

APPROVED MINUTES

LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
BOARD OF TRUSTEES MEETING
TUESDAY, APRIL 12, 2022
BATON ROUGE, LA
9:00 AM

A meeting of the Louisiana Clerks of Court Retirement and Relief Fund Board of Trustees was held on Tuesday, April 12, 2022, at 9:00 am in Baton Rouge, LA.

The meeting was called to order by President Bridget Hanna. Mark Graffeo gave the opening prayer followed by the Pledge of Allegiance led by Brian Lestage.

MEMBERS PRESENT:

President Bridget Hanna
Robin Hooter
Randy Deshotel
Rick Arceneaux
David Dart
Lynn Jones
Mark Graffeo
Brian Lestage

OTHERS PRESENT:

Debbie Hudnall, Executive Director
Jon Breth, AndCo
Chris Brokaw, AndCo
Denise Akers, Attorney
Greg Curran, Actuary

ABSENT:

Dot Lundin
Barry Ivey
Beth Mizell

GUESTS PRESENT:

Cherie Lott, Susan Racca, Annette Fontana, Chelsey R. Napoleon, Shelly Salter, Melissa Henry, Jeff Skidmore, and Chris Kershaw, Davis Silk, and Dagmar Hebert.

PUBLIC COMMENTS: None

APPROVAL OF MINUTES:

Robin Hooter moved that the minutes of the December 8, 2021, meeting be approved. Motion seconded by Randy Deshotel. **MOTION CARRIED.**

FINANCIAL REPORT: (ON FILE IN OFFICE)

Treasurer Rick Arceneaux reviewed the financial report for February 2022:

| | February 2022 | Fiscal Year-to-Date |
|--------------------------|-----------------------|---------------------|
| Contributions | \$3,339,738 | \$ 30,063,894 |
| Other Additions | (\$ 26,709) | (\$ 798,599) |
| Investment Gain (Loss) | (\$ 11,893,141) | (\$ 3,828,330) |
| Investment Expenses | \$ 120,051 | \$ 1,634,241 |
| Deductions | \$ 4,247,814 | \$ 35,158,604 |
| Net Increase (Decrease) | (\$12,947,977) | (\$11,355,879) |
| Total Investments | \$ 719,982,644 | |
| Total Assets | \$ 767,090,816 | |

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A motion was made by Brian Lestage to receive the financial report. Motion was seconded by Lynn Jones. **MOTION CARRIED.**

GASB 68 AUDIT REPORT (on file in office): Controller Chris Kershaw presented the GASB 68 Audit Report as prepared by Duplantier, Hrapmann, Hogan & Maher for the fiscal year ending June 30, 2021. This report provides the net pension liability for each parish Clerk’s office that will be included on their audit reports. Chris explained that the Clerks received an unmodified opinion. There was a decrease in the net pension liability from 2020 to 2021. Chris explained that GASB 68 does not affect the funding of the plan and that the Net Pension Liability will be very volatile since the market value of assets depends on a single year. A motion was made by Rick Arceneaux to approve the GASB 68 report as presented. The motion was seconded by Robin Hooter. **MOTION CARRIED.** Chris noted that the report would be posted to the Clerks Association website.

INVESTMENT COMMITTEE REPORT: No report.

ANDCO: Jon Breth provided a performance report on Q4 2021 including an update from AndCo’s CEO. Jon noted that large cap value performed well at year end 2021 with an 11% return, as well as strong performance in the TIPS market. He reported that the Clerks portfolio had good exposure in the fixed income space with high yield bonds. There was discussion regarding issues in Ukraine and inflation. Jon pointed out that at year end 2021 the total fund composite was in the 13 percentile as compared to peer group.

Chris Brokaw then gave the performance update of February 28, 2022:

| | February 28, 2022 | FYTD | | February 28, 2022 | FYTD |
|--|-------------------|---------|-----------------------|-------------------|--------|
| Total Funds Including Internal Cash | \$ 764,118,210 | --- | | | |
| US Equity | | | Hedge Funds | | |
| QMA | \$ 73,228,006 | 4.51% | Summit Solut. | \$ 126,755 | |
| Rothschild | \$ 58,185,726 | 7.71% | Real Estate | | |
| Westfield | \$ 69,536,874 | -2.96% | Clarion | \$ 36,592,616 | 14.37% |
| Earnest | \$ 42,661,531 | --- | Principal | \$ 37,772,412 | 17.88% |
| Hood River | \$ 35,628,919 | -10.67% | | | |
| Int. Equity | | | CASH – Hancock | \$ 308,643 | |
| WCM | \$ 27,261,469 | -12.15% | | | |
| TS&W | \$ 34,248,728 | -1.62% | CASH - DROP | \$ 35,355,429 | |
| LSV | \$ 28,525,947 | -1.38% | | | |
| Driehaus | \$ 36,972,100 | -13.13% | CASH - General | \$ 9,106,604 | |
| Segall Bryant & Hamill | \$ 35,530,548 | -9.73% | | | |
| Fixed Income | | | | | |
| Pyramis | \$ 85,909,304 | -2.41% | | | |
| Pyramis (Tact) | \$ 42,916,794 | -1.49% | | | |
| Orleans Capital | \$ 43,760,958 | -3.86% | | | |
| Infrastructure | | | | | |
| IFM Global | \$ 30,488,850 | --- | | | |

There was further discussion on manager performance and the performance shift to value managers from growth managers that had previously experienced robust performance in 2021. Jon commented on the interest rate cycle and that stock markets do not perform well in an environment of uncertainty. Jon highlighted top take-away points from the education session that was held on the previous day.

