

Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
March 1, 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 March 1, 2024.

I. Call to Order

Mr. Wall called the meeting to order at 9:11 a.m.

II. Invocation and Pledge of Allegiance

Mr. Champagne offered an invocation and Ms. Menard led the Pledge of Allegiance.

III. Roll Call

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

IV. Public Comments

There were no public comments.

V. Review and Approval of Minutes

Upon motion by Ms. Meyer seconded by Mr. Champagne, the Board voted unanimously to approve the minutes from the December 6, 2023, board meeting as presented.

VI. Presentation by Investment Consultant, AndCo Consulting

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

Mr. Jon Breth informed the board that AndCo Consulting firm and Fourth Street Performance Partners would be acquired by Mariner on or around April 2, 2024. Both consulting firms would

operate under a combined brand, Mariner Institutional, which would advise approximately \$108 billion in assets with 100 associates. Mr. Breth advised that Mariner Institutional would provide its clients with the same core consulting services as AndCo had in the past. Mr. Breth assured the board that ROVERS would not see any changes and he would still be ROVERS' consultant. Mr. Breth shared a consent form, to be signed, changing the existing contract with ROVERS from AndCo Consulting to Mariner Institutional.

Upon motion by Ms. Menard seconded by Ms. Meyer, the Board voted unanimously to authorize Kathy Bourque, Director, to sign on ROVERS' behalf, the consent form changing the existing contract with ROVERS from AndCo Consulting to Mariner Institutional.

Mr. Breth presented the Board with a thank you for the opportunity to serve as consultant for ROVERS and an annual firm update from Mike Welker, CFA CEO. As of December 2023, AndCo advised on approximately \$100 billion in client assets. AndCo won their second consecutive Greenwich Quality Leader Award based on feedback from valued clients. AndCo added five new partners and currently has 89 team members.

Mr. Breth presented the Investment Performance Review for the fourth quarter period ending December 31, 2023. The total market value as of December 31, 2023, was \$127,525,809 up 7.75% for the fourth quarter of 2023 and up 5.16% for the fiscal year.

Mr. Breth advised that due to the pending change in subadvisor to the Virtus International Equity Fund from Vontobel to SGA, he recommended that the fund investment be fully liquidated, and the proceeds invested in the international index fund.

Upon motion by Mr. Champagne seconded by Mrs. Reed, the board voted unanimously to accept Mr. Breth's recommendation to liquidate Virtus International Equity Fund and move the proceeds to the international index fund.

Mr. Breth explained that AndCo's research group discovered four candidates for the board to consider replacing Virtus International Equity Fund. The four candidates recommended were MFS, American Funds, WCM, and Harding Loevner. Mr. Breth presented a review of the four candidates and recommended the board hire MFS or if the board wanted to interview two of the four candidates, he recommended MFS and WCM.

Based on Mr. Breth's recommendation, the Board chose to interview MFS and WCM at its' June 12, 2024, regular meeting. Mr. Breth would notify the firms and set up the interviews.

Upon motion by Ms. Meyers seconded by Mrs. Reed, the Board voted unanimously to approve Mr. Breth's report as presented.

Mr. Breth presented the Investment Performance Review Monthly Flash Report for the period ending January 31, 2024. The total market value as of January 31, 2024, was \$125,604,235, up .40% for the month and up 5.58% for the fiscal year.

VII. Presentation by Hancock Whitney

Mrs. Averette presented the Custodian Report which included a breakdown of assets for the period ending December 31, 2023, with a market value of \$125,558,442.

Mr. Walker presented the Members Supplemental Savings Plan Investment Performance Review for the quarter ending December 31, 2023, totaling \$317,037.41.

