

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

MARCH 16, 2023

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, March 16, 2023, 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 Barney Arceneaux, Trustee
Mr. Ty Carlos, Trustee
Mayor Rich Dupree, Trustee*
Senator Robert Mills, Vice Chair Senate Retirement Committee**
Representative Roy Daryl Adams, House Retirement Committee*
Mayor Jennifer Vidrine / Mr. Richard Williams, LMA Designee
Ms. Desireé Honoré Thomas, Commissioner of Administration Designee
Mr. John Broussard, State Treasurer's Office Designee

UNABLE TO ATTEND:

Mayor Rodney Grogan, Trustee

IN ATTENDANCE:

Maris LeBlanc, Executive Director
Nancy LaGarde, Chief Financial Officer
Christopher Saik, Chief Investment Officer
Lacey Weimer, Retirement Benefits Administrator
Gay Courson, Board Secretary
Aaron Lally, Consultant, Meketa Investment Group
Shawn Bowen, Consultant, Meketa Investment Group
Greg Curran, Curran Actuarial Consulting, Ltd.
Joey David, House Retirement Committee
Brent Hicks, Baker Donaldson

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. Courson to call roll. A quorum was present.

The Chair read a statement of opportunity for public comment and disclosure of conflicts of interest.

The Chair asked for approval of the minutes of the meeting held on January 26, 2023.

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Mayor Arceneaux moved that the minutes of the meeting held on January 26, 2023, be approved; the motion was seconded by Ms. McGraw. The motion carried without objection.

The Chair asked for approval of the Plan A and Plan B retirements for January 2023, and February 2023. (a list was provided to the Board Members).

Ms. McGraw moved that Plan A and Plan B retirements be approved for the months of January and February; the motion was seconded by Mayor Arceneaux. The motion carried without objection.

Mr. Saik presented the investment cash flow reports as of January 31, 2023, and February 28, 2023.

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

Mr. Lally and Mr. Bowen presented the Board with the Performance Report for the month ending February 28, 2023.

*Mayor Dupree arrived.

*Representative Adams arrived.

Mr. Lally informed the Board of a retiring Portfolio Manager on the WCM strategy. Due diligence was performed, and the consultant and CIO remain confident in the strategy's continued ability to outperform. No action was recommended.

Mr. Bowen presented the Asset Study 2022 vs. 2023 Comparison.

Mr. Saik presented the Role of the Chief Investment Officer as education for the Board.

Ms. LaGarde presented the Budget Reports as of January 31, 2023, and February 28, 2023.

Ms. LaGarde stated that the budget process for Fiscal Year 2024 is beginning and that suggestions for items to be considered should be provided to her or the Executive Director.

Ms. Weimer gave the Board an update on the current membership status.

The Chair noted that due to scheduling conflicts some agenda items would be taken out of order.

Ms. McGraw made a motion to enter Executive Session to discuss potential litigation with Lafayette Consolidated Government; the motion was seconded by Mayor Arceneaux. The motion carried without objection. Brent Hicks and Greg Curran participated in the Executive Session.

Mr. Williams made a motion to enter Regular Session; the motion was seconded by Mayor Dupree. The motion carried without objection.

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Ms. McGraw made a motion that the Board certify as delinquent \$14,787,012 due from Lafayette Consolidated Government invoiced and demanded on February 10, 2023, and said sum be deducted from any other monies payable to Lafayette Consolidated Government by the State Treasurer or any other department or agency of the State pursuant to La. R.S. 11:1733; the motion was seconded by Mayor Dupree. The motion passed unanimously. The State Treasurer's Office, the Division of Administration and the Louisiana Municipal Association abstained from the vote.

Ms. LeBlanc informed the Board that a lawsuit was filed by Michael Sigur against Roedel Parsons law firm, MERS, Warren D. Ponder, Maris LeBlanc and Susita Suire, individually.

