

PUBLIC RETIREMENT SYSTEMS' ACTUARIAL COMMITTEE

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Public Retirement Systems' Actuarial Committee

APPROVED
Minutes of Meeting
DECEMBER 18, 2019

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 1:00 P.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 John Schroder
Mr. Gregory M. Curran, Actuary
Ms. Shelley R. Johnson, Actuary

STAFF MEMBERS PRESENT

Kelsey Rome, Secretary
Margaret Corley, Senate Attorney
Laura Gail Sullivan, Senate Counsel

WITNESSES PRESENT - INFORMATION ONLY

James J. Rizzo, LLA
Lowell Good, LLA

III. APPROVAL OF MINUTES

Mr. Broussard moved that the minutes of the August 2, 2019 meeting be approved to which Mr. Curran seconded. 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 State Police Retirement System

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

Ms. Johnson asked if the trigger had been met on how to handle administrative expenses because on page 1 it says they are directly funded, but on page 44 it said something different. She asked if it is directly funded or not.

Mr. Curran responded that yes the trigger has been met and it is directly funded. There was an error on page 44 that they will correct the official valuation.

Jim Rizzo presented the Legislative Auditor's actuarial review of the valuation for the system and explained it in depth.

There was much debate on whether or not cost-of-living-adjustments (COLAs) should be recognized in the valuations by using an assumption or not.

Mr. Curran moved that the actuarial funding valuation report for the Louisiana State Police Retirement System dated June 30, 2019, as presented by G. S. Curran & Company, Ltd., with the correction on page 44 excluding administrative expenses from the determination of the valuation interest rate, shall be adopted as the official valuation for the system, and that, as specified in the report, the minimum net direct recommended employer contribution rate for fiscal 2021 shall be set at 52.4%.

Ms. Johnson seconded the motion. **There being no objections, the motion is carried.**

(2) Louisiana School Employees' Retirement System

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

Lowell Good presented the Legislative Auditor's actuarial review of the valuation for the system and explained it in depth.

Mr. Curran moved that the actuarial funding valuation report for the Louisiana Schools Employees' Retirement System dated June 30, 2019, as prepared by G. S. Curran & Company, Ltd., shall be adopted as the official valuation for the Louisiana School Employees' Retirement System, and that, as specified in the report, the minimum net direct recommended employer contribution rate for fiscal 2021 shall be set at 28.7%.

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

(3) Louisiana State Employees Retirement System

Ms. Johnson noted before she presented the valuation that the board adopted their recommendations following a five year experience study (2014-2018). She stated that she will comment on the impacts of those recommendations from the experience study as she goes through the valuation report. She explained some of the major changes are a reduction in inflation assumption and moving to generational mortality. She then presented the valuation for the system and explained it in depth.

Mr. Good presented the Legislative Auditor's Comprehensive Actuarial Review of the 2018 experience study of the system and explained it in depth.

Mr. Rizzo presented the Legislative Auditor's Comprehensive Actuarial Review of the valuation for the system and explained it in depth.

There was much debate about the return assumptions and the inflation assumptions.

Ms. Johnson moved that the committee adopt the valuation for Louisiana State Employees' Retirement System as prepared by Foster & Foster with the projected contribution rate for fiscal 2021 set at 40.6%, a drop rate of 4.68%, and everything else contained therein.

Mr. McGimsey seconded the motion. **There being no objection, the motion is carried.**

(4) Teachers' Retirement System of Louisiana

Ms. Johnson presented the valuation for the system and explained it in depth.

Mr. Rizzo presented the Legislative Auditor's Comprehensive Actuarial Review of the valuation for the system and explained it in depth.

Chairman Peacock stated that he believes there is a great opportunity here to help the system have more funding and still have a reduction in contributions by reducing the rate to 7.45%. He asked that they take this valuation back to the board and ask them to consider a 7.45% discount rate for next

year. There will still be a percentage decrease in employer contribution, but it would also benefit the system.

Representative Pearson stated that he agreed that would be a good idea. He also agreed that this is a great opportunity for the system.

Ms. Johnson stated that she will take this request back to the board. She also stated that they appreciate the support the Chairman has provided for the system and they will appreciate hearing his thoughts and opinions.

Chairman Peacock noted that PRSAC will be meeting again in February, in time to approve a valuation for the system.

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

There were no matters discussed.

VIII. ADJOURNMENT

Daryl Purpera moved the meeting to adjourn. Mr. McGimsey seconded the motion. **There being no objection, the meeting was adjourned.**

APPROVED

Senator Barrow Peacock, Chairman

Date: _____