Upon motion by Ms. Meyer seconded by Ms. Menard, 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 advised that the BREC matter remained a procedural tangle, with three separate lawsuits ongoing. In the first, BREC sought to keep EBR Sheriff Sid Gautreaux from sending the retirement systems any tax proceeds resulting from the BREC tax. That \$2M was ordered to be placed into the registry of the court. In the second suit, the Sheriff brought a concursus proceeding, putting an additional \$2M in the registry of the court from tax proceeds that would otherwise have been paid to EBR. EBR then brought a third suit to stop Sheriff Gautreaux from doing anything with their tax proceeds other than remitting them to EBR.

Ms. Sullivan discussed proposed legislation for the 2024 legislative session. She reviewed three bills that would affect ROVERS. SB1 by Senator Price, relative to transfers between public retirement systems, clarified the meaning of "employer contributions" to exclude excess contributions in certain circumstances. SB4 by Senator Price, which was ROVERS legislation, 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. 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. SB5 by Senator Miguez would require fiduciaries for public retirement systems to make investment decisions based solely on financial factors. Ms. Sullivan advised that this proposed legislation would apply to all public retirement systems and local systems. Ms. Sullivan recommended that the board go on record to oppose SB5 in its current form.

Ms. Sullivan informed that the 2024 Legislative Session convenes at noon on March 11, 2024, and the final adjournment will be no later than June 3, 2024. Senator Price has been appointed to serve as Chairman of the Senate Retirement Committee and Representative Bacala has been appointed to serve as Chairman of the House Retirement Committee.

Upon motion by Mr. Champagne seconded by Ms. Meyer, the Board voted unanimously to oppose SB 5 by Representative Miguez in its current form.

Mr. Wall stated that several of the Board members have been contacted by a Registrar to review the possibility of increasing the number of hours a rehired retiree can work without reducing the monthly retirement benefits.

Ms. Bourque reminded the Board that the current law states that any retiree may be employed by an employer covered by this system without suspension of benefits provided the retiree had terminated employment for at least six consecutive months. Such retiree may be employed for no more than sixty days, or four hundred eighty hours, in a calendar year without reduction of benefits.

After a discussion of possible changes to the rehired retiree statute, Mr. Curran and Ms. Sullivan stated that they would discuss concerns and present the pros and cons at the education meeting scheduled for June 11, 2024.

Ms. Meyer stated that she was approached by several retirees regarding adding a retiree to the Board.

Ms. Sullivan advised that legislation must be passed to add a retiree to the board.

Upon motion by Ms. Menard seconded by Ms. Meyer, the Board voted unanimously to accept Ms. Sullivan's report as given.

A break was taken at 11:46 a.m. and returned at 11:59 a.m.

X. Report from Curran Actuarial Consulting, LTD.

Mr. Curran advised that no changes were needed at this time to any actuarial assumptions, therefore no updates were needed for the actuarial equivalence factors for July 1, 2024. The factors would remain the same as the prior year.

Upon motion by Ms. Menard seconded by Ms. Meyer, the board voted unanimously to approve the actuarial assumptions as presented by Mr. Curran.

Mr. Curran advised that Mr. Kenneth Herbold with the Louisiana Legislative Auditors (LLA) office presented a review at PRSAC of the LLA's perspective on ROVERS actuarial valuation. Mr. Curran presented the summary:

Actuarial Review of ROVERS' 2023 Actuarial Valuation

In accordance with La. R.S. 24:513(C)(1), the Louisiana Legislative Auditor has conducted an Actuarial Standards of Practice (ASOP) Disclosure Compliance Review for the Registrars of Voters Employees' Retirement System (ROVERS or System). The following presents the results of our ASOP Disclosure Compliance Review of ROVERS' June 30, 2023, Actuarial Valuation, prepared by Curran Actuarial Consulting, Ltd. And dated November 20, 2023. In doing so, we have reviewed the report for compliance with ASOP disclosure requirements.

