

**Registrars of Voters Employees' Retirement System**  
**Minutes of the Meeting of the Board of Trustees**  
**March 9, 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 March 9, 2022.

**I. Call to Order**

Ms. Menard 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. Oath of Office**

Mrs. Rebecca Wisbar administered the oath of office for Mrs. Charlene Menard and Mr. Dwayne Wall as new Board of Trustees for ROVERS. The Board congratulated both new board members.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the board voted unanimously to move item V Roll Call up on the agenda.

**V. 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. Election of 2022 Board Chairman and Vice Chairman**

Ms. Menard opened nominations for Chairman of the Board.

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

Ms. Menard opened nominations for Vice Chairman of the Board.

Upon motion by Champagne seconded by Representative Talbot, Mrs. Joanne Reed was nominated for Vice Chairman of the Board. Ms. Menard asked if there were any other nominations. With no other nominations

for Co-Chairman, the Board voted unanimously to approve Mrs. Reed as Vice Chairman and she accepted the position.

Ms. Menard passed the gavel to the new Chairman, Mr. Dwayne Wall.

**V. Public Comments**

There were no public comments.

**VI. Review and Approval of the Minutes**

Upon motion by Ms. Menard seconded by Mrs. Olinde, the Board voted unanimously to approve the minutes from the December 7, 2021 board meeting as presented.

**VII. Presentation by Investment Consultant, AndCo Consulting**

Mr. Breth presented the Board with an annual firm update from Mike Welker, CFA CEO. As of June 30, 2021, AndCo advises on approximately \$123 billion in client assets. The firm has 87 team members with plans to add team members to the Consulting, Finance, Marketing and IT departments.

Mr. Breth stated during the fourth quarter of 2021, that the US economy faced headwinds from the Omicron variant during the quarter which likely had a negative impact on economic growth. Even with the variant, the demand for goods and services remained strong during the quarter and market expectations for 4<sup>th</sup> quarter US GDP growth range from 4% to 7%.

Mr. Breth presented the Investment Performance Review for the fourth quarter period ending December 31, 2021. The total market value as of December 31, 2021 was \$138,384,853, up 4.22% for the quarter.

Mr. Breth presented the Investment Performance Review Monthly Flash Report for period ending January 31, 2022. The total market value as of January 31, 2022 was \$134,384,853, down -4.3% for the month.

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

*Presentation counts for 45 minutes of continuing education for investment training as per R.S. 11:185*

**VIII. Presentation by Hancock Whitney**

Mrs. Averette presented the Custodian Report which included a breakdown of assets for the period ending December 31, 2021, with a total of \$133,925,271.25. Ms. Averette indicated that Real Estate manager Greenspring Crossover Fund and Hedge Fund manager Equitas Evergreen Fund both had residual funds in their accounts and asked Mr. Breth if the funds could be moved to the ROVERS cash account since they were no longer active managers for ROVERS. Mr. Breth advised that the money could be moved to the ROVERS cash account.

Mr. Walker presented the Members Supplemental Savings Plan Investment Performance Review for quarter ending December 31, 2021, totaling \$590,336.18. The total number of distributions for 2021 equaled \$117,496.94. He explained the expectations of the Members Supplemental Savings Plan was to prudently protect the assets from large drawdowns, while still maintaining enough risky assets to generate returns that outpace inflation.

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.

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

Mrs. Akers reported, at the last board meeting, the board voted to opt into potential legislation proposed by other retirement systems to remove the reverse transfer option. After the meeting, the other retirement systems decided not to proceed with the potential litigation, therefore the reverse transfer statute remained in place.

Mrs. Akers advised that HB 25 by Representative McCormick would prohibit retirement systems from investing in companies that boycott energy companies. The proposed legislation stated "No retirement system, plan, or fund shall invest system funds in a company that has a policy that prohibits the company from investing in, doing business with or entering contracts with energy companies or with any class or group of companies within the energy sector." She stated that this proposed legislation was spawned from similar legislation from Texas, however the Texas legislation was more detailed than HB25. Mrs. Akers reminded the Board that currently there was a statute regarding investing in prohibited nations and each money manager must report to the system every six months if they were invested in prohibited nations such as Iran, North Korea, Sudan and Syria. Mrs. Akers recommended that the Board oppose HB 25 due to not enough detail or definition in the legislation and it would be an impossible task to determine if ROVERS money managers were investing in energy companies or with any class or group of companies within the energy sector.

Mr. Broussard echoed the same concerns as Mrs. Akers regarding HB 25.

Upon motion by Representative Talbot seconded by Mr. Broussard, the Board voted unanimously to oppose HB 25 in its current form as recommended by System's Attorney.

*Presentation counts towards 30 minutes of continuing education for system laws and rules as per R.S.11:185*

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

A break was taken at 10:20 a.m. and the meeting resumed at 10:37 a.m.

#### **XI. Report from G. S. Curran & Company**

Mr. Curran discussed the need for the Board's approval of updated option factors and actuarial equivalence assumptions. He stated that by approving the new assumptions, ROVERS would acknowledge that the 6.25% interest rate utilized in the 2021 actuarial valuation would be used for transfers/purchases, disability award lifetime equivalences, single life option factors and joint & survivor option factors beginning July 1, 2022. He

further explained that DROP balance life annuity conversions would instead use an interest rate of 5.25% to protect the system.

