now receiving the correct monthly benefit amount.

Ms. Bourque stated that the second retiree that was overpaid was Ms. JoAnn Jensen. Ms. Jensen was overpaid \$639.52 for 71 months, \$652.31 for one month and \$63.95 on the COLA for a total overpayment of \$46,122.18. Ms. Bourque confirmed that Ms. Jensen did start receiving her corrected monthly benefit effective July 1, 2018. She also stated that Ms. Jensen requested and received a copy of her entire ROVERS member file. Ms. Jensen

was in attendance at the meeting and proposed via letter to the System to repay \$500.00 per month until the overpayment of \$46,122.18 was paid in full.

Ms. Wisbar stated that Ms. Jensen was not named specifically on the agenda so in order to discuss her specific case. She stated that the agenda would need to be amended with a unanimous vote. Ms. Wisbar reminded the Board and audience that any public comments are limited to three minutes and that public comments do not require that the Board answers questions.

Upon motion by Ms. Moorner and second by Mr. Salter, the Board voted unanimously to amend the agenda for discussion and action related to the overpayment of retiree benefits of Ms. JoAnn Jensen.

Ms. Menard asked Ms. Bourque why the Board was just hearing about Ms. Jensen's overpayment for the first time. Ms. Moorner stated that it concerned her that the Board was given a letter today to be reviewed while also having to make a decision regarding Ms. Jensen. Ms. Bourque apologized for not informing the Board sooner. Ms. Menard stated that as a Board member she would appreciate an email once an error was discovered.

Ms. Wisbar reminded the Board that statutorily, there was a requirement to stop overpayments and collect reimbursement of all overpayments. She stated that there has also been interpretation of that statute by the Attorney General's office that states that the Board has a fiduciary duty to collect reimbursement for overpayments. Additionally, there was an Attorney General's recommendation to collect the overpayment in the timeframe in which it was paid. Ms. Wisbar stated that this was a guideline, and there also was an Attorney General's opinion that recommended interest be charged based upon the Board approved accrual rate from the date that the retiree was advised of the overpayment. Mr. Curran confirmed that the current interest rate was 6.75%.

Ms. Moorner stated that she was under the impression with the last overpayment case that the individual was just required to pay the total overpayment amount with no interest. Ms. Bordelon reminded the Board that interest was calculated on the previous case and also was recalculated at the beginning of the next calendar year by the System Attorney's office. Ms. Corley confirmed that it was the fiduciary responsibility of the Board to collect the overpayment with interest. The Board discussed whether legal interest or interest calculated according to the valuation interest rate was required.

Ms. Jensen asked if her CPA, Mr. Howard Tull, could speak on her behalf and the Board agreed. Mr. Tull stated that he and Ms. Jensen were both surprised when they learned of the overpayment. He stated that he spoke to Mr. Curran the previous week, and he trusted that their corrected calculation was correct. Mr. Tull stated that Ms. Jensen proposed in her letter that she be allowed to repay the System at \$500.00 per month by reducing her benefit check by that amount.

Ms. Wisbar informed the Board that they had options regarding how to authorize Ms. Bourque to proceed. Ms. Moorner stated that since this was the first time she had the opportunity to review the letter she would like for someone to explain what happened. Mr. Curran explained to the Board that Ms. Jensen went into DROP choosing the maximum benefit on February 1, 2008, receiving \$2,911.41 per month and that amount was correct. He then informed the Board that on February 1, 2011, Ms. Jensen began receiving a Post-DROP amount based on option #2 at \$159.88 per month. Mr. Curran explained that the first five months of Ms. Jensen's Post-DROP was given to her in a lump sum prorated amount (5 months @ \$159.88) of \$799.40. He further explained that the error occurred because instead of changing back the Post-DROP amount to \$159.88 per month which would have given Ms. Jensen a total monthly benefit of \$3,071.29, the Post-DROP amount was left at \$799.40 which gave Ms. Jensen a total monthly benefit of \$3,710.81 this caused an overpayment of \$639.52 per month. Mr. Curran stated that the total calculated overpayment of \$46,122.18 does not include interest. Ms. Moorner asked who would calculate the interest on this overpayment. Ms. Bordelon stated that in a

