

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

JUNE 20, 2024

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Thursday, June 20, 2024, at 9:00 a.m. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Ms. Phyllis McGraw, Chair
Ms. Susan Percle, Vice-Chair
Mr. Ty Carlos, Trustee
Mayor Rich Dupree, Trustee
Mayor Scot Rhodes, Trustee
Mayor Roderick Hampton, LMA Designee*
Ms. Sonia Mallett, Designee, Commissioner of Administration
Ms. Nicole Brown, Designee, State Treasurer

UNABLE TO ATTEND:

Representative Roy Daryl Adams, House Retirement Committee
Senator Valarie Hodges, Senate Retirement Committee

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
Greg Curran, Curran Actuarial Consulting, Ltd
Mayor Julius Alsandor
Nick Landry, blueSPARK
Rob Hatch, Constitution Capital Partners
Curtis Williams, Constitution Capital Partners
Henry Jaung, Meketa Investment Group
Shawn Bowen, Meketa Investment Group

The Chair called the meeting to order.

Mayor Roderick Hampton gave the opening prayer.

The Chair led everyone in the pledge of allegiance.

The Chair asked Ms. Courson to call roll. Eight members were present and a quorum.

The Chair read a statement of opportunity for public comment.

Ms. LeBlanc introduced Nick Landry from blueSPARK.

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The Chair read the Disclosure of Conflicts of Interest.

Ms. LeBlanc informed the Board that Mayor Scot Rhodes of Brusly ran unopposed for the 5-year partial term of an elected official. Mayor Julius Alsandor of Opelousas and Mayor Lionel Johnson, Jr. of St. Gabriel qualified for the 4-year partial term of an elected official. Kevin W. Bihm, LEPA; Julie Foret, South Central Planning and Development Commission; and Phyllis McGraw, Bossier City qualified for the 6-year term of a non-elected official.

Mayor Hampton moved to certify the election results for the unopposed election of Mayor Scot Rhodes for the 5-year partial term of an elected official; the motion was seconded by Mayor Dupree. The motion carried without objection.

Ms. LeBlanc informed the Board that election ballots would be mailed by July 5 and voting will close by July 26. Members will be able to vote by mail, telephone or online.

Mayor Scot Rhodes was given the Oath of Office by Executive Director Maris LeBlanc.

The Chair asked for approval of the minutes of the meeting held on May 16, 2024.

Mayor Hampton moved that the minutes of the meeting held on May 16, 2024, be approved; the motion was seconded by Mr. Carlos. The motion carried without objection.

The Chair asked for approval of the Plan A and Plan B retirements for June 2024. (A list was provided to the Board Members).

Mayor Hampton moved that Plan A and Plan B retirements be approved for the month of June; the motion was seconded by Susan Percle. The motion carried without objection.

Mr. Saik presented the investment cash flow report as of May 31, 2024.

Mr. Jaung and Mr. Bowen presented the Meketa Performance Report for the month ending May 31, 2024.

Ms. LeBlanc informed the Board there were no updates on the Gainesville property and no action was needed.

Mr. Rob Hatch and Mr. Curtis Williams of Constitution Capital Partners provided an educational presentation to the Board on private equity.

Ms. LeBlanc informed the Board that State Treasurer Fleming sent a letter urging Louisiana retirement systems to oppose a vote against the Board of Directors of Exxon as proposed by the California Public Employees' Retirement System. This letter was for information only. MERS does not directly hold Exxon shares.

Ms. LaGarde presented the budget report as of May 31, 2024.

Ms. LaGarde presented the July 1, 2024 – June 30, 2025, operating budget.

A motion was made by Mayor Dupree to adopt the July 1, 2024 – June 30, 2025, operating budget; the motion was seconded by Mayor Hampton. After discussion, the motion carried without objection.

Ms. LaGarde presented the unaudited financial statements as of May 31, 2024.

Ms. LaGarde informed the Board of the blueSPARK Data Managed Service Provider Agreement.

A motion was made by Mr. Carlos to approve the blueSPARK Data Managed Service Provider Agreement; the motion was seconded by Ms. Percle. The motion carried without objection.

Ms. LaGarde informed the Board of a proposed update to the Travel Policy. This update removes the repealed provision of the law.

