

Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
March 3, 2021

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 on March 3, 2021.

I. Call to Order

Ms. Charlene Menard called the meeting to order at 9:05 a.m.

II. Invocation and Pledge of Allegiance

Mr. Joe Salter offered an invocation, and Senator Kirk Talbot led the Pledge of Allegiance.

III. Oath of Office for Joanne Reed and Charlene Menard

Ms. Wisbar administered the oath of office for Ms. Reed and Ms. Menard as new Board of Trustees for ROVERS. The Board congratulated both new board members.

IV. Election of 2021 Board Chairman & Co-Chairman

Mr. Champagne introduced Mr. Joey David as the legal analyst with the Louisiana House of Representatives. He also thanked the Board and all the professionals for their past year of service with ROVERS.

Mr. Champagne then opened nominations for Chairman of the Board.

Upon motion by Ms. Meyer and second by Ms. Olinde, Ms. Menard was nominated for Chairman of the Board. Mr. Champagne asked if there were any other nominations. With no other nominations for Chairman, the Board voted unanimously to approve Ms. Menard as Chairman, and she accepted the position.

Mr. Champagne then opened nominations for Co-Chairman of the Board.

Upon motion by Ms. Olinde and second by Ms. Reed, Ms. Meyer was nominated for Co-Chairman of the Board. Mr. Champagne asked if there were any other nominations. With no other nominations for Co-Chairman, the Board voted unanimously to approve Ms. Meyer as Co-Chairman, and she accepted the position.

V. Roll Call

Ms. Kathy Bourque then called the roll. Board members present were: Ms. Joanne Reed, Mr. Joe Salter, Ms. Billie Meyer, Ms. Shanika Olinde, Mr. Dwayne Wall, Ms. Charlene Menard, Mr. Brian Champagne, and Senator Kirk Talbot. Mr. John Broussard and Representative Michael Firment 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); Mr. Greg Curran and Ms. Sondra Bordelon (representing Actuary and Administrator, G. S. Curran & Company, Ltd.); Mr. Joey David (Legislative Analyst at Louisiana House of Representatives); and Mr. John Schroder (Louisiana State Treasurer).

VI. Public Comments

There were no public comments.

VII. Review and Approval of Minutes

Upon motion by Ms. Meyer and second by Mr. Salter, the Board voted unanimously to approve the minutes from the December 11, 2020, meeting.

VIII. Presentation by Investment Consultant, AndCo Consulting

Mr. Breth reviewed the 2020 fourth quarter performance ending December 31, 2020. He stated that there was an extremely high-risk appetite in the fourth quarter of 2020. He explained that performance was largely driven by expectations related to vaccine rollouts, the resolution of the US Presidential election, and the potential for additional stimulus checks. He also noted a reversal in a recent trend with small cap stocks outperforming large cap stocks and that value stocks reversed the recent trend by outperforming growth stocks during the fourth quarter. He pointed out that value stocks contain large exposures to sectors like energy and financials which performed well during the fourth quarter.

Mr. Champagne and Mr. Schroder had questions pertaining to the housing market and wondered if the current market could be sustained. Mr. Breth stated there was no way to predict what the future would hold but that consistently lowering the actuarial rate, portfolio diversification, and long-term investing were key elements to reduce risks.

Regarding the asset allocation, Mr. Breth reminded the Board that the portfolio was previously overweight in U.S. equities going into the fourth quarter of 2020 and that had been reduced. He stated that the year ended with a total account value of \$122,203,069 as of December 31, 2020, and that ROVERS was up 9.7% for the fourth quarter and up 13% for the calendar year of 2020. He stated that equities continue to drive outperformance in the portfolio just up under 15% for the quarter. He stated that he expected to Greenspring to be in the final stages of a payout in 2021.

Next, Mr. Breth discussed the investment performance through January 31, 2021. He stated that there was a decline in January of 1.1%; however, the decline was recovered in February and so far in March.

Upon motion by Ms. Meyer and second by Mr. Wall, the Board voted unanimously to approve the Investment Performance Review reports presented by Mr. Jon Breth with AndCo Consulting.

Mr. Breth then discussed the updated Investment Policy Statement. He stated that the target rate of return set by the actuary was updated to 6.4% instead of 6.5%, and the information pertaining to the number of active participants and retired members needed was removed since that numbers would change. Mr. Breth also stated that on page seven, language regarding liquidity was removed. He stated that both the Fund's Attorney and Actuary reviewed and approved the changes.

Upon motion by Ms. Meyer and second by Ms. Reed, the Board voted unanimously to approve the updated Investment Policy Statement dated March 3, 2021, as presented by AndCo Consulting.

Lastly, Mr. Breth discussed the international small cap primer equities. He stated that these small cap equities have significantly outperformed large cap equities. He also stated that the current ROVERS portfolio already had the Virtus Foreign Opp Fund and the Fidelity International Index Fund Stock. He stated that another international small cap equity would be added by reducing the two existing positions. Mr. Breth suggested that he would recommend candidates for the Board to consider at the next meeting. He stated that approximately 5% of the existing international small cap equities would be used to fund a new international small cap equity which would be approximately \$6 million.

A break was taken at 10:21 a.m., and the meeting resumed at 10:30 a.m.

IX. Presentation by Hancock Whitney

Ms. Averette informed the Board that Hancock Whitney would begin using a quarterly billing cycle effective April 1, 2021. She then directed the Board's attention to the Custodial Report. She reviewed the breakdown of assets for the period ending December 31, 2020, with a total asset balance of \$119,959,869.66 and pointed out that 42% of the portfolio was invested in domestic equities.

