

Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
December 6, 2023

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 December 6, 2023.

I. Call to Order

Mrs. Reed called the meeting to order at 1:52 p.m.

II. Invocation and Pledge of Allegiance

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

III. Roll Call

Ms. Kathy Bourque called the roll. Board members present: Mr. Brian Champagne, Ms. Shanika Olinde, Ms. Billie Meyer, Mrs. Joanne Reed, Mr. Dwayne Wall, and Ms. Nicole Brown. Mrs. Charlene Menard, Representative Michael Firment, Mr. Joe Salter, 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); Mrs. Cynthia Averette and Mr. Walker Reynolds (representing Custodian of Assets, Hancock Whitney); Mrs. Laura Gail Sullivan (Legal Counsel), and Ms. Stephanie Angee (Bossier Parish ROV).

IV. Public Comments

The Board offered condolences to Mr. Jon Breth and his family's recent loss.

V. Review and Approval of Minutes

Upon motion by Ms. Meyer seconded by Mrs. Olinde, the Board voted unanimously to approve the minutes from the September 10, 2023, board meeting as presented.

VI. Report from Duplantier, Hrapmann, Hogan, & Maher, L.L.P.

Mrs. Cunningham presented the financial statement and compliance audit report for the Registrar of Voters Employees' Retirement System (ROVERS) for the year ending June 30, 2023. Mrs. Cunningham stated that ROVERS received an unmodified opinion. She explained that there were no significant deficiencies that were material weaknesses and no violations with any laws and regulations that had a direct and material effect on the financial statements. Mrs. Cunningham discussed and reviewed the management's responsibilities. She noted that the Total Pension Liability was now included in the footnotes. She confirmed that the Total Pension Liability which was based on actuarial assumptions totaled \$143,162,922 as of June 30, 2023, versus \$139,836,162 as of June 30, 2022.

Mrs. Cunningham confirmed that there were no uncorrected misstatements, no difficulties encountered in performing the audit, and no disagreements with management. Also, she stated that there were no noted consultations with other independent accounts and no management letter for the year ended June 30, 2023.

Next, Mrs. Cunningham reviewed the Condensed Comparative Statement of Fiduciary Net Position (balance sheet) which showed that the System's total assets as of June 30, 2023, were \$124,270,947 versus \$115,510,531 as of June 30, 2022. She noted an important change was regarding investments, stating that last year there was a loss of approximately \$17 million where as this past year there was a gain of almost \$11 million which showed an overall increase of \$27 million change.

Then, Mrs. Cunningham stated that GASB 67 requires Census Data Testing. She added testing was performed on Bienville Parish, Richland Parish, Caldwell Parish, State of Louisiana, Jefferson Parish, St. Tammany Parish, and Tangipahoa Parish. For Richland Parish and Jefferson Parish, one employee's hire date per the system and actuary, did not agree to the hire date per the employer. For Tangipahoa Parish, two employees' hire date per the system and actuary, did not agree to the hire date per the employer. Mrs. Cunningham stated that the other parishes had no findings.

Next, Mrs. Cunningham discussed and reviewed the Statewide Agreed Upon Procedures (SAUP). She stated that there were no findings in the written policies and procedures, board or finance committee, bank reconciliations, collections, credit cards/debit cards, non-payroll disbursements, travel and travel related expense reimbursement, contracts, ethics, payroll and personnel, fraud notice, prevention of sexual harassment, or information technology disaster recovery/business continuity.

Ms. Bourque asked if there were any expected changes from the LLA regarding the SAUP for next year. Ms. Cunningham stated that the LLA has added additional procedures such as a timeframe for verifying and checking bank reconciliations and cyber security training for anyone with IT access.

Upon motion by Ms. Meyer seconded by Mr. Wall, the Board voted unanimously to accept the Auditor's report as given by Mrs. Michelle Cunningham from Duplantier, Hrapmann, Hogan and Maher, L.L.P.

