

APPROVED MINUTES

**LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
BOARD OF TRUSTEES MEETING
WEDNESDAY, OCTOBER 7, 2015
BATON ROUGE, LOUISIANA
9:00 AM**

A meeting of the Louisiana Clerks of Court Retirement and Relief Fund Board of Trustees was held on Wednesday, October 7, 2015 at 9:00 AM in Baton Rouge, Louisiana.

The meeting was called to order by President Holli Vining. Diane Meaux Broussard gave the invocation and Cliff Dressel led the Pledge of Allegiance.

MEMBERS PRESENT:

President Holli Vining
David Dart
Rick Arceneaux
Robin Hooter
Mark Graffeo
Jim Martin
Cliff Dressel

OTHERS PRESENT:

Debbie Hudnall, Executive Director
Phineas Troy, Summit Strategies
Denise Akers, Attorney
Greg Curran, Actuary

GUEST PRESENT:

Jon Gegenheimer, Frank Borne, Jacob Putnam, Chris Kershaw, and Dagmar Hebert.

PUBLIC COMMENTS: None

APPROVAL OF MINUTES:

Cliff Dressel moved that the minutes of July 15, 2015 be approved. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

COMMENTS BY PRESIDENT: None

FINANCIAL REPORTS: (ON FILE IN OFFICE)

Treasurer Robin Hooter reviewed the financial reports for June, July and August 2015.

June 2015 -	Monthly Contributions	\$ 2,234,705
	Other Additions	\$ 180
	Investment Gain (Loss)	\$ (4,376,609)
	Investment Expenses	\$ (737,882)
	Deductions	\$ (2,554,506)
	Net Income (Decrease)	\$ (5,434,112)
	Total Investments	\$ 502,342,965
	Total Assets	\$ 537,661,816

**Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, October 7, 2015**

Page 2

July 2015 -	Monthly Contributions	\$ 2,022,975	
	Other Additions	\$ 159	
	Investment Gain (Loss)	\$ 2,610,939	
	Investment Expenses	\$ (43,800)	
	Deductions	\$ (2,853,232)	
	Net Income (Decrease)	\$ 1,737,041	
	Total Investments	\$ 505,350,232	
	Total Assets	\$ 538,072,176	
	Aug. 2015 -	Monthly Contributions	\$ 2,165,000
		Other Additions	\$ (21,081)
Investment Gain (Loss)		\$ (19,854,970)	
Investment Expenses		\$ (42,091)	
Deductions		\$ (3,083,503)	
Net Income (Decrease)		\$ (20,836,643)	
Total Investments		\$ 485,459,970	
Total Assets		\$ 516,995,577	

Motion was made by Mark Graffeo to receive the financial reports. Motion seconded by David Dart. **MOTION CARRIED.**

Investment Committee

Chairman Mark Graffeo stated that there was no investment committee report at this time.

**Summit Strategies Group: (Report on file in office)
ECONOMIC UPDATE**

Phineas Troy presented a report on the economic and capital market update through the month of August 2015. He reported that the economy was growing with good consumer spending. He reported on each of the asset classes and their performance. The portfolio as a whole experienced a negative 4% for the month and was down for the fiscal year a negative 3.51%. He reported that as of the end of August 2015, Mondrian had been removed from the portfolio with half of the funds to William Blair and the remaining half, funding in October, to Vontobel and LSV. Phinney continued his report commenting on interest rates. Summit believes the recent market action is likely a correction and not the beginning of a major market downturn. He also provided information on the performance of the MLPs.

**Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, October 7, 2015
Page 3**

Quarterly Investment Performance Review

**PORTFOLIO PERFORMANCE
August 31, 2015**

	2015	1 Mo	FYTD
Total Funds	\$ 514,647,446	-3.98	-3.51%
US Equity			
QMA	\$ 50,739,489	-5.90%	-3.84%
Rothschild	\$ 27,796,768	-6.11%	-4.85%
Westfield	\$ 39,892,583	-6.15%	-2.72%
William Blair	\$ 17,275,310	-3.25%	-5.51%
Elk Creek	\$ 17,420,385	-6.59%	-7.20%
Intl. Equity			
Vontobel	\$ 35,484,979	-7.18%	-3.45%
LSV	\$ 32,909,757	-7.28%	-6.27%
Mondrian	\$ 14,945,742	-5.75%	-6.20%
William Blair	\$ 11,929,729	-3.89%	-2.34%
AJO	\$ 19,931,967	-7.86%	-15.23%
Fixed Income			
Pyramis	\$ 47,766,537	-0.59%	0.00%
Pyramis (Tact)	\$ 23,456,379	-1.01%	-0.73%
SSgA Ag Bond	\$ 21,239,049	-0.14%	0.55%
Hedge Funds			
Blackstone	\$ 22,543,313	-0.73%	0.41%
Magnitude	\$ 23,065,987	0.00%	1.05%
UBP	\$ 950,223		
Real Estate			
Clarion	\$ 49,247,849	0.00	0.00
MLP'S			
Harvest	\$ 13,669,427	-5.76%	-9.57%
Tortoise	\$ 13,268,326	-5.10%	-8.38%
Whitney – Cash	\$ 1,626,173		
DROP FUNDS	\$ 22,101,998		
Cash Funds	\$ 7,385,478		

