

**Registrars of Voters Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
December 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 December 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. Champagne led the Pledge of Allegiance.

III. Roll Call

Ms. Kathy Bourque called the roll. Board members present: Ms. Charlene Menard, Mrs. Joanne Reed, Mr. Dwayne Wall, Ms. Shanika Olinde, Mrs. Shanda Jones, and Mr. Brian Champagne. Ms. Billie Meyer, Ms. Nicole Brown, 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), Mr. Garrett Orgeron and Mr. Jeffrey Hamilton (representing Auditors, Duplantier, Hrapmann, Hogan & Maher, LLP); Mrs. Cynthia Averette (representing Custodian of Assets, Hancock Whitney); Mrs. Laura Gail Sullivan (Legal Counsel); and Mr. Joey David (House Retirement).

IV. Public Comments

There were no public comments.

V. Review and Approval of Minutes

Upon motion by Mrs. Olinde seconded by Mrs. Reed, the Board voted unanimously to approve the minutes from the September 25, 2024, educational training board meeting as presented.

VI. Report from Curran Actuarial Consulting, LTD.***

Mr. Curran reviewed the System's Actuarial Valuation Report as of June 30, 2024. 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 stated that the funding ratio had increased to 93.39% for fiscal year

2024 with a 12% market rate of return ,and an assumed rate of return remaining at 6.25%. He also reminded the Board that this System had no unfunded liability.

Mr. Curran reviewed the funding deposit account which had a current balance of \$5,184,933 as of June 30, 2024. He reminded the Board that one of the purposes for the funding deposit account was to fund COLAs. Mr. Curran explained that since the funded ratio was above 90%, then this System could grant a COLA every two years. He reminded the Board that the last COLA was issued on July 1, 2024, so the next COLA could not be granted until July 1, 2026. He confirmed that a COLA would be based on the original benefit which makes it less expensive for the System.

Next, Mr. Curran reminded the Board that an experience study would need to be done in 2025 so the next valuation would be based on new assumptions.

Mr. Curran also stated that the minimum recommended net direct employer contribution rate was 4.25% for the fiscal year 2026 and the current employer rate is 18%. He stated that the Board would need to set the employer contribution rate for fiscal year 2026 between 4.25% and 18% after the PRSAC meeting.

Ms. Bourque asked Mr. Curran what would happen if the minimum employer contribution rate was 0% for the next fiscal year. Mr. Curran stated those extra funds would potentially go into the Member's Supplemental Savings Fund (MSSF).

Next, Mr. Curran presented the Information for Financial Reporting for the fiscal year ending June 30, 2024. 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 Ms. Menard seconded by Mrs. Olinde, the Board voted unanimously to adopt the actuarial valuation report as of June 30, 2024, and the Information for Financial Reporting for fiscal year ending June 30, 2024, 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, 2024, and the information was available if anyone had questions regarding their balance. Ms. Bourque confirmed that she would be sending out MSSF statements. Mr. Curran informed the Board that any member with a balance under \$1.00 would be written off.

Then, Mr. Curran discussed the Board's previous request for a Back-DROP study and the costs associated with that study . He explained that he would charge hourly rates and likely provide a maximum overall cost to the Board. He also stated that he anticipated that the study would reach the maximum cost since this would be such a complicated process to study. Mr. Curran stated that the specific parameters would need to be determined for Back-DROP prior to the study.

The Board along with the System Attorney and Actuary continued the discussion of different factors that need to be determined prior to a cost study for Back-DROP to be completed. The Board discussed having a round table discussion in March prior to the regular board meeting. Mr. Curran reiterated that the scope of the study would be heavily dependent on the design of Back-DROP. He further stated he would put

together some examples for the board to review prior to the next meeting. The Board agreed to have a special educational training meeting in March prior to the next regular meeting.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, 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.

A break was taken at 10:32 a.m. and returned at 10:45 a.m.

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

Mr. Orgeron and Mr. Hamilton presented the financial statement and compliance audit report for the Registrar of Voters Employees' Retirement System (ROVERS) for the year ending June 30, 2024. Mr. Orgeron stated that ROVERS received an unmodified opinion. He 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. Mr. Orgeron discussed and reviewed the management's responsibilities. He noted that the Total Pension Liability was now included in the footnotes. He confirmed that the Total Pension Liability which was based on actuarial assumptions totaled \$148,371,607 as of June 30, 2024, versus \$143,162,922 as of June 30, 2023.

Mr. Orgeron confirmed that there were no uncorrected misstatements, no difficulties encountered in performing the audit, and no disagreements with management. Also, he stated that there were no noted consultations with other independent accounts and no management letter for the year ended June 30, 2024.

Next, Mr. Orgeron reviewed the Condensed Comparative Statement of Fiduciary Net Position (balance sheet) which showed that the System's total assets as of June 30, 2024, were \$139,843,780 versus \$124,270,947 as of June 30, 2023.

Then, Mr. Orgeron stated that GASB 67 requires Census Data Testing. He added testing was performed on St. John the Baptist Parish, Orleans Parish, East Baton Rouge Parish, State of Louisiana, Vermillion Parish, Webster Parish, and DeSoto Parish. For Orleans Parish, they could not provide a general ledger. The other parishes had no findings.