previous case the System Attorney's office calculated the interest, and Mr. Curran stated that he believed it had been calculated at legal interest. Ms. Moorer informed Ms. Jensen that she would be charged interest in addition to the \$46,122.18 overpayment. Ms. Jensen stated that she was being punished for someone else's mistake. Mr. Tull asked if adding interest to the overpayment was based on the law. Based on the law and the Attorney General's opinion, Ms. Wisbar confirmed that the Board had a fiduciary duty to collect interest. Ms. Moorer then asked Ms. Jensen if she still agreed to pay \$500.00 per month by reducing her monthly benefit until the overpayment was paid. Ms. Jensen asked the Board if they had to make a decision today. Ms. Moorer stated that the sooner a decision was made the less interest would be required on the overpayment. Ms. Jensen asked if should could have a minute to think about her decision.

A break was taken at 11:54 p.m. for lunch, and the meeting reconvened at 12:27 p.m.

The Board discussed the overpayment with Ms. Jensen, her spouse, and Mr. Tull, and she decided that she wanted to pay back the reimbursement immediately by reducing her monthly benefit in full until the overpayment obligation was fulfilled.

Upon motion by Ms. Moorer and second by Mr. Poche, the Board voted unanimously to authorize the System Director to withhold Ms. Jensen's monthly pension benefit in full until the balance of the overpayment of \$46,122.18 plus interest was reimbursed and to authorize the System Attorney to calculate the interest on the overpayment.

Next, Ms. Bourque discussed the procedures and fees for checking estimates. She stated that she wanted to get the Board's authorization to have G. S. Curran & Company to review the estimates that she calculates. She stated that G. S. Curran & Company would charge \$150.00 per estimate, and typically there are approximately two per month. Ms. Bourque's recommendation to the Board for processing estimates stated that members should request estimates in writing, must be within two years of DROP/Retirement eligibility, would be calculated using only salaries already posted, and additional estimates within a twelve month period would cost the member an additional \$25.00. Ms. Bourque also stated that the estimate would take approximately two to three weeks to process. Mr. Curran stated that Option four calculations would still be at an additional cost because those require additional work and research.

Mr. Broussard stated that he would not give the member the first estimate for free nor would he give them a second estimate for only \$25.00. He stated that all Systems handle this issue with slight difference, but most systems require the member to pay for any estimates requested. Mr. Curran suggested that the Board could authorize G. S. Curran & Company to review Ms. Bourque's benefit estimates for the duration of her contract, and then re-evaluate the situation to determine if she would be ready to complete them on her own after completion of a year as Director.

Upon motion by Mr. Poche and second by Ms. Waskom, the Board voted unanimously to authorize G. S. Curran & Company to review all benefit estimates calculated by the System Director and to approve the policy and institute the policies for estimate requests as noted by Ms. Bourque. The policies for requesting and calculating an estimate are as follows: estimates must be submitted to the System Director in writing; the member must be within two years of DROP/Retirement eligibility to request an estimate; only salaries already posted would be used in calculating estimates; the estimates would take approximately two to three weeks; and the first estimate would be free but any additional estimates within a twelve month period would be charged to the member at the cost paid to the System Actuary by ROVERS. These guidelines are only for the duration of the System Director's contract.

Then, Ms. Bourque discussed the state rate versus the federal rate regarding Board members and Director's mileage.

Upon motion by Ms. Moorer and second by Ms. Waskom, the Board voted unanimously to approve the federal mileage reimbursement rate to be used for all Board members and the System Director travel/mileage.

Upon motion by Mr. Broussard and second by Mr. Wall, the Board voted unanimously to amend Ms. Bourque's contract to reflect the federal mileage reimbursement rate for travel/mileage.

Ms. Bourque stated that the next item for discussion would be the Board of Trustees Election. She stated that nominations were mailed out to all active members, and she only received two envelopes returned due to a bad address. She confirmed that she received forms for two qualified candidates. She informed the Board that those candidates were Mr. Brian Champagne, Registrar of St. Charles Parish, and Ms. Billie Meyer, Registrar of Acadia Parish. Based on the procedures for the election, Ms. Bourque stated that the ballots should be mailed between September 4, 2018, and September 14, 2018. She also confirmed that the ballots would be due by October 5, 2018.

