

Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
June 5, 2023

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 June 5, 2023.

I. Call to Order

Mrs. Reed called the meeting to order at 1:34 p.m.

II. Invocation and Pledge of Allegiance

Mr. Champagne offered an invocation and Mrs. Olinde led the Pledge of Allegiance.

III. Roll Call

Ms. Kathy Bourque called the roll. Board members present: Mr. Brian Champagne, Ms. Charlene Menard, Ms. Billie Meyer, Mrs. Shanika Olinde, Mrs. Joanne Reed, Mr. Dwayne Wall, and Ms. Amy Mathews. 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 (representing Actuary and Administrator, Curran Actuarial Consulting, Ltd); Mr. Jon Breth (Investment Consultant, AndCo Consulting); Mrs. Denise Akers (Legal Counsel), Mrs. Cynthia Averette and Mr. Walker Reynolds (representing Custodian of Assets, Hancock Whitney), and Ms. Corey Passantino, (WBR ROV).

IV. Public Comments

There were no public comments.

V. Review and Approval of Minutes

Upon motion by Mrs. Olinde seconded by Ms. Meyer, the Board voted unanimously to approve the minutes from the February 13, 2023, board meeting as presented.

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

Mr. Breth presented the Investment Performance Review for the first quarter period ending March 31, 2023, which had a total market value of \$120,394,274. He stated that this was up 5.20% for the first quarter of 2023 and up 5.16% for the fiscal year. He stated that the S&P gained approximately 5.5% in the first quarter of 2023 with large cap stocks being the overall leaders. Mr. Breth said that inflation rates were finally declining.

Regarding asset allocation, Mr. Breth stated that the portfolio was currently in line with the long-term policy guidelines. He informed the Board that JP Morgan Real Estate had really struggled in terms of performance in the past fiscal year, down 14.5% mainly due to exposure in office space.

Mr. Breth recommended a full redemption of JP Morgan Real Estate and to keep in mind that this would be a slow pay out process due to this being a real estate fund. He confirmed that this would be a total of approximately \$6 million (4.8% of the current portfolio) and said it could take six to twelve months to complete the redemption process.

Upon motion by Mr. Wall seconded by Ms. Meyer, the Board voted unanimously to approve the full redemption to exit the JP Morgan Real Estate Fund as recommended by Mr. Jon Breth from AndCo Consulting.

Mr. Breth stated that he would work with Ms. Bourque to get that process started.

Next, Mr. Breth discussed his handout titled "Asset Allocation Discussion May 2023." He asked the Board to reference page three where he reviewed a comparison of the last four years of assumed rates of return. Mr. Breth stated that there was an expectation of improvement in terms of expected returns for 2023.

Mr. Breth's recommendation was to liquidate GTAA funds and move the proceeds to Orleans Capital Core Fixed Income. He then stated that he would present an updated investment policy statement at the next board meeting that would outline the updated asset allocation.

Upon motion by Mrs. Shanika seconded by Ms. Meyer, the Board voted unanimously to approve the removal of the 10% allocation of GTAA and move proceeds to US Core Fixed Income and liquidate BlackRock and JP Morgan Income Builder and move those proceeds to Orleans Capital as recommended by Mr. Jon Breth from AndCo Consulting.

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

VII. Presentation by Hancock Whitney

Mrs. Averette presented the Custodian Report which included a breakdown of assets for the period ending March 31, 2023, with a market value of \$116,458,661.56.

Mr. Walker presented the Members Supplemental Savings Plan Investment Performance Review for quarter ending March 31, 2023, totaling 322,369.51. He 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 Ms. Menard seconded by Ms. Meyer, the board voted unanimously to accept the Custodial Report and the Members Supplemental Savings Report as presented by Hancock Whitney.

VIII. Report from System's Attorney, Akers & Wisbar

Mrs. Akers informed the Board that both her and her partner Ms. Wisbar would be retiring at the end of June 2023 and so her firm would no longer provide legal services after that time. She did give Ms. Bourque recommendations for several other attorneys and suggested that the Board enter executive session in order to discuss the hiring of a new General Counsel for ROVERS.

Upon motion by Ms. Meyer seconded by Ms. Menard, the board voted unanimously to enter executive session to discuss at 2:43 p.m. to discuss candidates and possible hiring of new general council, litigation of the 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, suit number 725,439, Div. 21 of the 19th JDC, and Joseph H. Broyles, et al. v. Cantor Fitzgerald & Co., et al., No. 3:10-CV-854 (M.D. La.).

