MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES June 16, 2022

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, June 16, 2022, at 9:00 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Ms. Susan Percle, Chair
Ms. Phyllis McGraw, Vice-Chair
Mayor Donald Villere, Trustee
Representative Roy Daryl Adams, House Retirement Committee
Mr. Richard Williams, LMA Designee
Mr. Donald Clause, Trustee
Ms. Desireé Honoré Thomas, Commissioner of Administration Designee
Mayor Barney Arceneaux, Trustee
Mayor Mark Piazza, Trustee

UNABLE TO ATTEND:

Senator Robert Mills, Vice Chairman Senate Retirement Committee
Mr. Philip Qualls, State Treasurer's Office Designee

IN ATTENDANCE:

Maris LeBlanc, Executive Director
Nancy LaGarde, Chief Financial Officer
Christopher Saik, Chief Investment Officer
Susita Suire, Retirement System Administrator
Lacey Weimer, Senior Retirement Analyst
Gay Courson, Office Manager
Henry Jaung, Investment Consultant
Sean Bowen, Investment Consultant
Greg Curran, G.S. Curran
Kenny Herbold, Legislative Auditor's Office
Joey David, House Retirement Committee
Jacob Maliel, TA Realty

The Chair called the meeting to order.

The Chair opened the meeting with a prayer and led everyone in the pledge of allegiance.

The Chair asked Ms. Suire to call roll. A quorum was present.

The Chair asked for approval of the minutes of the meeting held on May 19, 2022.

Ms. McGraw moved that the minutes of the meeting held on May 19, 2022, be approved; the motion was seconded by Mayor Arceneaux. The motion carried without objection or opposition.

The Chair asked for approval of the Plan A and Plan B retirements (a list was provided to the Board Members). Mayor Villere moved that the Plan A and Plan B retirements be approved; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition.

Mr. Saik presented the investment cash flow report as of May 31, 2022.

Mr. Saik presented the Act 1004 Comparison Report as of March 31, 2022.

Mr. Jaung and Mr. Bowen presented the Board with the performance report for the month ending May 31, 2022. A copy of this report is attached and made part of these minutes.

Mr. Maliel of TA Realty gave the Board a presentation on TA Realty investments that served as investment education.

Ms. LaGarde presented the budget ending May 31, 2022.

Ms. LaGarde presented the Board with the annual Trustee Attestations as required by the Ethics and Fiduciary Policy.

Ms. LaGarde presented the Board with information regarding independent auditor rotation indicating that rotation of the auditing firm was not expected by the Legislative Auditor's Office.

Mayor Villere moved that the amendments to the Employee Handbook section on preventing sexual harassment, as suggested by the Legislative Auditor's Office, be approved as presented; the motion was seconded by Mr. Williams. The motion carried without objection or opposition.

Ms. Suire gave the Board an update on the current membership status for actives, terminated, and retirees.

Ms. Suire informed the Board that a presentation was made to St. Gabriel by Lacey Weimer.

Ms. Suire reported that the COLA has been posted for the July benefit payments.

The Chair presented the Trustee Election Results. Mr. Williams moved to approve the unopposed election of Mayor Rodney Grogan for a 6-year term and Mayor Edwin Reeves for a 4-year term; the motion was seconded by Mayor Arceneaux. The motion carried without objection or opposition.

Mayor Reeves will be sworn in at the July meeting and Mayor Grogan will be sworn in at the LAPERS conference in September.

Ms. Honoré Thomas presented the Board with the recommendations of the Personnel Committee meeting for consideration of the full Board.

Mayor Arceneaux moved that the Pay Policy revisions be approved as presented; the motion was seconded by Mayor Villere. The motion carried without objection or opposition.

*MERS staff left the room for discussion of the remainder of the personnel items.

*Staff returned

Mayor Piazza moved to approve a 6% salary increase for the Chief Financial Officer and Chief Investment Officer not including a COLA or merit increase; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition. Ms. Honoré Thomas abstained.

Ms. McGraw moved to approve a 2% COLA effective July 1, 2022, for eligible staff; the motion was seconded by Mayor Arceneaux.

Mayor Villere made a substitute motion to approve a 3% COLA effective July 1, 2022, for eligible staff; the motion was seconded by Ms. Honoré Thomas. The Chair asked Ms. Suire for a roll call vote:

Yeas: Mr. Clause
Ms. Honoré Thomas
Mayor Villere
Mr. Williams

Nays: Representative Adams
Mayor Arceneaux
Ms. McGraw
Ms. Percle
Mayor Piazza

The substitute motion failed to pass.