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AndCo Contract: Debbie Hudnall gave a brief history of the Retirement Fund's transition to AndCo. She commented on discussions with AndCo regarding a proposed three-year contract with an annual increase from \$125,000 to \$135,000. A motion was made by Lynn Jones to approve the proposal as presented for a three-year term at \$135,000. The motion was seconded by Robin Hooter. **MOTION CARRIED.** Jon Breth stated that AndCo appreciates the working relationship with the Retirement Fund.

ACTUARY:

Actuarial Assumptions (on file in office): Greg Curran presented a list of actuarial equivalence assumptions regarding the mortality tables with a proposed effective date of July 1, 2022. After discussion, a motion was made by Mark Graffeo to approve the assumptions as presented effective July 1, 2022. The motion was seconded by Lynn Jones. **MOTION CARRIED.**

Employer Contribution Rate: Greg Curran reviewed the minimum required employer contribution rate is 21.25% as calculated in the 2021 valuation. He noted that the current rate is 22.25% and the Board had statutory authority to set the rate up to 3% above the minimum required rate. He noted that the previous years good return is smoothed over five years and noted the sensitivity of the employer rate to the discount rate. The Board had lowered the discount rate from 6.75% to 6.55% and it remains within an acceptable range. Debbie reported PRSAC had approved the Actuarial Report presented by G.S. Curran & Co. After discussion, a motion was made by David Dart to maintain the employer contribution rate at 22.25% for fiscal year 2022-2023. The motion was seconded by Rick Arceneaux. **MOTION CARRIED.**

APPLICATIONS AND REFUNDS: (On file in office)

Debbie Hudnall reported that since the December Board meeting there were 15 applications for DROP; 14 applications for regular retirement; and 25 Post DROP retirement applications.

Lynn Jones moved the applications be approved. Motion was seconded by David Dart. **MOTION CARRIED.**

Debbie further stated there had been a total of 80 refunds in the amount of \$841,106 through March 2022.

EXECUTIVE DIRECTOR REPORT

Education Hours: Debbie reported the prior day's education session was well attended and additional hours would be made available to fulfill the Board's required education for 2021-2022.

Legislation: Attorney Denise Akers reported on HB 213 regarding beneficiary designations with no effect to the Clerks Retirement. The bill has not yet been passed.

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City of New Orleans – Resolution Ad Valorem: Debbie reported the City of New Orleans had not yet informed the system of the tax collection as required to do by January 15th. She reminded the Board of the resolution passed at the last meeting that if the ad valorem taxes are not remitted by the City of New Orleans, the Retirement Fund could submit the resolution to the State Treasurer to receive those funds from the State Revenue Sharing. Controller Chris Kershaw had reached out to the City. They have had staffing changes and Chris hasn't received a response. Debbie stated she has reached out to Attorney Alan Breithaupt to move forward with a letter to proceed with the execution of the Resolution.

Retiree overpayment: Debbie brought to the Board's attention an overpayment made to a deceased retiree of approximately \$2,000. There have been multiple documented attempts to collect the money from the estate that have been unsuccessful.

Software Update: Debbie reported on the progress of the retirement software update having had two meetings working with the other systems involved in this upgrade to develop the new enhancements to the current software.

Banking Issues: Debbie informed the Board of a recent issue that had occurred with fraudulent checks. The Retirement Fund has been made whole and the positive pay procedure was being implemented with Capital One to further safeguard the Fund from future occurrences.

ATTORNEY: Attorney Denise Akers reported the contract discussions with Spartan had been completed and the contract was in the process of being signed for the new money manager.

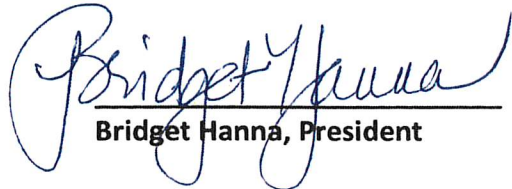
OTHER BUSINESS: None

COMMENTS BY BOARD TRUSTEES: None.

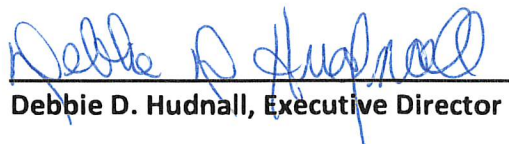
There being no other business, Brian Lestage moved the meeting be adjourned. Motion seconded by Lynn Jones. **MOTION CARRIED.**

MEETING ADJOURNED.

Approved:


Bridget Hanna, President

Respectfully submitted,


Debbie D. Hudnall, Executive Director