Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
June 12, 2024

The meeting of the Board of Trustees for the Registrars of Voters Employees' Retirement System was held at the Renaissance Hotel, 7000 Bluebonnet Boulevard, Baton Rouge, Louisiana on June 12, 2024.

I. Call to Order

Mr. Wall called the meeting to order at 9:09 a.m.

II. Invocation and Pledge of Allegiance

Mr. Wall offered an invocation and Mr. David led the Pledge of Allegiance.

III. Roll Call

Ms. Kathy Bourque called the roll. Board members present: Mr. Brian Champagne, Mrs. Charlene Menard, Mrs. Joanne Reed, Mr. Dwayne Wall, Ms. Shanika Olinde, Mrs. Shanda Jones, and Ms. Nicole Brown. Ms. Billie Meyer, Representative Polly Thomas, and Senator Kirk Talbot were absent. A quorum was present. Others present included: Ms. Kathy Bourque (System Director); Mr. Greg Curran and Ms. Sondra Bordelon (Actuary and Administrator, Curran Actuarial Consulting, Ltd); Mr. Jon Breth (Investment Consultant, Mariner), Mrs. Cynthia Averette and Mr. Walker Reynolds (representing Custodian of Assets, Hancock Whitney); and Mrs. Laura Gail Sullivan (Legal Counsel), and Mr. Robert Tarcza (Attorney, Tarcza & Associates).

IV. Public Comments

There were no public comments.

V. Review and Approval of Minutes

Upon motion by Ms. Menard seconded by Mrs. Reed, the Board voted unanimously to approve the minutes from the March 1, 2024, board meeting as presented.

VI. Discussion and action related to pending litigation

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to go into executive session at 9:14 a.m. to discuss Branan vs. PPG, et al, and Recreation and Park Commission for the Parish of East Baton Rouge v Sid J. Gautreaux, III, in his capacity as Sheriff of East Baton Rouge, filed as Suit number 725,439, Div. 21 of the 19th JDC, and associated cases.

Upon motion by Mrs. Olinde seconded by Mr. Champagne, the Board voted unanimously to come out of executive session at 9:46 a.m.

Upon motion by Ms. Menard seconded by Mrs. Olinde, the Board voted unanimously to approve the hiring of Mr. Robert Tarcza to represent Ms. Kathy Bourque and ROVERS in a legal capacity in matters pertaining to both Branan vs. PPG, et al, and Recreation and Park Commission for the Parish of East Baton Rouge v Sid J. Gautreaux, III, in his capacity as Sheriff of East Baton Rouge, filed as Suit number 725,439, Div. 21 of the 19th JDC, and associated cases with the Board authorizing Mr. Tarcza to take instructions from Ms. Bourque.

VII. Presentation by Investment Consultant, Mariner (formerly-AndCo Consulting)*

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

Mr. Jon Breth reminded the Board that he had set up fund manager interviews to replace the Virtus International Equity Fund. He stated that we would hear presentations from MFS International Growth Equity and EuroPacific Growth Fund. Each fund manager gave a twenty-minute presentation to the Board outlining company outline and overview, investment strategies, time horizon and fee structure.

A break was taken at 10:26 a.m. and returned at 10:36 a.m.

Once both presentations were completed, Mr. Breth reviewed and compared the two fund managers with the Board and recommended fully liquidating the Virtus International Equity Fund and the investing the proceeds from that sale to purchase MFS International Growth. Mr. Breth confirmed that the Virtus International Equity Fund currently had a market value of $5.9 million as of the first quarter of 2024.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to approve the 100% liquidation of Virtus International Equity Fund and to use the proceeds from the sale to invest in the MFS International Growth Funds as recommended by Mr. Jon Breth from Mariner.

Next, Mr. Breth presented the Investment Performance Review for the first quarter period ending March 31, 2024. The total market value as of March 31, 2024, was $135,810,089 up 7.75% for the first quarter of 2024 and up 10.87% for the fiscal year to date. Mr. Breth stated that it was a great first quarter for the equity market.