Also, Mr. Orgeron explained that only the Statewide Agreed Upon Procedures (SAUP), where there were findings would need to be repeated next year. He then reviewed the following findings:

Ethics-policy does not include reference to the prohibitions in LRS 42:1111-1121

IT Disaster Recovery/Business Continuity- policy does not include reference to the timely application of all available systems and software patches/updates.

Sexual Harassment-policy does not include reference to the requirement for annual sexual harassment training.

Collections-one instance noted in which the collection date was not document & another instance noted in which a deposit was not made within one day of collection.

Upon motion by Mr. Champagne seconded by Mrs. Olinde, the Board voted unanimously to accept the Auditor's report as given by Mr. Orgeron and Mr. Hamilton from Duplantier, Hrapmann, Hogan and Maher, L.L.P.

VIII. 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. Breth presented the Investment Performance Review for the third quarter period ending September 30, 2024, with a total market value of \$141,857,213 which was up 4.92% for the quarter and fiscal year to date. Mr. Breth stated that the S&P continued to move higher at above 6% this past quarter with broadening market performance and fixed income gaining about 5% due to a sharp decline in interest rates.

Regarding the asset allocation, Mr. Breth stated that he circulated the October flash report which demonstrated that the domestic equities were slightly outside of their allowable range. He explained that in late November 2024, he worked with Ms. Bourque to generate cash for the System, by facilitating a rebalancing of \$3 million from equities and moving it into cash for retirement benefit payments.

Next, Mr. Breth recommended to the Board moving forward with an additional rebalancing of \$3 million by reducing \$1.5 million of Fidelity Total US Market and \$1.5 million of Fidelity Total International Index and moving those funds into fixed income specifically with \$2 million in Orleans Capital and \$1 million Pimco Diversified Fund.

Upon motion by Mrs. Olinde seconded by Ms. Menard, the Board voted unanimously to approve Mr. Breth's recommendation to rebalance \$1.5 million from Fidelity Total US Market and \$1.5 million from Fidelity Total International Fund and move the proceeds of those liquidations into \$2 million of Orleans Capital and \$1 million into Pimco Income Diversified Fund, as discussed.

Mr. Breth then discussed the updated Investment Policy Statement. He stated that he worked with the System's Attorney to add language to this document within the mutual policy statement regarding pecuniary factors as stipulated by the State Legislature.

Upon motion by Mrs. Olinde seconded by Mrs. Reed, the Board voted unanimously to approve the updated Investment Policy Statement as presented by Mr. Breth from Mariner.

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

IX. Presentation by Hancock Whitney

Mrs. Averette presented the Custodian Report which included a breakdown of assets for the period ending September 30, 2024, with a market value of \$139,991,490.84.

Mrs. Averette presented the Members Supplemental Savings Plan Investment Performance Review for the quarter ending September 30, 2024, totaling \$291,801.46.

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

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

Ms. Sullivan reminded the Board that Mr. Tarcza had been hired to handle "Branan vs. PPG, et al." She informed the Board that the next hearing was scheduled for January 2025 so there was no further information at this time.

Ms. Sullivan also discussed "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." She stated that oral arguments were heard the first week of December and the judge was set to make his ruling on Monday, December 16, 2024. She further stated that the expectation was that the outcome would be killed in the first circuit and then the adverse party would seek a hearing at the state supreme court.

Next, Ms. Sullivan stated that the upcoming legislative session would mostly focus on taxes, however each senator and representative are allowed to bring five bills of a general nature. She confirmed that the last day for advertisement of a bill regarding retirement would be February 12, 2025, and then those bills would have to be filed by February 28, 2025.

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

XI. Director's Report

Ms. Bourque informed the Board that included in their meeting packets were the financials through September 30, 2024, for their review. She also stated that there was a packet which had a list of DROPS, refunds, deaths, new members, terminations, and retirees.

Ms. Bourque presented the Louisiana Compliance Questionnaire in regards to the audit of ROVERS financial statements as of June 30, 2024 and for July 1, 2023 through June 30, 2024 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 Mrs. Reed seconded by Mrs. Olinde, the Board voted unanimously to approve the Louisiana Compliance Questionnaire as presented by Mrs. Bourque.

Next, Ms. Bourque discussed the 2025 tentative board meeting schedule. After discussion among the Board, the dates were set for Monday, March 10, 2025, at 11:30 a.m. for a special education meeting on Back-DROP, Tuesday, March 11, 2025, at 9:00 a.m., Tuesday, June 10, 2025, at 9:00 a.m., Tuesday, September 23, 2025, at 9:00 a.m., and Wednesday, December 3, 2025, at 9:00 a.m.

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

XII. Other Business

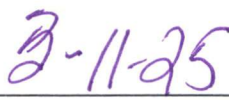
Mrs. Bourque suggested having the Oath of Office and Board elections on the agenda at the special education meeting on Monday, March 10, 2025. The Board agreed.

XIII. Adjourn

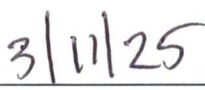
Upon motion by Mrs. Olinde seconded by Mrs. Reed, the Board voted unanimously to adjourn at 12:19 p.m.

*****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 matters decided.***


Director Signature


Date


Chairman Signature


Date