

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM**  
**Board of Trustees Meeting – December 9, 2025, 9AM**  
**7905 Wrenwood Blvd., Baton Rouge, Louisiana 70809**

**AGENDA**

Board Members:

R. Bruce Kelly, Chair, Region 1  
Kelly Fontenot, Region 2  
Christine Buras-Dodd, Region 3  
Bridgette Horton, Region 4

M. Larry Richard, Designee, Police Jury Assn.  
Senator Bob Owen  
Representative Josh Carlson

Meeting Called to Order by the Chair:

- 1) Invocation
- 2) Roll Call
- 3) Public Comment Period (must relate to agenda item)
- 4) Disclosure of Conflicts
- 5) Open Vice Chair Position
- 6) Approval of Minutes – September 7, 2025
- 7) Investments – Chris Burke and Keith Reynolds
  - A. Performance Update
  - B. Recommendations of Investment Committee
  - C. Timeline
- 8) Approval of Retirements – October to December 2025
- 9) Requests for Actuarial Transfer of Service & Reciprocal Agreements - October to December 2025
- 10) Outside Counsel – Laura Gail Sullivan
  - A. 2026 Contract
  - B. Option 4 Memo
  - C. Pending Retirement Applications
- 11) 2026 Curran Actuarial Contract
- 12) 2026 DHHM Contracts (Audit, GASB 68, Statewide AUPs, Census)
- 13) PERS Personnel Manual
  - A. 2026 Holiday Schedule
- 14) State Agreed Upon Audit Procedures
- 15) Proposed Legislation
  - A. Trustee Education – “LAPERS” Bill
  - B. Disability Clean-up – Possible “LAPERS” Bill
- 16) 2025 DROP Interest Rate
- 17) Budget
  - A. 2025 Est. Actual Operating Budget
  - B. Proposed 2026 Operating Budget
    1. Digital Imaging
    2. AS400 Enhancements
    3. Training
  - C. 2026 Staff COLA
  - D. 2026 Executive Staff Salaries
- 18) Administrative Director's Report
  - A. New Employer Requests
  - B. De minimis Late Fees
  - C. De minimis Overpayments
  - D. Staff Changes
- 19) Other New Business

The PERS Board of Trustees may enter Executive Session to discuss any of these items pursuant to R.S. 42:17A(1)(2) or (10).

Adjourn

Next Meeting: March 17, 2026, 9 AM

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM**  
**Board of Trustees Meeting – December 9, 2025, 9AM**  
**7905 Wrenwood Blvd., Baton Rouge, Louisiana 70809**

Meeting Called to Order by Chairman Kelly.

1. **Invocation** - Ms. Fontenot gave the invocation. Ms. Spinosa was then asked to call the roll.
2. **Roll Call** – Members present were Chairman Bruce Kelly, Ms. Kelly Fontenot, Mr. M. Larry Richard, Ms. Bridgette Horton, and Ms. Christine Buras-Dodd. Members absent were Senator Bob Owen, and Representative Josh Carlson. There was a quorum.

Also present were Ms. Kristi Spinosa, Mr. Chris Burke, Chief Investment Officer, Ms. Michele Perez, Chief Operating Officer, Ms. Laura Gail Sullivan, Mr. Tyler Brannan, Mr. Rob Hungerbuhler, Keith Reynolds, and Mr. Joey David. Ms. Buras-Dodd introduced herself to the board as the newly elected Region 3 member.

3. **Public Comment** - Chairman Kelly noted that the Board would take public comment at this time. No one appeared for public comment.
4. **Disclosure of Conflicts** - Chairman Kelly asked if there were Board member conflicts to be disclosed; none were reported.
5. **Open Vice Chair Position** - Motion made by Mr. Richard and seconded by Ms. Horton to appoint Ms. Kelly Fontenot as Vice Chair. Motion was approved unanimously.
6. **Approval of Minutes – September 7, 2025** – Motion made by Mr. Richard to approve the June 2025 minutes. The motion was seconded and approved unanimously.