Mr. Breth mentioned that domestic equities were a little outside of their target allocation and recommended rebalancing $2.5 million from Fidelity Total Market Index Fund to Orleans Capital Domestic Fixed Income Fund.

Upon motion by Ms. Menard seconded by Mrs. Olinde, the board voted unanimously to approve Mr. Breth's recommendation to rebalance $2.5 million from Fidelity Total Market Index Fund to Orleans Capital Domestic Fixed Income Fund.

Mr. Breth reminded the Board that a full redemption request for JP Morgan Special Situation Property Fund was submitted and last quarter approximately 1% of that investment was received. He mentioned that this liquidation would be a slow process.

Mr. Breth asked for Mariner to receive authorization from the Board to work with Ms. Bourque on amending the redemption request of the JP Morgan Special Situation Property Fund down to 20% of the net asset value to earn annual fee credit. He confirmed that once this was achieved then full redemption of that fund would be requested again.

Upon motion by Mr. Champagne seconded by Mrs. Reed, the Board voted unanimously to approve Mr. Breth's recommendation to approve authorization to Mariner to work with Ms. Bourque to amend the redemption request of JP Morgan Special Situation Property Fund down to 20% of the net asset value to earn the annual fee credit as presented.

Lastly, Mr. Breth discussed the renewal of the Mariner (formerly AndCo Consulting) contract. He stated that his recommendation was to the maintain the same annual fee of $95,000 per year for three years, from July 1, 2024, through June 30, 2027.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to approve Mr. Breth's recommendation for a three-year amended contract with Mariner at $95,000 per year beginning July 1, 2024 through June 30, 2027.

Upon motion by Ms. Menard seconded by Mr. Champagne, the Board voted unanimously to accept Mr. Breth's report as given.

VIII. Presentation by Hancock Whitney

Mrs. Averette presented the Custodian Report which included a breakdown of assets for the period ending March 31, 2024, with a market value of $132,080564.52.

Mr. Walker presented the Members Supplemental Savings Plan Investment Performance Review for the quarter ending March 31, 2024, totaling $273,977.74.

Upon motion by Mrs. Olinde seconded by Mrs. Reed, the Board voted unanimously to accept the Custodial Report and the Members Supplemental Savings Report as presented by Hancock Whitney.

IX. Report from System's Attorney, Laura Gail Sullivan

Ms. Sullivan reminded the Board that Mr. Tarcza had already updated them on the BREC litigation earlier in the meeting during executive session.

Ms. Sullivan discussed proposed legislation for the 2024 legislative session. First, she discussed SB1 Act 46, relative to transfers between public retirement systems, clarified the meaning of "employer contributions" to exclude excess contributions in certain circumstances. She explained that this bill cleaned up the transfer language to state that during a transfer out , those extra contributions for purposes of the funding deposit account are not included as part of that calculation.

Ms. Sullivan then discussed SB4 which became Act 29. She stated that this bill was relative to unused annual and sick leave conversion and optional allowances. Ms. Sullivan explained that for all new members on or after July 1, 2024, unused sick and annual leave would be used only for calculation purposes and not for attaining eligibility. She confirmed that SB4 also would allow members to name only a spouse as beneficiary under Option 2 and Option 3 upon retirement. Ms. Sullivan reminded the Board that if a member would like to name someone other than a spouse, they could do so under Option 4 with the board's approval only. Next, Ms. Sullivan discussed SB5 by Senator Miguez which would require fiduciaries for public retirement systems to make investment decisions based solely on financial factors. She stated that there were concerns raised regarding proxy voting which she did not feel was an issue for ROVERS. Then Ms. Sullivan discussed SB462 which became Act 491. She stated that this bill was originally set up to provide the Governor of Louisiana the authority to appoint the chair of every board in the state. She further stated that it was explained that the bill was only to be for boards that the Governor appointed the majority of the board members then he would be allowed to select the chair of that board.