Upon motion by Mr. Broussard seconded by Ms. Meyer, the Board voted unanimously to approve the option factors and actuarial equivalence assumptions effective July 1, 2022, as presented by G. S. Curran & Co.

Mr. Curran informed the Board that the ROVERS valuation produced by G. S. Curran & Company was approved by PRSAC and received a clean bill of health on their assumptions. He discussed setting the employer contribution rate for July 1, 2022 through June 30, 2023. Mr. Curran advised that the employer contribution rate could be set between 11% and 18%. The current rate is 18%.

Mr. Curran stated ROVERS had \$3.3 million in the funding account. The last cost of living increase was granted January 1, 2021; therefore, the system was not eligible to grant another cost of living increase until January 1, 2024.

Upon motion by Mr. Champagne seconded by Ms. Menard, the Board voted unanimously to set the employer contribution rate at 18% for fiscal year July 2022-June 2023.

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

## **XII. Director's Report**

Ms. Bourque provided a comparison indicating the yearly premiums for, Directors and Officers Insurance, Cyber Insurance and Waiver of Recourse Endorsement Insurance for the last three years. The Cyber Insurance increased over \$9,000.00 from last year to this year. Ms. Bourque advised ROVERS would need to be amended by \$5,200.00 as the budget did not allow for such an increase in Cyber Insurance.

Upon motion by Mr. Broussard seconded by Ms. Meyer, the Board voted unanimously to amend the budget to increase Cyber Insurance by \$5,200.00.

Ms. Bourque stated that the GASB 68 report "The Employer Pension Report" dated June 30, 2021 prepared by the auditors, Duplantier, Hrapmann, Hogan and Maher, 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.

Upon motion by Ms. Meyer seconded by Ms. Menard, the Board voted unanimously to accept the GASB 68 report "The Employer Pension Report" prepared by Duplantier, Hrapmann, Hogan and Maher, CPA's.

Ms. Bourque advised that Ms. Juanita Powell retired January 1, 2022 from Rapides Parish and selected a Joint and Survivor Option 4 naming her son as beneficiary to receive a survivor annuity upon her death. Ms. Bourque reminded the board that although the law allows a member to request payment to a non-spouse beneficiary under Option 4, it also stipulates that Option 4 benefits require specific approval by the Board of Trustees.

Mr. Curran explained that in the past, given that federal Minimum Distribution Incidental Benefit (MDIB) limitations might apply to the system, ROVERS had elected to limit payments to non-spouse beneficiaries

according to the applicable percentages set forth by the MDIB regulations. In this case, applying the MDIB limitations, the annuity payment to the surviving son cannot exceed 67% of the annuity payment to Ms. Powell. Mr. Curran stated that it is his general advice that boards carefully consider whether it is a good idea to allow members to elect Option 4 benefits with a beneficiary other than someone with whom they have an insurable interest, as they would with a dependent or spouse. Otherwise, the likelihood of severe anti-selection was high as members who have severe health issues may choose to simply pass on as much of their benefit as possible to a beneficiary.

After discussion was held regarding the selection of Option 4 and the concern of the system cost, the Board requested a list of retirees that have selected Option 4 leaving a non-spouse as beneficiary to receive a monthly benefit upon the retiree's death.

Upon motion by Ms. Menard seconded by Ms. Meyer, the Board voted unanimously to approve Ms. Juanita Powell's Option 4 selection leaving her son as beneficiary to receive a benefit after her death.

Ms. Bourque reminded the Board that the Louisiana Ethics form 416b, Tier 2 Financial Disclosure, must be filed by May 15, 2022.

Ms. Bourque informed the Board that included in their meeting packets were the financials through December 31, 2021, 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 distributed a memo received from ROVERS employee, Danielle Ball regarding health insurance for herself and her husband. The Board took this under advisement.

Upon motion by Ms. Meyer seconded by Mrs. Olinde, the Board voted to accept Director's report.

### **XIII. Other Business**

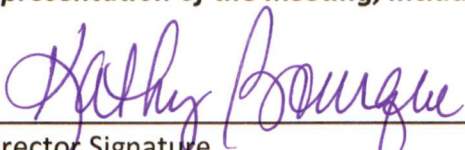
Ms. Bourque reminded the Trustees that several of them still needed education hours prior to the deadline of August 30, 2022. With that being said, the Board discussed scheduling a special Board meeting for education and training purposes.

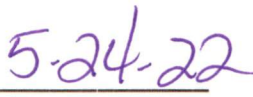
Upon motion by Ms. Meyer seconded by Ms. Menard, the Board voted unanimously to approve scheduling a special meeting on Monday, May 23, 2022 for Education Training and Regular Board Meeting on Tuesday, May 24, 2022.

### **XIV. Adjourn**

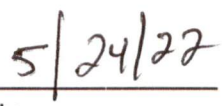
Upon motion by Ms. Menard seconded by Ms. Meyer, the Board voted to adjourn at 11:45 a.m.

**\*\*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.**

  
\_\_\_\_\_  
Director Signature

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Chairman Signature

  
\_\_\_\_\_  
Date