

**APPROVED MINUTES**

**LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND  
BOARD OF TRUSTEES MEETING  
WEDNESDAY, SEPTEMBER 6, 2023  
BATON ROUGE, LA  
9:00 AM**

A meeting of the Louisiana Clerks of Court Retirement and Relief Fund Board of Trustees was held on Wednesday, September 6, 2023, at 9:00 am in Baton Rouge, LA.

The meeting was called to order by President Kim Turlich-Vaughan. Louis Perret gave the opening prayer followed by the Pledge of Allegiance led by Robin Hooter.

**MEMBERS PRESENT:**

Kim Turlich-Vaughan  
Louis Perret  
Annette Fontana  
David Dart  
Rick Arceneaux  
Mark Graffeo  
Dot Lundin  
Robin Hooter  
Representative Alonzo L. Knox

**OTHERS PRESENT:**

Debbie Hudnall, Executive Director  
Jon Breth, AndCo  
Chris Brokaw, AndCo.  
Christina Peck, Attorney  
Greg Curran, Actuary

**ABSENT:**

Jeff Skidmore  
Beth Mizell

**GUESTS PRESENT:**

Cherie Lott, Connie Desselle, Shelly Salter, Susan Racca, Joey David, Chris Kershaw, and Dagmar Hebert.

**PUBLIC COMMENTS:** None

**APPROVAL OF MINUTES:**

Rick Arceneaux moved the minutes of the June 20, 2023, meeting be approved. Motion seconded by David Dart. **MOTION CARRIED.**

**FINANCIAL REPORT: (ON FILE IN OFFICE)**

Treasurer Annette Fontana reviewed the preliminary financial report as of June 30, 2023:

	<b>June 30, 2023</b>	<b>Fiscal Year-to-Date</b>
Contributions	\$2,853,797	\$44,126,291
Other Additions	\$23,507	\$386,328
Investment Gain (Loss)	\$23,590,409	\$65,575,156
Investment Expenses	\$837,441	\$4,775,157
Deductions	\$4,395,276	\$54,757,540
Net Increase (Decrease)	\$21,234,997	\$50,555,077
<b>Total Investments</b>	<b>\$700,115,671</b>	
<b>Total Assets</b>	<b>\$745,194,228</b>	

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Robin Hooter made a motion to receive the financial report. Motion was seconded by Mark Graffeo. **MOTION CARRIED.**

**INVESTMENT COMMITTEE:** Mark Graffeo reported the committee met and discussed the rebalancing of the portfolio.

**ANDCO:**

**Performance review-Q2 2023:** Jon Breth provided the market update for quarter 3 highlighting strong returns and good solid growth/earnings. Large cap performed well, over 9% for the quarter. Developed markets outperformed emerging markets with China being roughly 30% of emerging market benchmark. He commented on the fixed income performance and real estate. Chris Brokaw provided the report on the individual money managers as listed below.

	<b>June 30, 2023</b>	<b>Percentage</b>		<b>July 31, 2023</b>	<b>Percentage</b>
<b>Total Funds Including Internal Cash</b>	\$ 742,380,340	---		\$ 755,123,460	---
<b>US Equity</b>					
Fidelity S&P 500 Index	\$ 75,532,129	19.55%		\$ 77,956,233	3.21%
Great Lakes	\$ 59,802,274	14.64%		\$ 61,798,757	3.34%
Westfield	\$ 66,896,731	27.42%		\$ 69,018,334	3.17%
Earnest	\$ 40,438,859	16.45%		\$ 42,357,287	4.74%
Hood River	\$ 34,593,786	20.32%		\$ 36,059,665	4.24%
<b>Int. Equity</b>					
WCM	\$ 27,007,207	20.32%		\$ 27,149,422	0.60%
TS&W	\$ 29,012,886	18.03%		\$ 29,941,114	3.26%
LSV	\$ 29,570,372	17.45%		\$ 30,979,239	4.76%
Driehaus	\$ 34,632,436	12.26%		\$ 35,639,034	2.84%
Segall Bryant & Hamill	\$ 34,686,479	10.63%		\$ 36,524,749	5.30%
<b>Fixed Income</b>					
FIAM Core Plus	\$ 79,701,154	1.18%		\$ 79,880,581	\$3.39%
FIAM Tactical Bond Fund	\$ 40,713,035	3.45%		\$ 40,797,795	0.21%
Orleans Capital	\$ 40,772,530	0.17%		\$ 40,832,155	0.15%
<b>Infrastructure</b>					
IFM Global	\$ 34,798,436	9.59%		\$ 34,481,823	(0.03%)
<b>Hedge Funds</b>					
Summit Solut.	---				
<b>Real Estate</b>					
Clarion	\$ 34,281,773	-14.77%		\$ 34,064,183	
Principal	\$ 37,980,453	-10.02%		\$ 37,980,453	
<b>CASH – Hancock</b>	\$ 65,786			\$ 588,319	
<b>CASH - DROP</b>	\$ 37,550,270			\$ 37,779,746	
<b>CASH - General</b>	\$ 4,343,743			\$ 1,294,603	

**Performance review – July 2023:** Jon Breth reported the rebalancing had been completed with reducing exposure in the equity space. There was discussion on the current LAMP interest rate of 5.33%, when the funds at LAMP would be invested elsewhere and the cash flow need towards the year-end.

**ACTUARY:** Greg Curran provided an estimate based on the fiscal year end investment return of 9.67% and the actuarial smoothing, the estimated actuarial return would be 4.57% which is below the required rate of return at 6.55%. There will likely be an increase in the minimum required employer contribution. He discussed changes in payroll, addition of new members, and the levelized payments on the unfunded accrued liability with the projected pay off date in 2029. He explained the balance in the funding deposit account was more than enough to fund another COLA when the time was right. He further explained the Board had chosen in previous years to set the employer rate above the minimum required rate and those additional funds are in the funding deposit account.