After reviewing the election process, Ms. Bourque learned that Duplaniter, Hrapmann, Hogan, & Maher (DHHM) provide election process services for several of their clients. She then asked Ms. Cunningham for a quote to process, mail, and count the ballots for the ROVERS election. Based on approximately 250 members, the cost for supplies and postage, Ms. Bourque stated that she was given a quote of approximately \$350.00. She was also given a blended hourly rate of \$100.00 per hour to process the ballots, verify eligible voters, count the ballots, and certify the count which should range between five to eight hours. Ms. Cunningham informed Ms. Bourque that the counting process would include three individuals with one person calling out the votes, and the other two entering the votes into a computer. Ms. Bourque was told the quote would assume the System would receive 50% of the ballots that were originally mailed out to the active members. Ms. Bourque stated that her recommendation would be to use the services of Duplantier, Hrapmann, Hogan, & Maher to complete the election process with an estimated total cost to the System of approximately \$600.

Mr. Broussard stated that if the Board does not choose Ms. Bourque's recommendation then he would suggest using an election committee to count the votes. Ms. Corley stated that she found the process of counting votes during the Board meeting disruptive and hiring Duplantier, Hrapmann, Hogan, & Maher would eliminate that issue. Ms. Moorer stated that she liked the idea of having a third party counting the votes.

Ms. Bourque then reminded the Board that per the election process, a special meeting would be necessary to announce the winner. Ms. Bourque suggested that the Board could possibly have the next quarterly meeting and special meeting on the same day as long as it was after October 5, 2018. After reviewing the law, Mr. Curran determined that a special meeting must be scheduled between the first Monday of November and last Friday of November where votes must be counted and a winner must be announced.

Ms. Moorer suggested continuing the election process the same as previous years and then later making changes to the current administrative procedures for 2019. Mr. Broussard stated that his opinion would be to continue with how the election process had previously been done. He further suggested meeting in November with the regular quarterly meeting and special meeting in the same day.

Upon motion by Mr. Broussard and second by Mr. Wall, the Board voted unanimously to approve the 2018 election process to be completed by the System Director and to have both the regular quarterly meeting and special meeting for the election in November 2018.

Next, Ms. Bourque reminded the Board that Mr. Goynes from the Daul Agency could not attend the meeting. She stated that he did send her quotes from three separate companies. Ms. Moorer stated that she would be

more comfortable if the Director would obtain quotes from companies other than the Daul Agency prior to the next meeting. Ms. Bourque stated that she would check get additional quotes.

Then, Ms. Bourque stated that she currently does not have any kind of security system for her office. She asked the Board to review the two quotes she attached in the packets they were given prior to the meeting. She confirmed that the quote from All Safe Alarms was for \$360.00 and the Access Communications quote was \$415.00 plus an additional quote for a keypad security set with electronic entry giving an overall total of \$670.15. She asked for the Board's authorization to make a decision regarding a wireless alarm system for her office.

Upon motion by Ms. Waskom and second by Mr. Poche, the Board voted unanimously to authorize Ms. Bourque to purchase a wireless alarm system for her office.

Lastly, Ms. Bourque discussed additional administrative items with the Board. She informed the Board that she recently hired a part-time employee, Hope Kelleher, at a pay rate of \$15.00 per hour working approximately thirty-two hours per week. Ms. Bourque stated that she had been posting transactions in both old and new IPAS and assisting with file maintenance.

Regarding accounting procedures, Ms. Bourque informed the Board that the System would be converting to the QuickBooks Online Version effective July 1, 2018, for a monthly fee of \$60.00. She stated that this version would be more efficient since G. S. Curran & Co., DHHM and she would all have access to the same QuickBooks account. Also, Ms. Bourque informed the Board that Ms. Cunningham and Mr. Binder with DHHM had held a four hour training session to review new procedures and training on the online QuickBooks system. Mr. Curran stated that Ms. Bourque would process all of the administrative posting, and then his office would check her postings and also process the investment postings. Ms. Bourque also informed the Board that G. S. Curran would now be receiving the official bank statements directly from the bank to reconcile, and she would just receive a copy.

Ms. Bourque next explained to the Board that a paystub was printed out and mailed to every person receiving a benefit each month. Her recommendation to the Board would be to only mail out a paystub when there would be a change to a recipient's benefit amount due to a change in insurance, taxes, etc. If the Board agrees with her recommendation, Ms. Bourque stated that she would mail a letter to benefit recipients advising them of the change.