Next, Mr. Reynolds presented the Members' Supplemental Savings Plan Investment Performance Review for December 31, 2020, totaling \$671,356.00. He reminded the Board that one of the main goals of this portfolio was to keep up with inflation. Mr. Walker stated that the recommendation would be to maintain the current asset allocation mix of approximately 35% equities and 65% fixed income and cash. He also informed the Board that there was a total of \$142,678.10 in distributions in 2020.

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

X. Report from the System's Attorney, Akers & Wisbar

Ms. Wisbar reminded the Board that ROVERS currently had pending legislation to be sponsored by Senator Talbot, which requests to reduce the ten year creditable service requirement for board member eligibility to five years of creditable service and also increases the term limits from two consecutive to three consecutive term limits. Ms. Wisbar stated that the advertisements for this bill have proceeded as expected.

Next, Ms. Wisbar discussed the cyber security insurance renewal. She stated that the Board had previously approved cyber insurance for ROVERS and a renewal for this policy had been received in between two meeting dates, so Ms. Bourque had to renew the policy. Ms. Wisbar recommended that the Board ratify the action of renewing ROVERS' Cyber Insurance policy.

Upon motion by Ms. Olinde and second by Ms. Meyer, the Board voted unanimously to ratify and approve the Fund's Director's action to renew the annual cyber security insurance policy with Daul Agency.

Ms. Wisbar then updated the Board regarding the public records request for LaSalle parish and St. Mary parish pertaining to the 2020 audit. She reminded the Board that the auditor did not receive appropriate responses from those parishes in response to the last audit. She stated that LaSalle Parish has now responded, and they are now gathering information requested by the auditor and St. Mary Parish contacted the ROVERS Director and indicated that they were also gathering the required information for the audit.

XI. Report from G. S. Curran & Company

Mr. Curran informed the Board that the ROVERS valuation produced by G. S. Curran & Company had been approved by PRSAC and received a clean bill of health on their assumptions. He stated that he would provide the Board with the recommended valuation interest rate from the Louisiana Legislative Auditors at the next board meeting.

Next, Mr. Curran discussed setting the employer contribution rate for July 1, 2021, through June 30, 2022. He stated that it could be set at any rate between 13% to 18%, and the current employer contribution rate was 18%.

Upon motion by Mr. Champagne and second Senator Talbot, the Board voted unanimously to set the employer contribution rate at 18% for fiscal year 2022 effective July 1, 2021.

Mr. Curran reminded the Board about the funding deposit account which ROVERS had used in the past to fund cost of living adjustments (COLAs). He stated that the funding deposit account balance as of June 30, 2020 was \$3.6 million. He reminded the Board that the last COLA given was 2% in January 2018 and applied to only those individuals that had been retired for two years. Mr. Curran stated that a COLA up to 3% of the retiree's original benefit could be given. He explained that this would cost approximately \$1.4 million for all retirees. He stated that a COLA could be given at 2% or even only to retirees that are over sixty-five or a combination of any of those discussed.

Upon motion by Ms. Meyer and second by Mr. Wall, the Board voted unanimously to approve a retroactive COLA for 3% effective January 1, 2021 to retirees that have retired for a minimum of two years and funded by the funding deposit account.

Upon motion by Ms. Meyer and second by Mr. Salter, the Board voted unanimously to approve the report presented by the Fund's Actuary, G. S. Curran & Company, Ltd.

XII. Director's Report

Ms. Bourque informed the Board that the financials through December 31, 2020, were included in their meeting packets.

Ms. Bourque stated that the GASB 68 report, "The Employer Pension Report," was also included in the meeting packet. She explained that the schedule of employer allocation percentages by parish were outlined on pages four and five. She also stated that their meeting packets included a document which listed retirements, DROPs, refunds, new members, terminations, and deaths.

Ms. Meyer asked if there was a document with explained the different options that could be selected at retirement. Ms. Bourque explained that an option explanation form could be found on the ROVERS website.

Ms. Menard asked if plaques were still being sent to retirees and Ms. Bourque stated that there were not. Mr. Champagne asked if she could get a quote on what it would cost to have those reinstated.

Mr. Champagne suggested having a roundtable training session regarding educational training pertaining to ROVERS investments, actuarial sciences, and laws and statutes. Ms. Bourque reminded the Board that their continuing education would be due by August 31, 2021. Mr. Curran suggested recording the event for anyone that could not attend.

Upon motion by Ms. Meyer and second by Mr. Salter, the Board voted unanimously to accept the Director's report.

XIII. Other Business

Next, Ms. Bourque stated that the next board meeting was tentatively scheduled for Friday, April 23, 2021.

Upon motion by Mr. Wall and second by Mr. Salter, the Board voted unanimously to approve scheduling a special meeting on Tuesday, June 8, 2021 for Education training and regular board meeting on Wednesday, June 9, 2021.

XIV. Adjourn

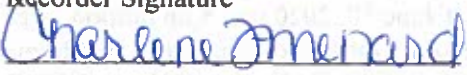
Upon motion by Mr. Salter and second by Mr. Meyer, the Board voted unanimously to adjourn the meeting at 11:47 a.m.

**These minutes are meant to provide readers with a summary of what took place during the meeting and are not intended to be verbatim transcription. They are in compliance with R.S. 42:20. The signatures that follow simply denote that these minutes were approved by the Board of Trustees as a reasonable representation of the meeting, including providing the substance of all matter decided.*



Recorder Signature

6/9/2021
Date



Chairman Signature

6/9/21
Date