

**Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
May 24, 2022**

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 May 24, 2022.

I. Call to Order

Mr. Wall called the meeting to order at 9:00 a.m.

II. Invocation and Pledge of Allegiance

Mrs. Joanne Reed offered an invocation and Mr. Brian Champagne led the Pledge of Allegiance.

III. Roll Call

Ms. Kathy Bourque called the roll. Board members present: Mr. John Broussard, Mr. Brian Champagne, Ms. Billie Meyer, Ms. Shanika Olinde, Ms. Charlene Menard, Mrs. Joanne Reed, Senator Kirk Talbot, Mr. Dwayne Wall. Representative Michael Firment and Mr. Joe Salter was absent. A quorum was present. Others present included: Ms. Kathy Bourque (System Director); Mr. Greg Curran & Ms. Sondra Bordelon (representing Actuary and Administrator, G.S. Curran & Company, Ltd); Mr. Jon Breth (Investment Consultant, AndCo Consulting); Mrs. Denise Akers (Legal Counsel); Mrs. Cynthia Averette and Mr. Walker Reynolds (representing the Custodian of Assets, Hancock Whitney); Mr. Joey David (House Retirement).

IV. Public Comments

There were no public comments.

V. Review and Approval of the Minutes

Upon motion by Ms. Meyer seconded by Mrs. Reed, the Board voted unanimously to approve the minutes from the March 9, 2022 board meeting as presented.

VI. Presentation by Hancock Whitney

Mrs. Averette presented the Custodian Report which included a breakdown of assets for the period ending March 31, 2022, with a market value of \$126,284,675.24.

Mr. Walker presented the Members Supplemental Savings Plan Investment Performance Review for quarter ending March 31, 2022, totaling \$555,499.94. Mr. Walker stated that the MSSF performance slightly trailed the blended benchmark in Q1-2022, as U.S. Mid and Small Cap stocks trailed the S&P 1500 and the account was slightly underweighting the cash target.

Upon motion by Mrs. Olinde seconded by Mrs. Meyer, the Board voted unanimously to approve the Custodial Report and the Member Supplemental Savings Report as presented by Hancock Whitney Bank.

VII. Presentation by Investment Consultant, AndCo Consulting

Mr. Breth reported the global economy faced headwinds as Russia invaded Ukraine in February. Despite their small percentage of the global GDP, both Russia and Ukraine played significant roles in the global economy. Prior to the crisis in Ukraine, the global and US economies were already expected to grow at a slower rate in the 1st quarter. The US labor market remained a source of strength during the 1st quarter with the unemployment rate falling to 3.5% in March. The US Federal Reserve Bank began the process of normalizing interest rates by raising the Fed Funds by 0.25%. Additionally, the Federal Reserve Bank signaled it was ready to begin the process of shrinking its balance sheet by not reinvesting up to \$95 billion of maturing bonds into new securities each month. The process was referred to as “quantitative tightening” and was meant to drain liquidity from the economy with the goal of slowing inflation.

Mr. Breth reviewed the 2022 first quarter performance ending March 31, 2022. The total market value as of March 31, 2022 was \$131,857,122 down -5.82% for the quarter and down -1.29% for the fiscal year to date.

Mr. Breth presented the Investment Performance Review Monthly Flash Report for period ending April 30, 2022. The total market value as of April 30, 2022 was \$118,473,603, down -6.60% for the month.

Upon motion by Ms. Meyer seconded by Ms. Menard, the Board voted unanimously to accept Mr. Breth’s reports as given.

Presentation counts for 1 hour of continuing education for investment training as per R.S. 11:185

VIII. Report from the System’s Attorney, Akers & Wisbar

Mrs. Akers advised that Representative McCormick provided a substitute bill for HB 25 that would require the retirement systems to report on holdings in Louisiana, Nationally and Internationally to a great extent. The substitute bill would require each investment security to be identified by the asset management firm managing the investment. Mrs. Akers reminded the board that they opposed the original HB 25 that would have prohibited retirement systems from investing in companies that boycott energy companies. Mrs. Akers reported that the systems actuary, Mr. Curran, sent a memo regarding the substitute bill to each retirement system addressing his concerns, such as added administrative cost if the requirements result in systems paying additional fees to investment consultants, custodial banks, or other firms to provide the required information. Mrs. Akers also reported that State Treasurer, John Schroder sent a memo to the retirement systems urging trustees to object the use of market and economic power and Environment, Social and Governance (ESG) scoring to advance discriminatory policies against our vital fossil fuel industry. Mrs. Akers advised that HB 25 was considered on May 5, 2022, by the House Retirement Committee and was now staled in committee.

Mrs. Akers reported that House Resolution 137 by Representative Edmond Jordan that would request the state and statewide retirement systems to invest in companies that practice diversity, equity and inclusion was

considered on May 19, 2022 and is now stuck in the House Retirement Committee. No further action recommended at this time.

Based on the education presented by Mrs. Akers at the special education meeting held on May 23, 2022, the board requested additional education and discussion of the Option 4 retirement plan.