The Board voted on the original motion made by Ms. McGraw to approve a 2% COLA for eligible staff. The motion carried without objection or opposition.

Ms. McGraw moved to approve a 3% merit pool for eligible MERS' staff to be disbursed at the discretion of the Executive Director; the motion was seconded by Mayor Arceneaux. The motion carried without objection or opposition.

Ms. Honoré Thomas moved to adjust the salary of the Executive Director to $175,000 effective July 1st; the motion was seconded by Ms. McGraw. The motion carried without objection or opposition.

The Chair thanked the Personnel Committee for their hard work on these matters.

Ms. LaGarde presented the proposed operating budget for fiscal year July 1, 2022 – June 30, 2023. A motion was made by Ms. McGraw to approve the proposed budget with changes approved for compensation and related benefits; the motion was seconded by Ms. Honoré Thomas. The motion carried without objection or opposition.

Mr. Saik presented Treasurer Schroder's ESG Scoring letter.

Ms. LeBlanc informed the Board there were no employers with late contributions that needed to be reported to the Treasurer's Office.

Ms. LeBlanc reported that talks continue between the attorneys on the Lafayette issue. MERS has invoiced Lafayette for $1.275 million for UAL calculated on additional eliminated positions. No action is needed by the Board at this time.

Ms. LeBlanc reported that there is no new litigation. She informed the Board that the writ application has been submitted to the State Supreme Court in the Sigur case and we are waiting on a response.

Ms. LeBlanc updated the Board on Senate Bill 9 by Senator Mills. The bill has been signed by the Governor and is now Act 248. This law limits retroactive payments of benefits to 60 days. It allows all participating employers to use conversion of leave at retirement. The law removes the unique MERS requirements regarding meals, conferences, and reporting of expenditures to the legislature. It also changes requirements of the experience study from 3 years to 5 years. It allows MERS to hold up to 10% in cash. This law will become effective June 30th.

Ms. LeBlanc reported that HCR 11 by Representative Mike Johnson regarding the Government Pension Offset and the Windfall Elimination Provision passed the legislature.

Ms. LeBlanc updated the Board on the Rulemaking process. The Economic Impact Statement has been approved by the Legislative Fiscal Office and the rules have been submitted to the State Register with a Notice of Intent to appear in the June 20th Register.

Ms. LeBlanc informed the Board that she will be attending the National Association of State Retirement Administrators (NASRA) Conference August 5th-10th.

Ms. LeBlanc reminded the Board that they are invited to the retirement luncheon for Susita Suire on July 15th.

The Chair read a Resolution commending Mayor Piazza for his work on the MERS Board.

RESOLUTION

WHEREAS, Abbeville Mayor Mark Piazza has provided valuable service to the Municipal Employees' Retirement System of Louisiana (MERS) as a member of the Board of Trustees from September2020, through June 2022, and

WHEREAS, although his length of service was less than two years, Mayor Piazza, bringing his more than 30 years of experience in Abbeville City Government, quickly became an important voice on the Board of Trustees, and his participation as a board member has been of great benefit to the members of the system and the Board of Trustees, and

WHEREAS, the Board of Trustees desires to unanimously express its gratitude and sincere appreciation to Mayor Mark Piazza for his service to the system and its congratulations for his successful twenty year tenure as Mayor of Abbeville.

NOW, therefore, be it resolved by the Board of Trustees of MERS that Mayor Mark Piazza is hereby recognized for the outstanding service he has provided to the Municipal Employees' Retirement System of Louisiana during his membership on the system's Board of Trustees.

BE IT FURTHER RESOLVED that the Board of Trustees and the members thereof do hereby express their genuine appreciation and heartfelt thanks to Mayor Piazza for the benefits and assistance he has furnished to MERS.

BE IT FURTHER RESOLVED that this resolution be spread on the minutes of the Board.

Ms. McGraw made a motion to adopt the Resolution; The motion was seconded by Mr. Williams. The motion carried without objection or opposition.

Mr. Curran gave the Board a presentation "Setting Valuation Interest Rate" that served as actuarial education.

No action was taken to set the rate until more information is presented.

Ms. McGraw moved to adjourn; the motion was seconded by Mayor Arceneaux. The motion carried without objection or opposition.

APPROVED

ATTEST