

PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN

Municipal Employees' Retirement System

~~AND~~

~~CURRAN ACTUARIAL CONSULTING, LTD.~~

~~RELATING TO ACTUARIAL SERVICES FOR~~

~~and~~

Curran Actuarial Consulting, Ltd.

Relating to actuarial services for the

Municipal Employees' Retirement System

WHEREAS THIS AGREEMENT, entered into this _____, _____ by and between Curran Actuarial Consulting, Ltd. (hereinafter designated as "Actuary") and the Municipal Employees' Retirement System (hereinafter designated as the "System") evidences a contract requiring Actuary to render certain technical and professional services, hereinafter described.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

I.

Employment of Actuary. The System hereby agrees to engage the Actuary, and the Actuary hereby agrees to perform the services hereinafter set forth. The agreement for services is exclusively between Curran Actuarial Consulting, Ltd. and the "System", and all services performed under the contract shall be considered as provided by the corporation and not the employees of the corporation. Curran Actuarial Consulting, Ltd. shall employ an actuary who is a member of the American Academy of Actuaries and meets the qualification standards of the American Academy of Actuaries to render the actuarial opinions in communications and reports to the System.

II.

Basic Services. The Actuary agrees to provide the following services and reports for the System.

~~(1)~~

(1) Perform an annual valuation of the plan assets and liabilities at the end of the fiscal year setting forth therein:

- (a) Summary statistics such as number of active, disabled, terminated and retired members with liabilities for each group,

- (b) Valuation methods including all assumptions used and a detailed example of all mortality, disability, termination, retirement and salary scale rates used.

For the purposes of determining:

- (c) the normal cost,
- (d) the unfunded accrued liability, (if any), and
- (e) the annual contributions, expressed both in a dollar amount and as a percentage of salaries, needed to liquidate the unfunded liability of the ~~retirement~~ system over the amortization period as set forth in the statutes: _____ (if any).

- (2) Explain the results of the annual valuation to the Board of Trustees.
- (3) Discuss and explain the results of the annual valuation to any actuary employed by the Legislature, or to any actuary, as requested by the Board of Trustees.
- (4) Provide a continuous review of plan experience for the purpose of analyzing system gains and losses, including a review of:
 - (a) investment yields,
 - (b) salary growth,
 - (c) retirement rates,
 - (d) death rates,
 - (e) disability rates,
 - (f) withdrawal rates.
- (5) Provide consultative and technical assistance for the Administrator in all matters of an actuarial nature relative to the administration of the System.
- (6) Prepare and/or revise tables for use in determining the appropriate reduction factors for optional benefits.
- (7) Make standard calculations of actuarial cost and equivalence as required for special options. (Unusually complex calculations or additional option table construction will be billed at the hourly rates stipulated in paragraph X.)
- (8) Attend up to 12 regularly scheduled meetings of the Board of Trustees.
- (9) ~~—~~ Provide standard calculations related to transfers or purchases of service credit for members of the System as specified in R.S. 11:143, R.S. 143.1, R.S. 11:153, and R.S. 11:158.
- (10) Provide analysis of cost and effects of plan benefit changes sponsored by the Board of Trustees.

- (11) ~~Provide consulting advice regarding effects of changes in plan structure and design.~~
- (12) Provide technical and consulting advice in the drafting of plan amendments.
- (13) Provide expert testimony before the appropriate legislative committees on legislation proposed by the Board of Trustees.
- (14) Provide a review of retirement benefit calculation sheets as needed, as well as provide calculations related to offsets of disability benefits due to outside earnings.
- (15) Preparation of an annual accounting valuation report to contain sufficient information as required under the Governmental Accounting Standards Board Statements 67 and 68 for the System's auditor to complete the System's annual audit report, including the following:
 - (a) Perform an annual review of System cash flows (including projected assets and benefit payments) in accordance with Governmental Accounting Standards Board Statement 67 (hereinafter referred to as GASB 67) ~~in order~~ to assess whether the System will reach a "crossover point".
 - (b) Calculation, if necessary, of a blended rate equivalent to a combination of the long-term expected rate of return on pension plan investments and a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
 - (c) Performance of annual accounting valuations in accordance with GASB 67 at the appropriate discount (or blended) rate and at a discount rate 1% above and 1% below the appropriate discount rate.
 - (d) Calculation of the service cost and average service life of members.
 - (e) Allocation of net pension liability and net pension expense to each employer.
 - (f) Determination of funded ratios based on GASB liability calculations.
 - (g) Setup of amortization schedules for gains and losses, changes in assumptions, and changes in allocation fractions for each employer.
- (16) Perform analysis sufficient to review the board-approved valuation interest rate assumption between periodic experience studies to provide sufficient information to inform the Board of Trustees in setting this assumption and to provide information to the actuaries of the Louisiana Legislative Auditor and the PRSAC committee about this important assumption.

(17) Provide sufficient additional analysis to answer basic data requests from the actuaries of the Louisiana Legislative Auditor and to provide a written response on behalf of the Board of Trustees to one annual actuarial review of the System, its actuarial valuation, and its actuarial assumptions subject to limitations described in Paragraph VII.

III.

Litigation. Consulting and technical advice related to litigation and expert witness testimony will be billed in accordance with the hourly fees stipulated in paragraph X plus travel expenses in accordance with the System's policy on travel and actual additional expenses incurred.

IV.

