

Proposed: June 24, 2015
Approved: June 24, 2015

ASSET TRANSFER COMMITTEE
Created by the Cooperative Endeavor Agreement
For the Merger of the Harbor Police Retirement System (HPRS) into LASERS
June 24, 2015

The Asset Transfer Committee met on Wednesday, June 24, 2015, in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. The meeting began at 10:38 a.m. Roll call was conducted by Caye Weaver, recording secretary

ROLL CALL

Members present: Mr. Robert Beale, Chief Investment Officer - LASERS; Ms. Janice Lansing, Board of Trustees Vice Chair - LASERS; Mr. Jim Ruckert, Chief Financial Officer - Port of New Orleans; Chief Robert Hecker, Chair – Harbor Police Retirement System

Also present: Ms. Maris LeBlanc, Deputy Director - LASERS; Mr. Darren Fournierat, Assistant Chief Investment Officer - LASERS; Ms. Laney Sanders, Assistant Chief Investment Officer - LASERS; Mr. Frank Jobert, Trustee - Harbor Police Retirement System; Mr. J. Michael Orlesh, Attorney – Port of New Orleans; Mr. Artie Fillastre, Chief Financial Officer – LASERS; Ms. Wretha Carpenter, Deputy Fiscal Officer; Ms. Jeri Seils, Accountant Manager – LASERS; Mr. Trey Roche, Attorney – LASERS; Ms. Shelley Johnson, LASERS Actuary – Foster & Foster

A quorum was declared present and the meeting opened for business. The Chair called for public comment. Hearing none, the Chair moved to the next item on the agenda.

NEW BUSINESS

1. Approval of the Minutes of the April 23, 2015 meeting

The committee considered the minutes of the April 23, 2015, Asset Transfer Committee meeting. **Mr. Ruckert moved, seconded by Mr. Beale, to approve the minutes. With no further discussion, and no objections, the motion carried.**

2. Report on HPRS Contracts – Terminated and Pending

Chief Hecker passed out copies of letters sent by HPRS to money managers, service providers, and fraud litigation firms notifying them of the June 30, 2015, termination date and giving them the new account information.

Ms. Sanders reported that she spoke with Debbie Holmes at Argent. Ms. Holmes advised her that she will keep the HPRS account open at Argent for a couple of months after the transition date. Funds which come in after July 1 will be routed to LASERS. Argent will not charge for this service and Ms. Sanders noted their full cooperation.

Chief Hecker stated all service providers have been paid through June 30, 2015, and he does not anticipate any further invoices from them.

Mr. Fillastre asked about responsible parties to pay for the auditor and the actuary. Mr. Ruckert stated the Port of New Orleans will pay for the audit. Ms. Johnson stated she had provided an estimate of the hours and services as actuary. Ms. LeBlanc noted that an email agreement listed the responsible parties for each of those services.

3. Report on Fund balance held at FNBC

Chief Hecker stated that he asked FNBC to send the most updated balance. He noted an email dated June 15 showing a balance of \$9,178,331.59. He stated that FNBC advised him that interest is accrued daily until the end of the month. He stated interest earned as of June 22, 2015, is \$4,716.03.

4. Report on investments liquidated since last meeting

Chief Hecker stated that GoldenTree has been liquidated and now has a zero balance. The proceeds of the liquidation were sent to FNBC.

5. Report on assets not fully liquidated and assignment of market value (Action Item)

Chief Hecker distributed a document with the Current Assets of HPRS for discussion.

On the CA Core investment, Chief Hecker stated that according to Mr. Randy Roche, the HPRS attorney who was unable to attend the meeting, the value is \$11,191.65. He stated he would follow up with Mr. Roche to get an explanation of the amount and whether the account has anything in escrow.

Mr. Orlesh asked how the July benefit paid by HPRS would be treated relative to the cash balance. Chief Hecker stated that the amount would be paid from the LAMP account. He stated Argent will send the payments out on June 26, and LASERS benefit payments will begin August 1, 2015.