Upon motion by Mrs. Reed seconded by Mrs. Olinde, the Board voted unanimously to accept Ms. Sullivan's report as given.

X. Report from Curran Actuarial Consulting, LTD.

Mr. Curran discussed the renewal of both the ROVERS administrative and actuarial contracts with Curran Actuarial Consulting Ltd. for the fiscal year 2025. Mr. Curran stated that there was no increase requested in the monthly dollar retainer for the actuarial contract. He explained that there were changes within the contract that related to changes in the hourly rates for non-retainer projects and changes in the minimum special calculation charges. Mr. Curran stated that there was a request to increase the administrative contract by $240 per month. He also stated that hourly rates had not been increased since 2020 for the 2021 contracts. Additionally, Mr. Curran informed the Board that the minimum charge for special purchases, transfers, and other calculations would increase from $150 to $200 and that was the first increase since 2009.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to approve the renewal of the actuarial and administrative contract for fiscal year 2025 effective July 1, 2024, through June 30, 2025, and to authorize the Director to sign contracts, as presented by Mr. Curran from Curran Actuarial Consulting, Ltd.

Next, Mr. Curran discussed the valuation interest rate and recommended no changes at this time. He reminded the Board that the current rate was at 6.25% and he didn't see any reason to lower that rate at this time since we are in a conservative position.

Upon motion by Mr. Champagne seconded by Ms. Menard, the Board voted unanimously to adopt the 6.25% valuation interest rate for the 2024 ROVERS valuation.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to approve to add to the agenda the discussion and action related to the study of back drop by Curran Actuarial Consulting, Ltd.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to request the cost of a back-drop study for 2025 by Curran Actuarial Consulting, Ltd.

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

XI. Director's Report

Ms. Bourque informed the Board that included in their meeting packets were the financials through March 31, 2024, for their review.

Ms. Bourque then reviewed the proposed budget for fiscal 2025. She discussed that there were decreases to the board expenses, increases in administrative and actuarial contracts, increases to staff travel, board member per-diem, office equipment leases, bank charges, and IRS tax preparation. Ms. Bourque also informed the Board that the total budget amount remained the same for salaries, however she was asking for an increase to $90,000 and the additional amount would be used to pay the part-time employee $18 per hour and then to hire someone else if necessary. She noted there was a significant increase in legal fees due to the ongoing litigation as well as increases in investment management fees due to increases in the overall market value of the ROVERS portfolio.

Upon motion by Mrs. Olinde seconded by Mrs. Reed, the Board voted unanimously to approve the fiscal 2025 budget as presented.

Upon motion by Mrs. Olinde seconded by Mr. Champagne, the Board voted unanimously to approve Ms. Laura Gail Sullivan's contract as the Fund's Attorney for one-year effective July 1, 2024 which was included in the fiscal 2025 budget and having no changes from the previous contract with ROVERS.

Ms. Bourque discussed the ROVERS Board of Trustee election coming up in July 2024. She explained that there would be two trustee positions open replacing Ms. Meyer and Mrs. Reed effective January 1, 2025. She stated that the nominations would go out the first week of July and would be due back in September.

Ms. Bourque reminded the Board that LAPERS would be held September 8-10, 2024, at the New Orleans Marriot on Canal Street.

Ms. Bourque reminded the Board that the COLA was approved at the March meeting and those would be processed for the July 1, 2024, monthly benefit.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to accept Ms. Bourque's report as given.

XII. Other Business

The Board confirmed that the next meeting was scheduled for Wednesday, September 25, 2024, at 9:00 a.m.

XIII. Adjourn

Upon motion by Mrs. Reed seconded by Ms. Menard, the Board voted unanimously to adjourn at 12:49 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.***

Kathy Bourque ____________________ 9-25-24 __________

Director Signature Date

____________________ 9/25/24 __________

Chairman Signature Date