Mr. Williams made a motion to enter Executive Session to discuss Michael Sigur vs. Roedel Parsons Blache Fontana Piontek & Pisano, a Law Corporation, Municipal Employees' Retirement System of Louisiana, Warren D. Ponder, Maris LeBlanc and Susita Suire, Docket No. 838,286, Division D, the 24th Judicial District Court; the motion was seconded by Ms. McGraw. The motion carried without objection. Mr. Hicks participated in the Executive Session.

Mr. Carlos made a motion to enter Regular Session; the motion was seconded by Ms. McGraw. The motion carried without objection.

The Chair declared that the Board received information from Counsel regarding the matter of Michael Sigur. No action was taken.

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

Ms. LeBlanc informed the Board of the February 8, 2023, PRSAC meeting and the legislative actuary's review of the MERS 2022 Actuarial Valuation. PRSAC accepted Mr. Curran's valuation of MERS. Conclusions of the Legislative Actuary report stated that MERS Board of Trustees should continue to consider lowering the investment return assumption. Also, the treatment of the MERS Actuary concerning COLAs and not including them in the employer contribution rate, was appropriate. No action was required.

****Senator Mills left the meeting.**

Ms. LeBlanc recommended that employer rates remain at 29.50% for Plan A and 15.50% for Plan B for Fiscal Year July 1, 2023-June 30, 2024,

Mr. Carlos made a motion for employer rates to remain at 29.50% for Plan A and 15.50% for Plan B for Fiscal Year July 1, 2023 - June 30, 2024; the motion was seconded by Mayor Dupree. The motion carried without objection.

The Chair thanked the Personnel Committee for their efforts.

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

Ms. McGraw made a motion to adjust the Employee Handbook to state that sick leave can be used for the care of an immediate family member with the approval of the

Executive Director; the motion was seconded by Mayor Arceneaux. The motion carried without objection.

Mayor Arceneaux made a motion to set the salary range for the Retirement Benefits Administrator at \$71,381 - \$107,071 and to adjust the Office Manager/Board Secretary salary range to \$40,000 - \$80,000; the motion was seconded by Mayor Dupree. The motion carried without objection.

Mayor Arceneaux made a motion to approve a 2% COLA effective July 1, 2023, for MERS staff excluding the Executive Director; the motion was seconded by Ms. McGraw. The motion carried without objection.

Mayor Dupree made a motion to approve a 2% merit pool for staff excluding the Executive Director effective July 1, 2023, to be disbursed at the discretion of the Executive Director; the motion was seconded by Mayor Arceneaux. The motion carried without objection.

Mayor Dupree made a motion to approve a \$5,000 increase for the Executive Director effective July 1, 2023; the motion was seconded by Mayor Arceneaux. The motion carried without objection.

Ms. LeBlanc reported that litigation was discussed in Executive Session.

Ms. LeBlanc reported that the Subcommittee on Constitutional Revisions of the House Retirement Committee met to review the constitutional provisions on retirement. The Committee recommended that all retirement provisions are fundamental law.

Ms. LeBlanc reported that most retirement systems had not sponsored legislation this session, but the state systems are seeking a new COLA mechanism using a funding account.

Ms. LeBlanc informed the Board there were no pre-filed retirement bills regarding ESG.

Ms. LeBlanc reminded the Board that Personal Financial Disclosure Reports are due to the Ethics Board by May 15th.

Ms. LeBlanc requested the Board approve the legal services contract for Mr. Hicks's new firm and to authorize payment by MERS of the legal fees for those individually sued in the Sigur case.

Mr. Williams made a motion to approve the legal services contract for Baker Donelson to retain Brent Hicks, and for MERS to provide counsel, at MERS' expense, for Warren Ponder, Maris LeBlanc and Susita Suire in their individual capacities in the Sigur lawsuit; the motion was seconded by Ms. McGraw. The motion carried without objection.

Ms. LeBlanc recommended that the Board not go into Executive Session to discuss the BREC lawsuits due to no substantive actions on the suits.

Ms. McGraw made a motion to adjourn; The motion carried without objection.



APPROVED



ATTEST