Summary

We performed a comprehensive review of the ROVERS' 2023 Actuarial Report for compliance with ASOP disclosure requirements, i.e. to verify all the information the ASOPs require to be disclosed in this type of Actuarial Communication is included. The review distinguishes between: (1) findings that are likely to affect the conclusion or understanding of a user of the Actuarial Report (material violations) and (2) findings that are not likely to affect the conclusion or understanding of users, but are a) nonetheless required by the ASOPs (immaterial violations) or b) suggested changes that do not stem from ASOP violations but we believe could improve clarity and ease of use by stakeholders and other users of the Report (additional recommendations). We did not find any material violations of the ASOP disclosure requirements. We identified three immaterial violations and made recommendations for correcting these items. In addition, we make two additional recommendations.

Mr. Curran informed the Board that the ROVERS valuation produced by Curran Actuarial Consulting was approved by PRSAC and he would work on the immaterial violations in the future. He discussed setting the employer rate for July 1, 2024, through June 30, 2025. Mr. Curran advised that the employer rate could be set between 7.75% and 18%. The current rate was 18%. Any excess employer contributions would be deposited in the Funding Deposit Account to use for future cost-of-living increases. Mr. Curran recommended when setting the employer contribution rate, the Board should consider the current size of the Funding Deposit Account, the potential future uses for the funding deposit account (including the desired frequency of COLAs), and the ability of employers to make contributions at rates above the minimum.

Mr. Curran stated that the fiscal 2023 actuarial valuation states that the Board may grant a COLA to retirees and survivors effective no earlier than January 1, 2024. If the board elected to grant a COLA from the Funding Deposit Account, the employer rate would not be expected to increase. The cost of a 3% COLA pursuant to R.S.11:2073 was estimated to be \$1,761,423. The cost of a supplemental COLA under R.S. 11:246 was estimated to cost an additional \$991,533. Mr. Curran

advised that there were sufficient funds within the Funding Deposit Account to fund such COLAs. The cost of any COLA granted would cause the Funding Deposit Account balance to be reduced by the lifetime value of additional benefits.

Upon motion by Mr. Champagne seconded by Ms. Meyer, the Board voted unanimously to set the employer contribution rate at 18% for the fiscal year July 1, 2024 – June 30, 2025.

Upon motion by Ms. Menard seconded by Ms. Meyer, the Board voted unanimously to approve a COLA of 3% to retirees who have been retired for a minimum of two years and a supplemental COLA of 2% to retirees age 65 and older who have been retired for a minimum of one year. The effective date of the COLA would be July 1, 2024.

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

XI. Director's Report

Ms. Bourque informed the Board that included in their meeting packets were the financials through December 31, 2023, for their review.

Ms. Bourque advised the Board that Ms. Kim Fontenot rescinded her nomination for the Board of Trustees position to fill Ms. Meyer's term expiring December 31, 2023. Ms. Meyer would be allowed to serve until an election was called to fill her position.

Upon motion by Mr. Champagne seconded by Ms. Menard, the Board voted unanimously to call for a special election in conjunction with the regular trustee election to fill the expired term of Ms. Meyer with an effective date for the new trustee to take office on January 1, 2025.

Ms. Bourque reminded the Board that the Louisiana Ethics form 416b, Tier 2 Financial Disclosure Statement, must be filed by May 15, 2024.

Ms. Bourque discussed having a Special Education Meeting on June 11, 2024, at 10:00 a.m. and having the Regular Board Meeting on June 12, 2024, at 9:00 a.m. The Education meeting would include Investments, Laws and Rules of the System, Back DROP, and Actuarial Science.

Upon motion by Mr. Champagne seconded by Mrs. Reed, the Board voted unanimously to call for a Special Education Meeting on June 11, 2024, at 10:00 a.m.

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


XII. Other Business

There was no other business discussed.

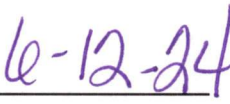
XIII. Adjourn

Upon motion by Ms. Champagne seconded by Mrs. Reed, the Board voted unanimously to adjourn at 12:58 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.***



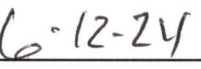
Director Signature



Date



Chairman Signature



Date