

PUBLIC RETIREMENT SYSTEMS' ACTUARIAL COMMITTEE

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Public Retirement Systems' Actuarial Committee

APPROVED
Minutes of Meeting
SEPTEMBER 6, 2018

I. CALL TO ORDER

Senator Peacock, Chairman of the committee, called the meeting to order in Senate Committee Room A at the State Capitol in Baton Rouge, Louisiana, at 10:00 A.M. The secretary called the roll.

II. ROLL CALL

MEMBERS PRESENT

Senator Barrow Peacock, Designee for Senate President John Alario
Representative Kevin Pearson, Designee for House Speaker Taylor Barras
Mr. Daryl Purpera, Louisiana Legislative Auditor (LLA)
Rick McGimsey proxy for Ms. Barbara Goodson, Designee for Commissioner Jay Dardenne
Mr. John Broussard, Designee for Treasurer Ron Henson
Mr. Gary S. Curran, Actuary
Ms. Shelley R. Johnson, Actuary

STAFF MEMBERS PRESENT

Margaret Corley, Senate Attorney
Kelsey Rome, Secretary

WITNESSES PRESENT- INFORMATION ONLY

John Schroder, Treasurer

Greg Curran, Actuary

Katherine F. Bertrand, Louisiana Assessors Retirement Fund

Dainna Tully, Parochial Employees Retirement System

III. APPROVAL OF MINUTES

John Broussard moved that the minutes of the February 22, 2018, meeting be approved. There being no objection, the minutes were approved.

IV. PUBLIC COMMENT

Senator Peacock opened the meeting to public comments. There being no comments, he moved on to the next item of business.

V. DISCUSSION ITEM

(1) Louisiana Assessors' Retirement Fund

Gary Curran presented the valuation for the system and explained it in depth.

Chairman Peacock thanked Treasurer Schroder for being present at the meeting today. He then asked Mr. Curran if the COLA is paid out of the funding deposit account.

Mr. Curran responded that it can be paid from there, but it does not have to be. However, for the foreseeable future they see it to be extremely unlikely that it will not be paid from that account. He added that over a ten year time horizon or so, given the amounts of the COLAs, the balance in the fund, and the policy of the board, they see a very low probability that they would be paying COLAs from funds other than that source. He added that the occurrence of the COLAs is somewhat unpredictable. Part of the issue they wrestle with is what the intent of the legislature is in terms of when you should start funding something in terms of a benefit that has not been authorized. For example a COLA that might be paid in the year 2023 has not been authorized, although it potentially might be authorized. If you begin to fund it, you then begin to affect the probability of it's payment. If the funding is secured, the probability of the payment is higher. In the case of this plan, that really is not an issue anyway because whether they pay or not, they are not going to likely be taking those funds out of the general assets of the system so they would be in effect double counting the money if they funded for something in the general assets, but did not take it out of the general assets to pay for it. They are going to take it out of this side fund and this side fund is not used to calculate the contribution rate. They are accruing money in this separate fund which is almost certainly going to pay for the COLAs as far as they can see.

Greg Curran, Actuary for Assessors, testified to explain the valuation and future goals for Assessors.

Treasurer Schroder questioned the transparency of the employer/employee contribution rate. He stated that he thinks it is not clear what they actually pay because some pay part of employee contribution rates and the document should reflect that.

Gary Curran responded that a solution may be to footnote those items and identify the fact that some parishes are going to have different rates. The object of producing this document is not to deceive anyone, but to give clear direction and understanding to the employers as to what they can earmark as their rates. He has no objection at all to making it clear that some employers are picking up the employee contribution rate and that it varies from parish to parish and from system to system.

Greg Curran added that he believes the language is clear that it is a minimum required contribution rate. But agrees they could improve language for the taxpayer reader.

Paul Richmond presented the Legislative Auditor's Comprehensive Actuarial Review of the 2017 Actuarial Valuation of the Louisiana Assessors' Retirement Fund which recommends that PRSAC not accept the valuation.

Mr. (Gary) Curran moved that the actuarial funding valuation report for the Louisiana Assessors Retirement Fund dated September 30, 2017, as presented by G. S. Curran & Company, Ltd., shall be adopted as the official valuation for the Louisiana Assessors' Retirement Fund, and that, as specified in the report, the minimum recommended employer contribution rate for fiscal 2019 shall be set at 5.25%, and that the fund shall receive the maximum allocated amount of ad valorem taxes and revenue sharing funds provided for by law for fiscal 2019.

Mr. Purpera seconded the motion. He added that he is encouraged by the intent of the board that has gone down in the rate and to keep the contribution above what is required. He believes they are headed in the right direction.

There being no objections, the motion is carried.

(2) Parochial Employees' Retirement System

Mr. Curran presented the valuation for the system and explained it in depth.

Mr. Richmond presented the Brief Actuarial Review of the 2017 Actuarial Valuation for Parochial Employees' Retirement System which recommends that PRSAC not accept the valuation and instead return it to the PERS board for further consideration.

Mr. Curran moved that the actuarial funding valuation report for the Parochial Employees' Retirement System dated December 31, 2017, as presented by G. S. Curran & Company, Ltd., shall be adopted as the official valuation for the Parochial Employees' Retirement System, and that as specified in the report the minimum recommended employer contribution rate for fiscal 2019 shall be set at 10.00 %, for Plan A and that the minimum recommended employer contribution rate for fiscal 2019 shall be set at 7.00%, for Plan B, and that the system shall receive the maximum

allocated amount of ad valorem taxes and revenue sharing funds provided for by law for fiscal 2019.

Mr. Purpera seconded the motion. **There being no objections, the motion is carried.**

VII. CONSIDERATION OF ANY OTHER MATTERS THAT MAY COME BEFORE THE COMMITTEE

Chairman Peacock thanked Mr. Richmond for his service to the Auditor's office and to the Legislature over the years. He presented Mr. Richmond with a resolution commending him for his service.

VIII. ADJOURNMENT

Representative Pearson moved the meeting to adjourn. There being no objection, the meeting was adjourned.

[Click here to watch the meeting.](#)

APPROVED

Senator Barrow Peacock, Chairman

Date: _____