VII. Presentation by Investment Consultant, AndCo Consulting

Ms. Bourque explained to the Board that Mr. Breth would not be in attendance for this meeting, however he did provide a summary letter and Investment Performance Review handout for the third quarter of 2023. She confirmed that he would attend the next board meeting.

VIII. Presentation by Hancock Whitney

Mrs. Averette presented the Custodian Report which included a breakdown of assets for the period ending September 30, 2023, with a market value of \$118,795,185.80.

Mr. Walker presented the Members Supplemental Savings Plan Investment Performance Review for the quarter ending September 30, 2023, totaling \$295,096.28. He stated that this was one of the worse years for the bond

market and the second worse year for the S&P. Mr. Walker also reminded the Board that the MSSF account would eventually move to 100% cash as it was slowly beginning to draw down to a zero balance.

Upon motion by Mr. Wall seconded by Mrs. Olinde, 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 discussed the timeframe for deadlines and submissions for the upcoming 2024 Legislative Session. She stated that the only legislation that ROVERS had mentioned was changing the transfer statute that was previously discussed by Mr. Curran. Ms. Bourque confirmed that there was a handout in the board meeting packets of the proposed language. Ms. Sullivan explained that the language specified that when calculations were done for any system covered by this provision, "employer contributions," meant the actuarially required employer contributions determined in accordance with R.S. 11:102 or 103, as applicable. She further explained that no additional contributions were included in the calculation therefore would not be part of the transfer.

Ms. Sullivan stated that Senator Price had tentatively agreed to author this legislation and the notice language was currently being prepared.

Ms. Bordelon reminded the Board that in previous meetings, the board discussed two items for proposed legislation. The first item was to discuss limiting option two and option three benefits to spouses only. She stated that the second item had something to do with leave conversion. Mr. Curran explained that someone besides a spouse could still be elected, however that would be considered as an option four benefit.

Ms. Sullivan asked that Ms. Bourque and Ms. Bordelon send her all previous information and notes regarding this item and then an author for the bill would need to be determined and then it would need to be advertised.

Next, Ms. Sullivan discussed the litigation filed by Recreation and Park Commission for the Parish of East Baton Rouge v Sid J Gautreau, III in his capacity as Sheriff of East Baton Rouge Parish, filed Suit number 725,439, Div. 21 of the 19th Judicial Court is in the high-level procedural stages. She explained that there were now additional lawsuits and the status of all were at the first circuit and currently pending. She stated that the expectation was that the retirement systems would eventually receive their funding.

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

A break was taken at 3:01 p.m. and returned at 3:22 p.m.

X. Report from Curran Actuarial Consulting, LTD.

Mr. Curran reviewed the System's Actuarial Valuation Report as of June 30, 2023. He reviewed the census summary giving a breakdown of active members, retirees, survivors, vested members and terminated members due a refund of employee contributions. He pointed out that the funding deposit account was now at \$6.1 million. He explained that those funds could be used to pay employer contributions or to prefund COLAs.

Mr. Curran reminded the Board that experience studies were required every five years so after the 2025 valuation an experience study would need to be completed. Mr. Curran also pointed out that the system's valuation interest rate remained at 6.25%, which was within the actuary's reasonable range. Then, Mr. Curran stated that the minimum recommended net direct employer contribution rate was 7.75% for fiscal year 2025 and the current employer rate is 18%. He stated that the Board would need to set the employer contribution rate for fiscal year 2025 between 7.75% and 18% after the PRSAC meeting.

Mr. Curran reminded the Board that the last COLA given was in January 2021 so the next COLA could be granted effective January 2024. The Board agreed to discuss implementing a COLA at the next meeting.

Mr. Champagne asked if it was possible for Mr. Curran to complete a study on Back Drop for ROVERS. Mr. Curran suggested that the Board first have an educational session on back drop before deciding on whether to complete a study. Mr. Curran explained that there were many factors that needed to be determined before the cost could be determined.