Upon motion by Ms. Mathews seconded by Ms. Meyer, the Board voted unanimously to return from executive session to regular session at 3:32 p.m.

Upon motion by Mrs. Olinde seconded by Mr. Wall, the Board voted unanimously to approve hiring Laura Gail Sullivan as the new General Counsel for ROVERS, to include an overlap of employment with Ms. Denise Akers to allow for training, and to allow Ms. Akers and Ms. Bourque to finalize contract for Ms. Sullivan's on behalf of the ROVERS' Board.

Upon motion by Ms. Meyer seconded by Ms. Menard, the Board voted unanimously to authorize the ROVERS' Director, Kathy Bourque to settle terms as recommended and negotiated by the securities council for, Joseph H. Broyles, et al. v. Cantor Fitzgerald & Co., et al., No. 3:10-CV-854 (M.D. La.) in the Middle District of Louisiana Federal Court before Judge Shelly Dicks 3:10-CBS854 regarding trial scheduled later this year against Walter Morales and Commonwealth Advisors, Inc.

Next, Ms. Akers stated that she had updated one of the retirement applications and so had Ms. Bourque. Ms. Bordelon stated that Lorin and Kathleen at her office needed direction as to whether they needed to review the application that Ms. Akers had updated or the new form that Ms. Bourque's had updated. Ms. Akers stated that she would get with Ms. Bourque and determine how they would like to proceed and then let Curran Actuarial office know how they would like to move forward.

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

IX. 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 2024. Mr. Curran requested an approximately 3% increase on the administrative contract and a 3.5% increase on the actuarial contract from the prior fiscal year contracts. He explained that these are for a one-year term and there were no changes in the hourly rates.

Upon motion by Mr. Wall seconded by Ms. Meyer, the Board voted unanimously to approve the renewal of the actuarial and administrative contract for fiscal year 2024 effective July 1, 2023, 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 Mrs. Olinde seconded by Ms. Meyer. The Board voted unanimously to approve the report presented by ROVERS' Actuary, Greg Curran.

X. Director's Report

Ms. Bourque informed the Board that included in their meeting packets were the financials through March 31, 2023, for their review. Ms. Bourque then reviewed the proposed budget for fiscal 2024. She discussed that there were decreases to the liability insurance, increases in administrative and actuarial contracts, increase to bank charges since larger balances held in bank accounts, increase in audits fees due to new contract with Duplantier, and increase in special legal fees due to lawsuit with BREC.

Ms. Bourque also provided a copy of the audit contract and engagement letters with Duplantier, Hrapmann, Hogan & Maher, LLP for 2023, 2024, and 2024 in each board member meeting packet.

Upon motion by Ms. Menard seconded by Mr. Wall, the board voted unanimously to approve the proposed budget for fiscal year 2023 as proposed by the ROVERS' Director, Kathy Bourque.

Upon motion by Ms. Meyer seconded by Mrs. Olinde, the board voted unanimously to approve the engagement letters for years ending June 30, 2023, 2024, and 2025 from Duplantier, Hrapmann, Hogan & Maher, LLP.

Next, Ms. Bourque informed the Board that Mrs. Olinde and Ms. Meyer's terms on the Board end on December 31, 2023. She explained that Ms. Meyer could not seek re-election since she was currently participating in DROP. Ms. Bourque stated that nominations would be sent out the first week of July 2023. Mrs. Olinde stated that she would be seeking re-election.

Ms. Bourque reminded the Board that the Louisiana Ethics form 416b, Tier 2 Financial Disclosure, was due on May 15, 2023.

Also, she stated that 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.

XI. Other Business

Ms. Bourque reminded the Board that the next Board Meeting was scheduled for Tuesday, August 15, 2023, at 9:00 a.m. at the Renaissance Hotel in Baton Rouge. Mr. Breth asked to reschedule the meeting for either 1:00 p.m. or 1:30 p.m.

The Board agreed to reschedule the meeting to Tuesday, August 15, 2023, at 1:30 p.m.

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

XII. Adjourn

Upon motion by Ms. Meyer seconded by Mr. Champagne, the Board voted unanimously to adjourn at 3:53 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

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