Extended Valuation Services and Extraordinary Plan Analysis. Re-runs of valuation programs and/or data auditing programs which are required ~~as a result~~because of extensive data errors submitted to our office by the System will be billed at the hourly rates detailed in paragraph X. In addition, studies of extraordinary changes to the System's benefit structure will be billed at the hourly rates detailed in paragraph X.

and

Actuarial Notes. Development of actuarial notes to be submitted to the Legislature and/or Legislative Actuary's Office will be separately billed at the ~~rate~~hourly rates given in paragraph X. In addition, work required to answer requests for details on the actuarial valuation of plan liabilities for the Louisiana Legislative Auditor or any other actuary requested by the Board of Trustees or ~~system's~~system Director will be separately billed at the hourly rates given in paragraph X.

V.

Special Purchases~~—or~~, Transfers, or Other Calculations. The computation of any "airtime" purchases or the computation of any hypothetical transfers or purchases of service credit for persons who are not active contributing members of the System shall be assessed fees at the hourly rates detailed in paragraph X, subject to a minimum charge of \$200 per calculation. The computation of group purchases where three or more individuals apply for purchases of credit or transfers arising from similar circumstances from the same employer will be assessed at the hourly rates detailed in paragraph X, subject to a minimum charge of \$200 per calculation.

VI.

Board Education on Actuarial Topics. The Actuary shall provide up to two hours of actuarial education within Board meetings on topics requested by the System. -In addition, the Actuary will provide up to two additional hours of actuarial education within its webinar training series (through either a live or pre-recorded webinar) on topics selected by the Actuary. Education on topics other than actuarial science will be charged based on the advertised charge for the webinar or in accordance with the hourly rates detailed in paragraph X.

VII.

Additional Services. As may be directed by the System or its Administrator, and in addition to such other duties as may be within the basic services to be performed by the Actuary under paragraph II hereof, the Actuary shall provide additional services including but not limited to attendance at extraordinary meetings, calculations for special mergers and plan restructuring or extraordinary plan amendments, analysis of cash flow, liability projections, forecast valuations, and portfolio immunization analysis to be charged on a project basis as mutually agreed to or at the hourly fees stipulated in paragraph X. Extra charges may also be required should the System or its Director require the Actuary to perform additional modeling or extraordinary work to respond to an annual review of the Louisiana Legislative Auditor or a request of PRSAC.

VIII.

Estimates and Special Calculations. Benefit Estimates, special Option 4 calculations, or new forms of benefits due to statutory revisions, requiring the development of additional annuity factors, formulas, or tables will be billed at the hourly rates detailed in paragraph X, subject to a minimum charge of \$200 per calculation. ~~The determination of benefits in excess of~~ exceeding IRS Section 415 limits will be billed at a rate of \$400 per calculation.

IX.

Experience Studies. The Actuary shall periodically complete an extensive review and study of the System's financial and demographic assumptions. The Actuary shall provide a report of its findings and recommendations ~~with regard to~~ regarding assumptions ~~as a result because~~ of such study. - These studies will be charged on a project basis as mutually agreed to or at the hourly fees stipulated in paragraph X.

X.

Compensation. In consideration ~~for~~ of the services required of the Actuary whereunder, the Actuary shall be entitled to receive a fee of \$103,800.00 each installment being \$8,650.00 payable monthly, in arrears on the last day of each calendar month as part payment of such fee. The System also agrees to pay Actuary approved travel expenses in accordance with the Board of Trustees' Policy and Procedure for travel outside of East Baton Rouge Parish ~~or the System's annual conference.~~ Hourly services rendered under the provisions of paragraphs III, IV, V, VI, VII, VIII, or IX shall be billed as follows:

Senior Consulting Actuary:

~~\$340/hour~~

Consulting Actuary:

~~\$300/hour~~

Assistant Actuary:

~~\$265/hour~~

Senior Actuarial Analyst:

~~\$235/hour~~

Actuarial Analyst II:

~~\$210/hour~~

Actuarial Analyst/Pension Administration Analyst:

~~\$160/hour~~

Senior Benefits Analyst:

~~\$160/hour~~

Benefits Analyst II:

~~\$140/hour~~

Benefits Analyst: ~~_____~~ /Data Analyst:

~~\$115/hour~~

Administrative Support Staff:

~~\$85/hour~~

XI.

Limitation of Liability. ~~With the exception of~~Except for willful misconduct, gross negligence, and fraud, the liability of the firm for the services provided shall be limited to the fees charged for such services. ~~The Actuary agrees to maintain an errors and omissions policy with a face amount of at least \$1,000,000 (one million dollars).~~

XII.

Changes. The System may, from time to time, require changes in the scope or duration of the services of the Actuary to be performed herein. ~~Such changes, including any increase or decrease in the amount of the Actuary's compensation, beyond that described in this contract, shall be incorporated in written amendments to this Contract.~~

XIII.

Termination of Contract. Either party hereto may terminate this Contract at any time giving written notice to the other party of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination.

XIV.

Payment of Taxes. The Actuary hereby agrees that the responsibility for payment of taxes from the funds received under this agreement shall be said Actuary's obligation and identified under tax identification number 72-1084093.

XV.

Term. The Contract term shall be for the period of one year beginning July 1, ~~2024~~2025.

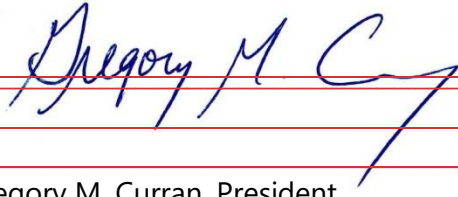
IN WITNESS WHEREOF, the System and the Actuary have executed this agreement as of the date given below.

Municipal Employees' Retirement System

Maris LeBlanc, Executive Director

Date

Curran Actuarial Consulting, Ltd.



April 7, 2025

Gregory M. Curran, President

Date