A motion was made by Ms. Percle to update the Travel Policy as requested by staff; the motion was seconded by Mayor Hampton. The motion carried without objection.

Ms. LaGarde informed the Board there were no changes to the Ethics and Fiduciary Policy. Trustees were presented with the annual Trustee Attestation to sign as required by the Policy.

Ms. Weimer updated the Board on the current membership status.

Ms. Weimer informed the Board that she attended the Kenner Benefits Fair, which was well attended.

Ms. Weimer informed the Board of the Town of Independence's request to switch from Plan B to Plan A effective July 1, 2024.

A motion was made by Mr. Carlos to approve the Employer Agreement allowing the Town of Independence to switch from Plan B to Plan A, effective July 1, 2024; the motion was seconded by Mayor Dupree. The motion carried without objection.

Ms. LeBlanc reported that there were no employers with late contributions to be reported to the Treasurer's office.

Mr. Curran provided actuarial education based on his June 2024 five-year Experience Study. He discussed the process used to review assumptions, discussed the actuarial standards of practice relevant to assumption setting, and explained how many of the new demographic and financial assumptions were set.

The valuation interest rate of 6.85% remains within the reasonable range set by a review of the actuary's 2024 consultant average capital market assumptions and Mr.

Curran recommended no change to the assumption.

*Mayor Hampton left the meeting

A motion was made by Mayor Dupree to approve the valuation interest rate of 6.85%; the motion was seconded by Ms. Percle. The motion carried without objection.

Mr. Curran further recommended the following assumption changes:

- Reset the salary scale assumptions for Plan A and Plan B based on inflation adjusted observations for the most recent 10-year period.
- For Plan A
 - Modify the assumptions on withdrawals to reflect increase;
 - Adopt new factors to reflect increase in the number of expected disabilities;
 - Update factors to reflect an increase in the number of expected retirements for Tier 1 and fewer expected retirements in Tier 2.
- For Plan B
 - Modify the assumptions on withdrawals to reflect increase;
 - Adopt new factors to reflect decrease in the number of expected disabilities;
 - Update factors to reflect an increase in the number of expected retirements.
- Update the table of mortality improvement scales to the latest published by the Society of Actuaries – the MP2021 improvement scales.
- DROP rates were increased in the direction of recent experience and the percentage of DROP participants expected to remain employed after completing DROP participation and the average post-DROP period for such individuals were updated.
- Update family statistics, adjustments for elected official accrual rates for Plan A and B Tier 1 members, the vesting election percentage assumption, and the assumptions to be used for updated actuarial equivalence factors.

A motion was made by Mayor Dupree to approve the assumptions as recommended by Mr. Curran; the motion was seconded by Mr. Carlos. The motion carried without objection.

Ms. LeBlanc reported there was no new litigation filed against MERS and that an Executive Session was not needed.

Ms. LeBlanc informed the Board that an actuary was hired by Lafayette to assist with the case. New legislation will require a new calculation based on 20 years instead of 10.

Ms. LeBlanc informed the Board that there was no activity of substance on the BREC cases.

Ms. LeBlanc presented a written report to the Board with a legislative update on bills that affect MERS. The two bills of primary impact are:

- **SB 478** (Boudreaux) – Changes the payment period for the Lafayette Consolidated Government for the UAL created when future employees are enrolled in the Parochial Employees' Retirement System. This bill was signed by the Governor and is now **Act No. 360**, effective 8/1/2024.

- **HB 744** (Glorioso) – Provides that there will be no impact on the benefit of a retiree returning to work on a part-time basis, provided the member retired with at least 30 years of service credit and is at least age 60. The bill contains a 2028 sunset provision. It was signed by the Governor and is now **Act No. 634**, effective 8/1/2024.

Ms. LeBlanc recapped the investment discussion stating that Meketa recommends Constitution Capital as a complement to the Bernhard Capital investment. Ms. LeBlanc and Mr. Saik agree with this recommendation and an action item will be presented to the Board in August.

Ms. LeBlanc informed the Board she would be attending the National Association of Public Pension Attorneys annual conference the week of June 23rd. She will also be out of the office on Mondays during the month of July.

Mayor Rhodes thanked the Board.

Mr. Carlos made a motion to adjourn; the motion was seconded by Ms. Mallett. The motion carried without objection.



APPROVED


ATTEST