Mrs. Akers explained the different types of Option 4 retirement benefits available for a retiree to choose upon DROP/Retirement. She advised that the board previously approved a policy by which the following optional benefits are automatically allowed under Option 4 without board approval: 75% joint and survivor option to the spouse; an Option 2 popup; an Option 3 popup. Mrs. Akers advised that ROVERS has identified nine retirees who elected Option 4 for a non-spouse.

Mr. Curran expressed his concern of the System's cost when allowing retirees to choose Option 4 leaving a monthly benefit to a non-spouse.

Mrs. Akers presented the board with Option 4 policies from various retirement systems for review.

Upon motion by Mrs. Olinde seconded by Mr. Salter, the Board voted unanimously to request the Director, Actuary and Attorney to create a policy regarding Option 4 for board review and approval at the next board meeting.

Presentation counts towards 1 hour of continuing education for system laws and rules as per R.S.11:185

Upon motion by Ms. Meyer seconded by Ms. Menard, the Board voted unanimously to accept Mrs. Akers report.

IX. Report from G. S. Curran & Company

Mr. Curran discussed the renewal of both the ROVERS administrative and actuarial contracts with G. S. Curran & Company for fiscal year 2023. Mr. Curran requested a three percent increase to the current contracts.

Upon motion by Ms. Meyer seconded by Ms. Menard, the Board voted unanimously to approve the renewal of the actuarial and administrative contract for fiscal year 2023 effective July 1, 2022 and to authorize the Director to sign contracts, as presented by Mr. Curran from G. S. Curran & Company.

Mr. Curran advised that his office completed the work on capital market assumptions for use in reviewing the system's valuation interest rate. To perform the analysis, they utilized the 2022 G. S. Curran & Company Consultant Average capital market assumptions which were created by averaging in the expected rate of return, expected standard deviations, and expected correlations of several investment consultants and investment firms. His review found that based on the System's target asset allocation, provided by AndCo., the reasonable range for the valuation interest rate was 5.46% through 6.57%. The 50th percentile value was 6.03%. The System's current assumed rate of return (or valuation interest rate) of 6.25% was within a reasonable range. Mr. Curran recommended discussing this assumption after the completion of fiscal 2022 so that they could provide accurate estimates of asset gains/losses to the Board.

Upon motion by Mrs. Olinde seconded by Mrs. Reed. The Board voted unanimously to accept the report presented by ROVERS Actuary, Greg Curran.

X. Director's Report

Ms. Bourque informed the Board that their meeting packets included the financials through March 31, 2022, for their review. A list of recent retirements, DROP participants, refunds, new members, deaths, and transfers in and out of ROVERS since the last meeting was also included in the meeting packets.

Ms. Bourque then reviewed the proposed budget for fiscal 2023. She reminded the Board that she sent a memo prior to the meeting detailing the updates from last year's budget.

Upon motion by Ms. Meyer seconded by Ms. Menard, the Board voted unanimously to accept Director's report and approve the 2023 Proposed Operating Budget as presented.

Ms. Bourque discussed health insurance premium options for ROVERS full time employee.

Upon motion by Mrs. Reed seconded by Ms. Menard, the Board voted unanimously to approve health insurance reimbursement of 50% of the total cost but no more than \$200.00 a month for Danielle Ball, full time employee.

Ms. Bourque advised that while reviewing ROVERS retirees' files to determine how many selected Option 4, she noticed that Ms. Sandra Wilson's selection of Option 4 for DROP was not brought to the Board for approval. Ms. Wilson's entered DROP September 1, 2018, naming her son as beneficiary under Option 4. Ms. Wilson had completed DROP and had continued to work after DROP.

Upon motion by Ms. Menard seconded by Ms. Meyer, the Board voted unanimously to approve Sandra Wilson's selection of Option 4 for DROP.

Ms. Bourque advised that in calculating estimates for members who transferred service credit into ROVERS, we noticed that their accrued leave was also being transferred. The unused leave was not accounted for in the actuarial cost of the initial transfer but was used in the benefit calculation. She advised that allowing the unused leave to be used in the benefit calculation, has an actuarial impact on the system. Both Mr. Curran and Mrs. Akers stated their concern about the actuarial impact this has on the system. Discussion was held regarding how other retirement systems handle unused leave and transfers. Mr. Curran stated that the cost of the transfer should include unused leave to elevate the actuarial impact on ROVERS. Mrs. Akers, Ms. Bourque, and Mr. Curran would research different options on how ROVERS should handle the use of unused leave with transfers and report back to the board.

Upon motion by Ms. Meyer seconded by Mrs. Olinde, the Board voted unanimously to accept the Directors report.

XI. Other Business

The next scheduled board meeting will be held on Tuesday, August 16, 2022 at 9:00 a.m., at the Renaissance Hotel in Baton Rouge.

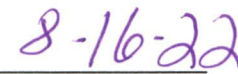
XII. Adjourn

Upon motion by Mrs. Reed seconded by Mrs. Olinde, the Board voted to adjourn at 12:54 p.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.***



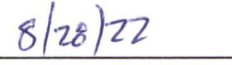
Director Signature



Date



Chairman Signature



Date