Mr. Ruckert moved, seconded by Ms. Lansing, to accept the report of the Current Assets of HPRS. During discussion, Mr. Beale pointed out that the amounts on the Current Asset report have changed. Mr. Ruckert withdrew his motion, and Mr. Beale made a motion, seconded by Ms. Lansing, to set the market values as follows:

Ironwood	\$984,724.76
Equitas	\$ 0.00
Americus	\$ 57,000.00
CA Core	\$ 11,191.65

With no further discussion, and no objections, the motion carried.

6. Pending investment manager fees

Chief Hecker stated that any remaining manager fees should be deducted from the asset values.

7. Determination of “Transferred Assets” amount, as per §3.2 of the CEA (Action Item)

Mr. Beale stated that the June 30 estimated amount for FNBC is \$9,187,766.07, and the Argent amount after deducting benefit payments is \$340,875.00. Ms. Johnson stated that the established UAL would be based on the assets before the benefits are subtracted.

Mr. Beale then moved, seconded by Ms. Lansing, to determine the estimated transferred asset amounts as of June 30, 2015, which will be adjusted by the final asset transfer on June 30, as follows:

FNBC:	\$9,187,766.07
Argent:	\$ 405,875.00
Ironwood:	\$ 984,724.76
Equitas:	\$ 0.00
CA Core:	\$ 11,191.65
Denbury:	\$ <u>69.00</u>

Total estimated as of June 30, 2015: \$10,646,557.48

With no further discussion, and no objections, the motion carried.

8. Approval process for meeting minutes (Action Item)

Ms. LeBlanc suggested that the recording secretary would prepare the minutes, circulate them for any changes, and that the committee pre-approve the minutes. She stated that any changes would be incorporated into the final minutes. **Mr. Ruckert moved, seconded by Ms. Lansing, to pre-approve the minutes of the June 24, 2015, Asset Transfer Committee. With no further discussion, or objections, the motion carried.**

OTHER BUSINESS

Mr. Fillastre stated he had a list of questions concerning the transfer of member accounts from HPRS to LASERS. Chief Hecker asked Mr. Fillastre to send an email to him with a list of the additional information he needs.

Mr. Fillastre stated that in his last communication with Becky Hammond she projected having the preliminary financial statements mid-August. Mr. Ruckert stated he has talked to her and she will be able to make the August 15 deadline.

Ms. LeBlanc said that LASERS is not sure how Option 4 benefits have been offered by HPRS, so she would like some direction on how they were presented to the members. Chief Hecker agreed to ask Randy Roche for input.

Ms. LeBlanc stated that DROP interest calculations for HPRS are computed differently from LASERS DROP interest calculations and that Mr. Fillastre would replicate the HPRS method for those members. Mr. Fillastre stated he would need return figures for HPRS through June 30. He also stated he needs direction on how to calculate mid-month start or leave dates for the members. Chief Hecker asked Mr. Fillastre to add that question to the email for additional information.

Ms. LeBlanc stated that Ms. Johnson has calculated the normal cost Employer Contribution rate for the Harbor Police plan, which will be presented at the LASERS June Board meeting. Mr. Trey Roche stated that the normal cost, plus any shared UAL created after July 1, will be included in the Employer rate going forward until the established UAL is paid off.

Ms. LeBlanc will do a follow-up letter to HPRS retirees about August benefits to make sure they are comfortable with the switch-over. Chief Hecker stated some of his active members asked if there was a deadline to switch over from their current plan to the Hazardous Duty plan. Ms. LeBlanc stated there is no deadline, other than the member's retirement date.

Mr. Orlesh thanked everyone involved for all the help and patience they have demonstrated during the transition term. He thanked Chief Hecker for his work to bring the HPRS into a position that would allow the transfer to LASERS. Chief Hecker thanked everyone on behalf of the HPRS membership.

With no further business to discuss, the meeting adjourned at 11:34 a.m.