Upon motion by Ms. Waskom and second by Mr. Broussard, the Board voted unanimously to authorize Ms. Bourque to mail a memo in September 2018 with paystubs to all benefit recipients explaining the change in paystub receipt procedures and to only mail paystubs to recipients on January of each year, and if there were any changes to their benefits due to insurance or taxes.

Ms. Bourque reminded the Board that the LAPERS seminar would be held on September 16-18, 2018, at the New Orleans Marriot. She asked the Board to please complete the registration form included in their packet and to return it to her immediately and let her know how many nights each member would be attend.

Upon motion by Mr. Broussard and second by Mr. Poche, the Board voted unanimously to authorize travel for the LAPERS seminar for all Board members and the System Director, Ms. Bourque.

Next, Ms. Bourque informed the Board that the current member files were located in a fireproof safe; however, they had never been scanned so there was no electronic version of active member records. She mentioned that she was going to contact a few companies regarding scanning and backing up documents electronically and would report her findings to the Board at the next meeting.

After working on the new IPAS system for several weeks, Ms. Bourque stated that she determined a few enhancements that are needed in order to have less manual entry and to be more efficient. She stated that there was no way of knowing whether or not a member of a parish was included in the parish contribution amount sent to her office. Mr. Curran stated that currently there was \$5,000.00 in the budget that could be used for any enhancements for software. Ms. Moorer asked Ms. Bourque if she was confident that she was receiving contributions for every employee from every parish. Ms. Bourque stated that she has no idea, and she has had to rely on the information sent to her by each parish.

Ms. Moorer stated that she found evidence that Ms. Dees did send out communication in the last several months to all parishes requesting for them to verify all employees. Ms. Moorer stated that Ms. Bourque should contact all sixty four parishes to double check that all employees have been accounted for. Mr. Broussard stated that was the auditor's job. Ms. Moorer responded that not all parishes are audited every year. Mr. Curran reminded the Board that a law was recently passed that states if there was an enrollment error made then the employer/parish was responsible for paying the actuarial cost of fixing the error.

Mr. Champagne stated that he was glad that Ms. Dees sent out communication earlier this year, and he would like to see a statement sent out by the Registrar of each parish signing and certifying that all of their employees in that employer's office were accounted for as of a specific date. Ms. Moorer suggested getting information from the Secretary of State's office in order to ensure that no one would be missed and would be a good double check. Mr. Curran asked for clarification from the Board regarding whether or not this information would be certified by the employer or the Secretary of State's office. Mr. Wall verified that each Registrar already certifies this information, so the Board could request that the Secretary of State's office. He added that a copy of each certification could be requested from the Secretary of State's office twice per year.

Then, Ms. Bourque mentioned the picture that Mr. Poche took of all of the file boxes in her office that was enclosed in the Board's packet. She stated that 90% of those boxes were from the previous Director's attic of the ROVERS office in Jennings and dated back to 1955. Mr. Poche stated that he would like a legal opinion on the retention schedule for maintaining the files before the System began the scanning process, because he felt it would be unnecessary to scan documents that old. Ms. Wisbar stated that she would research and get back with the Board.

Mr. Curran then reminded the Board that a vote for the 2019 Budget updates was deferred until after the Director's report.

Upon motion by Mr. Poche and second by Ms. Waskom, the Board voted unanimously to approve the 2019 Budget as amended.

XII. Other Business

Mr. Curran stated Ms. Bourque had been working extremely hard over the last several weeks and had done an excellent job. He also stated that Ms. Dees did a great job of handing off the position. The Board thanked Ms. Bourque for all of her hard work.

After discussion among the Board, the next meeting date would be held on Tuesday, November 20, 2018, at 9:00 a.m. at the Renaissance Hotel in Baton Rouge, LA. The first part of the meeting would be the special meeting for the Board of Trustees Election, and the second half would be for the regular quarterly meeting of the Board of Trustees for the Registrars of Voters Employees' Retirement System.

XIII. Adjourn

Upon motion by Mr. Broussard and second by Mr. Poche, the Board voted unanimously to adjourn the meeting at 1:49 p.m.

DRAFT