7. **Investments** -

A. Investment Summary & Performance Update

Mr. Burke, assisted by Mr. Reynolds presented the investment update on the PERS portfolio since the last meeting.

Markets shrugged off the ongoing government shutdown with mostly positive results in October. Capital markets continued an upward trajectory driven by strong corporate earnings, and a second consecutive Fed rate cut reflecting persistent concerns regarding a softening labor market and uncertain inflationary pressures. So far through the end of October, the PERSLA investment portfolio has returned approximately 12% year-to-date. Moving through November, market headlines continued to be focused on technology sector concentration; AI debt needs and Bitcoin sell off.

Lots of bubble talk going around lately. Mostly centered on the parts of the market related to artificial intelligence and its burgeoning ecosystem. We can make arguments until we are blue in the face on both sides of the bubble or not question. However, it will only be known with certainty after the fact.

Since the last Board meeting, Segal and I have worked together to come up with a solution for our public equity allocation designed to increase our diversification, lower the level of risk, and give us the potential for slightly higher returns. The part of our solution designed to increase return potential is to consider modifying the mandate of one of our current managers to an active extension strategy. These strategies have become more popular recently but are not without risk. The results are solely dependent on the skill of the manager. Based on our analysis and Segal's due diligence, we believe the odds are in our favor over the long haul and will present these recommendations to the Board during the meeting.

US Equities had a seventh consecutive month of positive returns with the S&P 500 Index up 0.3%. On a sector basis, Health Care (+9.3%) was the top contributor with Information Technology (-4.3%) the weakest. Within the Russell U.S. Indices, mid cap stocks (+1.3%) outpaced small cap stocks (+1.0) and large cap stocks (+0.2%). All-cap value stocks (+2.7%) outperformed all-cap growth stocks (-1.7%) during the month.

The positive month; however, did mask mid month volatility as technology stock valuations triggered a decline of 5.7% from the S&P 500 historic high reached in October and increased volatility as the VIX also hit its highest level since April's tariff-driven spike. Although by month-end, that decline was erased.

International equity markets were mixed with developed regions (MCSI EAFE +0.6%) ahead of emerging regions (MSCI EM -2.4%). Europe (+1.5%) led developed markets while Latin America (6.1%) led in emerging. International markets have outperformed the US S&P 500 Index (17.8%) year to date; helped by the weakened US Dollar as the MSCI EM (+29.7%) was ahead of the MSCI EM Local Currency (+27.9%) and the MSCI EAFE (+27.4%) was significantly ahead of the MSCI EAFE Local Currency (+18.1%).

Fixed income markets were positive with the Bloomberg US Aggregate Index up 0.6%. The U.S. Treasury yield curve steepened, as yields mostly declined month-on-month with the largest decline of 11bps in the 1–7-year maturities. Investment-grade corporates, high yield, and asset-backed securities spread levels remained tight during the month.

The near-term outlook is mixed. Optimism is fueled by a potential interest rate cut, ongoing AI investment gains, and anticipated strong corporate earnings as the economy rebounds post-government shutdown. However, there is also caution given high market valuations, persistent inflation, and potential volatility from geopolitical situations. The Federal Reserve's decision at their next meeting on December 10<sup>th</sup> will be made against a backdrop of divergent policy views and lagged economic data. A widely anticipated cut, if enacted, will provide both forward guidance on 2026 rates and be a pivotal factor in sustaining market momentum.

**B. Recommendations of Investment Committee – Mr. Burke informed the Board that the Investment Committee met last week, and three recommendations were made:**

1. Reduce the amount invested with our two largest managers (ask Mr. Burke for names) and take \$125 million from each to redeploy in other areas of the portfolio.
2. Use \$50 million to invest with Arrowstreet and change its strategy from international to global.

3. Hire a new a manager (Lazard) to replace Arrowstreet's international position.  
Discussion as had. Mr. Burke answers questions from Mr. Richard and Ms. Buras-Dodd about Arrowstreet's strategies, giving them more leeway to buy stocks and short sale stock via extension strategies. This is slightly "more risky" but still within PERS risk tolerance limits.