ACTUARY REPORT (On file in office)

Greg Curran presented the 2015 Actuarial Valuation for the System and commented that the Clerks' was the first of the statewide systems whose report was ready and thanked the retirement staff for their work on providing clean data. Greg reported on the demographics of the system: 2,234 Active Members of which 1,173 are vested and 135 are in DROP; 1,173 Retired Members receiving a benefit, and 549 terminated members due a refund, of which 78 are vested. The average active member is 47 years old with 12.93 years of service with an annual salary of \$40,203. The average regular retiree is 70 years old with a monthly benefit of \$2,067. The funded ratio for the fiscal year end is 78.76% up from last fiscal year of 74.70%.

Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, October 7, 2015
Page 4

Greg further stated that the report was compiled assuming a decrease in the valuation interest rate from 7.25% to 7.00%. He commented on the change in assumptions including the valuation interest rate, salary scale, mortality, retirement, DROP entry and withdrawal rates. Family statistics were also updated. COLAs are not included in assumptions. The net effect of the changes in assumptions on the normal cost accrual rate was an increase of 0.7778%.

Greg also commented on the experience study that is required every 5 years and provided a draft copy of the experience study and explained that their office would be available to provide an actuary educational session for the Board on this study in the future.

Greg stated that the minimum recommended employer contribution rate is 14.25%. The Board has the ability to set the rate from 14.25% to 19.00% and recommends that the Board consider maintaining the contribution rate at the higher percentage. The actuary report will be presented to PRSAC for approval at the beginning of 2016, after which the Board can make their decision on the employer contribution rate.

He commented on the Funding Deposit Account and the payments on the unfunded actuarial liability set to increase at 4.75% each year based on a percent of payroll. Greg will bring legislative proposals to the Board in December on legislation to lower the 4.75%, which would mean a higher rate in the near term but would lower the percentage of the amortization payment over the long term.

Jim Martin moved that the actuarial report for the fiscal year ended June 30, 2015 be approved as presented including the lowering of the valuation rate from 7.25% to 7.00%. Motion seconded by Mark Graffeo. **MOTION CARRIED.**

APPLICATIONS AND REFUNDS: (On file in office)

Debbie reported that since the July Board meeting there were 12 applications for DROP; 6 applications for regular retirement; and 8 post DROP retirement applications; and 1 application for disability retirement. Cliff Dressel moved that the applications be approved. Motion was seconded by David Dart. **MOTION CARRIED.**

Debbie further reported there had been 24 refunds through September 2015 in the amount of \$304,188.

EXECUTIVE DIRECTOR REPORT:

Meeting Schedule – Debbie commented that the Board is required to provide to the Legislature in December the list of meeting dates for the next year. She will work with the President and First Vice President in setting those dates.

**Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, October 7, 2015
Page 5**

Participant Reporting – Debbie reported on an issue with a parish that is past due on retirement contributions for the months of June, July, and August. Rick Arceneaux moved that Attorney Denise Akers send a letter requiring payment of those contributions be made within a certain time frame. Further, if payment is not received, payroll documents will be requested, if necessary through a public records request and the possibility of an onsite audit if the information received is not enough to make a determination. Motion seconded by Jim Martin. **MOTION CARRIED.**

ATTORNEY: None

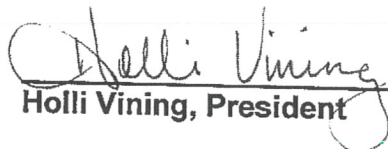
OTHER BUSINESS: Debbie reported that the testing phase of the myLCRF retirement portal was completed with three parishes participating. Survey results were discussed and a demonstration of the portal was presented by Dagmar Hebert. Jim Martin moved that the myLCRF portal be rolled out to the active members as scheduled by the Retirement office. Motion seconded by Diane Meaux Broussard. **MOTION CARRIED.**

COMMENTS BY BOARD MEMBERS: No comments.

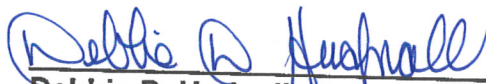
There being no other business, Cliff Dressel moved that the meeting be adjourned. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

MEETING ADJOURNED.

Approved:


Holli Vining, President

Respectfully submitted,


Debbie D. Hudnall, Executive Director