Greg brought to the Board the possibility of legislation to amend a general retirement statute pertaining to transfers out. Transfers out send to the other system the employee & employer contributions and interest on behalf of a member. Because employer rates change, there was discussion that the employer contributions sent out with a transfer should be calculated at the minimum required rate not the actual rate, if actual rate is set higher than the minimum rate. There are other systems interested in this legislation and may adopt and implement as a procedure before introduction of legislation. Greg commented the Clerks' figure is not material in the number of transfers. There was discussion on whether to implement a procedure or to wait for legislation to become effective. A motion was made by Rick Arceneaux to introduce legislation, whether along with the other systems or for the Clerks Retirement individually regarding the minimum required employer rate on transfers out. The motion was seconded by David Dart. **MOTION CARRIED.**

Greg further explained the minimum required rate is likely to increase slightly. The valuation is not yet completed. He noted that in 2029, when the unfunded accrued liability is paid off, the minimum rate will likely significantly change.

**APPLICATIONS AND REFUNDS: (On file in office)**

Debbie Hudnall reported since the last Board meeting there were 9 applications for DROP; 4 applications for regular retirement; and 6 Post DROP retirement applications.

Rick Arceneaux moved the applications be approved. Motion was seconded by Louis Perret. **MOTION CARRIED.**

Debbie stated there had been a total of 19 refunds in the amount of \$183,430 for the first two months of the 2023-2024 fiscal year.

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### REPORT OF EXECUTIVE DIRECTOR:

**Education Hours:** Debbie informed the Board all Trustees completed the required hours for the fiscal year 2022-2023.

**Fiduciary Liability Insurance:** Chris Kershaw reported that the insurance consultant provided a quote on increasing the fiduciary liability insurance for the Retirement Fund from \$500,000 to \$1 million in coverage. The premium increase was approximately \$8,000. There was discussion regarding the difference between D&O coverage and Fiduciary liability. A motion was made by Louis Perret to increase the fiduciary liability coverage from \$500,000 to \$1 million dollars with the premium increase as presented. The motion was seconded by Annette Fontana. **MOTION CARRIED.**

**Generator:** Debbie informed the Board that the generator purchase and install took longer than expected. Staff expects a test run sometime this week.

**Legislation:** Debbie brought to the Board several possible legislation proposals for the 2024 session.

- (1) Remove language “at the time of retirement” from Option 1. This option is seldom selected, and this legislation would clean up the designation of a beneficiary that coincides with this option. A motion was made by David Dart to approve this legislation for consideration next session. The motion was seconded by Mark Graffeo. **MOTION CARRIED.** Debbie stated that an author will have to be found to draft the bill.
- (2) Definition of “Actively Contributing Member”. There was discussion on the exact definition of actively contributing as it relates to the disability section of the retirement law. Changing the definition has a potential to increase cost to the system. Greg Curran will review and provide more information at the next meeting.
- (3) Definition of “Surviving Spouse” – “Married to and living with” language was discussed and the concern of situations of separate living, i.e., nursing homes could possibly raise issues. A motion was made by Louis Perret to sponsor legislation to remove the “and living with” language during the next session. The motion was seconded by David Dart. **MOTION CARRIED.** An author will have to be found to draft this bill.

Joey David stated that the prefile deadline for retirement bills is January 4<sup>th</sup>.

**Software Update:** Debbie reported the software is still under development with staff processing in both systems while testing the updated version.

### ATTORNEY:

A motion was made by Robin Hooter to enter Executive Session for the purpose of discussion regarding Litigation – *The Recreation and Park Commission for the Parish of East Baton Rouge vs. Sid J. Gautreaux, III, in his capacity as Sheriff of East Baton Rouge Parish and Sid J. Gautreaux, III, in his capacity as Sheriff of East Baton Rouge Parish v. The City of Baton Rouge/Parish of East Baton Rouge et. al.* The motion was seconded by Louis Perret. **MOTION CARRIED.**

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Louis Perret made a motion to return to Regular Session. The motion was seconded by Robin Hooter. **MOTION CARRIED.**

A motion was made by Louis Perret as it applies to the existence of a contract with Klausner, stating that if no contract is found, then upon final payment to Klausner, the Board then acknowledges Sheri Morris as legal counsel for the matter; if there is found to be a written agreement, then the Board would pursue terminating the Klausner representation. The motion was seconded by David Dart. **MOTION CARRIED.**

**Attorney Contract:** Debbie Hudnall presented the contract received from Sheri Morris with Daigle, Fisse, and Kessenich for a three-year term at a rate of \$250/attorney with 10+ years of experience and \$90 for paralegal/law clerk or attorney general approved rate. A motion was made by Rick Arceneaux to approve the attorney contract as presented. The motion was seconded by Mark Graffeo. **MOTION CARRIED.**

LAPERS Seminar will be September 10-12, 2023, at The Roosevelt in New Orleans. A packet has been distributed to the attendees.

Clerks Winter Meetings will be November 28-30 in New Orleans at The Higgins Hotel.

**OTHER BUSINESS:** None

**COMMENTS BY BOARD TRUSTEES:** None

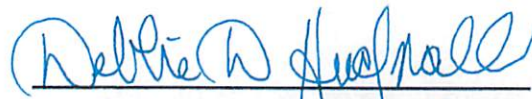
There being no other business, Rick Arceneaux moved the meeting to be adjourned. Motion seconded by David Dart. **MOTION CARRIED.**

**MEETING ADJOURNED.**

Approved:

  
Kim Turlich-Vaughan, President

Respectfully submitted,

  
Debbie D. Hudnall, Executive Director