Chairman Kelly noted an extension strategy has never been done in PERS history. Motion made by Ms. Buras-Dodd, seconded by Ms. Horton, to accept the investment committee's recommendations. Motion Carried

C. Timeline – Mr. Burke informed the Board that he would like to have a brief session in March meeting on portable alpha.

#### **8. Approval of Retirements – October to December 2025 (attached)**

On motion of Ms. Fontenot, seconded by Mr. Richard, the motion to accept these retirements was approved unanimously.

9. **Requests for Actuarial Transfer of Service & Reciprocal Agreements - October to December 2025 (attached)** – On motion of Mr. Richard, seconded by Ms. Fontenot, these were approved unanimously.

#### **10. Outside Counsel – Laura Gail Sullivan**

**2026 Contract** - Ms. Sullivan's 2026 contract contains an increase in her hourly rate to \$350/hr. Motion made by Ms. Buras-Dodd, seconded by Mr. Richard, to renew Ms. Sullivan's contract at \$350/hr. Motion carried.

**Option 4 Memo** – LG Ms. Sullivan made request to go into executive session at 10:30 am. Motion made by Ms. Fontenot, seconded by Bridgette. Motion Carried.

Executive session began at 10:30 am. Motion made and seconded to come out of executive session at 11:09. Ms. Horton made a motion to rescind option 4 payments, seconded by Mr. Richard. Motion carried.

**Pending Option 4 Retirement Applications** – Luther Ray Faircloth, Mary Carmouche, and Joseph Thibodeaux. Motion made by Mr. Richard, seconded by Ms. Buras-Dodd to approve these three retirement applications. Motion carried.

11. **2026 Curran Actuarial Contract** – Mr. Curran is requesting a fee increase in their new contract. Ms. Spinosa explained some of the changes and additions. Motion made by Ms. Horton, seconded by Ms. Fontenot to adopt the contract. Motion carried. 0
12. **2026 DHHM Contracts (Audit, GASB 68, Statewide AUPs, Census)** – Ms. Spinosa presented the 2026 contracts to the Board. Motion made by Ms. Fontenot, seconded by Ms. Horton, to accept the contracts as written. Motion carried.

### 13. **PERS Personnel Manual –**

Ms. Spinosa presented the latest draft of the PERS Personnel Manual developed in consultation with outside HR consultants. The manual was originally presented in September.

Discussion was had on exempt vs. nonexempt classifications and compensation time. Ms. Fontenot has concerns with comp time and the law and stated compensation time should be earned at 1.5 hours per hour over the federal maximum limit for nonexempt employees and earned hour for hour for exempt employees. Exempt employees should be able to still earn comp time but within reason.

Ms. Spinosa stated that to her knowledge, PERS has never paid overtime, just compensation time. She further noted that comp time must be approved by the director. Highlights of the manual include the reduction the leave carry over from 50 days to 30 days, for those hired on or after January 1, 2026. Two other positions are also changed to exempt, the benefits administrator and the accounting manager. Further discussion was on progressive discipline, staff training, and "AI" policy.

Motion made by Ms. Fontenot, seconded by Mr. Richard to adopt the PERS Personnel Manual with the above changes. Motion carried.

- A. **2026 Holiday Schedule** (see attached) – Ms. Spinosa briefs on the proposed days as follows: New Year's Day; Martin Luther King Day; Mardi Gras (2); Good Friday; Memorial Day; Juneteenth; July 4<sup>th</sup>; Labor Day; Veterans' Day; Thanksgiving (2); Christmas Eve; New Years' Eve.

Motion made by Ms. Buras-Dodd, seconded by Mr. Richard, to adopt the proposed holidays. Motion carried without objection.