Next, Mr. Curran presented the Information for Financial Reporting for the fiscal year ending June 30, 2023. He stated that the report was based on the actuarial assumption and methods specified and relies on the data supplied by the system's administrators and accounts.

Upon motion by Mrs. Olinde seconded by Ms. Meyer, the Board voted unanimously to adopt the actuarial valuation report as of June 30, 2023, and the Information for Financial Reporting for fiscal year ending June 30, 2023, as presented by the System's Actuary, Mr. Greg Curran from Curran Actuarial Consulting, LTD.

Regarding Member's Supplemental Savings Fund (MSSF), Mr. Curran stated that the accounts had been updated with interest through June 30, 2023, and the information was available if anyone had questions regarding their balance. Ms. Bourque confirmed that she would be sending out MSSF statements.

Upon motion by Ms. Meyer seconded by Mr. Champagne, the Board voted unanimously to accept the Member's Supplemental Savings Fund (MSSF) report as presented by the System's Actuary, Mr. Greg Curran from Curran Actuarial Consulting, LTD.

XI. Director's Report

Ms. Bourque informed the Board that included in their meeting packets were the financials through September 30, 2023, for their review.

Ms. Bourque presented the Louisiana Compliance Questionnaire in regards to the audit of ROVERS financial statements as of June 30, 2023 and for July 1, 2022 through June 30, 2023 for the purpose of expressing an opinion as to the fair presentation of ROVERS financial statements in accordance with accounting principles generally accepted in the United States of America, to assess ROVERS internal control structure as part of the audit and to review ROVERS compliance with applicable laws and regulations.

Upon motion by Mr. Champagne seconded by Ms. Meyer, the Board voted unanimously to approve the Louisiana Compliance Questionnaire as presented by Mrs. Bourque.

Next, Ms. Bourque discussed the 2024 tentative board meeting schedule. After discussion among the Board, the dates were set for March 1, 2024, June 12, 2024, September 25, 2024, and December 12, 2024.

Upon motion by Ms. Meyer seconded by Mr. Wall, the Board voted unanimously to approve the 2024 tentative board meeting schedule as presented by the Director, Ms. Bourque.

Then, Ms. Bourque discussed changes to the procedure for the direct deposit of monthly benefits. She explained that in November 2023 she received an email from a member requesting to change their bank direct deposit information. She stated that per the retiree's request she emailed a direct deposit form which was completed, and signed by the retiree and then the request to update the bank information was processed. Ms. Bourque stated she later received a call from the retiree stating she had not received her monthly benefit and at that time determined the request to change was fraudulent. Ms. Bourque notified the System Attorney and then had the retiree sign an affidavit acknowledging she had never made the request to change her bank account information. Based on this occurrence, Ms. Bourque decided to change the current procedure for making any changes to bank direct deposit information. She explained that a retiree must complete the form that they request from her office and then she would call the phone number of record in their file and verify verbally that they made the request.

Next, Ms. Bourque suggested revisiting the 2024 legislation update with the System's Attorney, Ms. Sullivan. Besides the advertisement for changing the option allowances for spouse only, Ms. Bourque mentioned the topic of transferring unused leave.

Upon motion by Mr. Champagne seconded by Ms. Meyer, the Board voted unanimously to pay for the advertisement for 2024 legislation for both changing option allowances to spouse only and leave conversion along with authorizing Ms. Bourque and Ms. Sullivan to work on drafting the legislation.

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

XII. Other Business

Upon motion by Mr. Champagne and seconded by Mr. Wall, the Board voted unanimously to add to the agenda the election of 2024 Chairman and Vice Chairman.

Mrs. Reed opened nominations for Chairman of the Board.

Upon motion by Ms. Meyer seconded by Mr. Champagne, Mr. Dwayne Wall was nominated for Chairman of the Board. Mrs. Reed 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.

Mrs. Reed opened nominations for Vice Chairman of the Board.

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

XIII. Adjourn

Upon motion by Mrs. Olinde seconded by Ms. Meyer, the Board voted unanimously to adjourn at 4:54 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