- 14. **State Agreed Upon Audit Procedures** – Ms. Spinosa informed the Board that these required procedures are now consolidated into one concise document.
- 15. **Proposed Legislation** – Ms. Spinosa briefs on the following
  - A. **Trustee Education** – This bill will modify trustee education requirements.
  - B. **Disability Clean-up** – Possible "LAPERS" Bill – Ms. Spinosa informed the Board that there may be joint legislation on this issue and will update the Board as needed in March.
- 16. **2025 DROP Interest Rate** – Ms. Spinosa presented the information to the Board. Motion made Ms. Fontenot, seconded by Ms. Horton to accept DROP interest rate as 4.33%. Motion carried.
- 17. **2026 Budget** – Ms. Spinosa presented the proposed fiscal year 2026 operational budget and also shared the anticipated estimated actual amounts for fiscal year 2025. A few categories have gone over slightly, but stated overall we are under budget for 2025. She also noted that data processing/imaging is over budget for its individual category because the project concluded many months ahead of schedule. Training is over due to the high demand for training we provided this year. She also stated that we trained a record number of administrators at our annual event and that feedback was exceptional. Ms. Spinosa noted that as training needs continue to increase, she may one day request the Board to authorize an additional position dedicated solely to statewide training.

Ms. Perez briefs on the IT advancements for 2026, specifically noting we are working a member portal and later an employer portal. We will also have online portal for personal history enrollment. Ms. Fontenot would like to see a calculator on the website.

Ms. Spinosa noted that the proposed budget factors in the COLA for staff, but not changes to her salary or Mr. Burke's. Saved 100k by bringing all of the insurance together instead of being separate. Custodial fees also will decline in 2026 under the new custodian, Northern Trust. Savings are also reflected in new insurance premiums for multiple policies.

- A. **Proposed 2026 Operating Budget** - Motion to adopt 2026 budget subject to staff COLA, and subject to executive staff salary amendments. Motion by Ms. Horton, seconded by Ms. Fontenot. Motion carried.
- B. **2026 Staff COLA** – Motion made by Mr. Richard, seconded by Ms. Buras-Dodd to adopt staff COLA to be 3.52%. Motion carried.
- C. **2026 Executive Staff Salaries** –Motion made by Mr. Richard, seconded by Ms. Horton, to enter executive session at 11:49 pm. Motion carried. Motion made by Ms. Fontenot, seconded by Ms. Horton, to come out of executive session at 12:16 pm. Motion made by Ms. Fontenot, seconded by Mr. Richard for Ms. Spinosa and Mr. Burke to receive the PERS staff COLA and merit increase. Ms. Spinosa will also receive the salary equivalent of a car allowance of \$1,000 per month as part of her salary. The total salary will be \$305,000 for 2026. Motion carried.

**18. Administrative Director's Report**

- A. **New Employer Requests** – none to report
- B. **De minimis Late Fees** – 1.5% of outstanding contributions is the current practice. Ms. Spinosa requested the Board consider a policy not to pursue any fees under \$100. Motion made by Ms. Buras-Dodd, seconded by Ms. Fontenot. Motion carried.
- C. **De minimis Overpayments** – Ms. Spinosa proposed that overpayments by employers of \$25 or less not be refunded to reduce administrative burden. Discussion was had; no action taken.
- D. **Staff Changes** – Virginia Eckert retired and we have hired Nicki Mansur as the new administrative assistant.

19. **Other New Business** – Ms. Spinosa reminded the Board that there are certain structural issues with the layout of the current building. In consultation with a commercial realtor, she has been keeping an eye on property down Jefferson Highway. She also noted that we do own the PERS building currently. Discussion was had. The Board agreed that we should consider purchasing one of the few remaining lots on Jefferson Highway, but not necessarily build just yet. Chairman Kelly would like Ms. Spinosa to bring purchase options to the March 2026 meeting.

Motion made by Mr. Richard, seconded by Ms. Buras-Dodd to adjourn. Motion carried.

Adjourned.

  
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Chairman, Bruce Kelly

  
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Kristi Spinosa, Director

**Next Meeting:**  
March 17, 2026, 9:00 AM  
PERS Headquarters