

**APPROVED MINUTES**

**LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND  
BOARD OF TRUSTEES MEETING  
WEDNESDAY, MARCH 13, 2024  
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, March 13, 2024, at 9:00 am in Baton Rouge, LA.

The meeting was called to order by President Kim Turlich-Vaughan. David Dart gave the opening prayer followed by the Pledge of Allegiance led by Jeff Skidmore.

**MEMBERS PRESENT:**

Kim Turlich-Vaughan  
Louis Perret  
Jeff Skidmore  
Annette Fontana  
David Dart  
Mark Graffeo  
Dot Lundin  
Robin Hooter

**OTHERS PRESENT:**

Debbie Hudnall, Executive Director  
Tyler Brannan, Curran Actuarial Consulting  
Jon Breth, AndCo.  
Chris Brokaw, AndCo.  
Sheri Morris, Attorney

**ABSENT:**

Rick Arceneaux  
Senator Bob Owen  
Representative Sylvia Taylor

**GUESTS PRESENT:**

Erin Hebert, Cherie Lott, Susan Racca, Dagmar Hebert, and Chris Kershaw.

**PUBLIC COMMENTS:** None

**APPROVAL OF MINUTES:**

Robin Hooter moved the minutes of the November 29, 2023, meeting be approved. Motion seconded by Dot Lundin. **MOTION CARRIED.**

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

Treasurer Annette Fontana reviewed the financial report as of January 31, 2024:

	<b>January 31, 2024</b>	<b>Fiscal Year-to-Date</b>
Contributions	\$15,219,072	\$31,347,467
Other Additions	\$20	\$225,209
Investment Gain (Loss)	\$3,395,097	\$41,536,384
Investment Expenses	\$635,047	\$1,830,647
Deductions	\$5,065,325	\$33,279,130
Net Increase (Decrease)	\$12,913,816	\$37,999,284
<b>Total Investments</b>	<b>\$706,026,887</b>	
<b>Total Assets</b>	<b>\$782,337,818</b>	

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David Dart made a motion to receive the financial report. Motion was seconded by Jeff Skidmore.  
**MOTION CARRIED.**

**GASB 68 AUDIT REPORT:** Controller Chris Kershaw presented the GASB 68 audit report for the year ended June 30, 2023, prepared by Duplantier, Hrapmann, Hogan & Maher. This report provides for the net pension liability for each parish Clerk’s office that will be included in their audit reports. Chris explained that the Clerks received an unmodified opinion. The total net pension liability was \$215,124,576, which has decreased from the previous year. 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’s performance. A motion was made to approve the GASB 68 report as presented by Louis Perret. The motion was seconded by Jeff Skidmore. **MOTION CARRIED.** Chris noted that the report would be posted to the Clerks Association website.

**INVESTMENT COMMITTEE:** No report at this time.

**ANDCO:**

**Performance review – Q4 and January 2024:**

	<b>December 31, 2023</b>	<b>Percentage</b>		<b>January 31, 2024</b>	<b>Percentage</b>
<b>Total Funds Including Internal Cash</b>	\$766,650,964	---		\$ 779,713,276	---
<b>US Equity</b>					
Fidelity S&P 500 Index	\$ 81,601,642	8.04%		\$ 82,970,983	9.85%
Great Lakes	\$ 58,378,812	6.29%		\$ 59,052,185	7.51%
Westfield	\$ 63,232,334	13.10%		\$ 65,615,004	17.36%
Earnest	\$ 38,787,929	8.92%		\$ 38,180,596	7.21%
Hood River	\$ 36,797,339	6.37%		\$ 36,225,366	4.72%
<b>Int. Equity</b>					
WCM	\$ 24,844,337	2.18%		\$ 25,476,164	4.78%
TS&W	\$ 26,185,467	5.28%		\$ 26,065,154	4.87%
LSV	\$ 27,033,903	9.50%		\$ 27,078,425	9.68%
Driehaus	\$ 37,080,919	7.07%		\$ 36,759,996	5.65%
Segall Bryant & Hamill	\$ 38,005,743	9.57%		\$ 38,019,583	9.61%
<b>Fixed Income</b>					
FIAM Core Plus	\$ 82,859,057	3.96%		\$ 82,930,827	4.05%
FIAM Tactical Bond Fund	\$ 42,323,474	3.96%		\$ 42,238,714	3.75%
Orleans Capital	\$ 42,353,698	3.88%		\$ 42,293,160	3.73%
<b>Infrastructure</b>					
IFM Global	\$ 35,634,607	3.31%		\$ 35,267,607	2.24%
<b>Hedge Funds</b>					
Summit Solut.	---				
<b>Real Estate</b>					
Clarion	\$ 31,929,238	-5.41%		\$ 31,649,001	-5.39%
Principal	\$ 35,845,966	-5.04%		\$ 35,845,966	-5.04%
<b>CASH – Hancock</b>	\$ 72,755			\$ 273,304	
<b>CASH - DROP</b>	\$ 37,334,289			\$ 39,080,244	
<b>CASH - General</b>	\$ 26,349,454			\$ 34,690,997	

Jon Breth commented on the recent acquisition of AndCo by Mariner. AndCo will maintain their line of business and sees this as a non-impact to the Retirement Fund. Debbie Hudnall noted that the Investment Committee had approved subject to the Board's ratification. A motion was made by David Dart to ratify the investment committee's approval of the Consent for Assignment of Advisory Agreement. The motion was seconded by Louis Perret. **MOTION CARRIED.**

Chris Brokaw provided the performance update noting an improved Q4 2023 performance versus Q3 showing market excitement with positive returns in stocks and bonds. Small Cap outperformed Large Cap stocks in the 4<sup>th</sup> quarter. Chris commented on real estate and interest rates in the coming year along with portfolio write downs. There was discussion regarding the managers' peer group rankings. Chris also provided an update on returns as of January 31, 2024, with equity the main driver of returns. There are no recommendations for rebalancing or manager reviews.

**ACTUARY REPORT:**

**PR SAC:** Tyler Brannan reported that PR SAC had met on February 19 and the Clerks Valuation for June 30, 2023, had been adopted as presented by Curran Actuarial Consulting.

**Employer Contribution Rate:** The minimum required rate for fiscal year 2024-2025 is 21.50%. The current rate is 23%. Tyler reminded the Board that any amount received in excess of the minimum rate is placed in the Funding Deposit Account. A motion was made by David Dart to maintain the Employer Contribution Rate at 23% for the fiscal year 2024-2025. The motion was seconded by Louis Perret. **MOTION CARRIED.**

**Cost of Living Adjustments (COLAs):** Since the valuation had been approved, the Board would be eligible to grant a COLA. Tyler reviewed the cost of each COLA option. There was discussion on the language in the COLA statute regarding giving one of the options "in addition" to another option. A motion was made by Mark Graffeo to defer the agenda item COLA until the next meeting for clarification on the COLA options available to grant. The motion was seconded by Louis Perret. **MOTION CARRIED.**

**Annuities:** Debbie informed the Board of inquiries that had been made regarding an option to purchase an annuity with DROP Funds. The system has had 2 previous annuity options chosen; however, Debbie asked for clarification and the Actuary's recommendation was to narrow the focus of the options available for those annuities. Debbie presented the 3 options recommended by the actuary:

- (1) Maximum cash refund form
- (2) Joint & 100% contingent survivor cash refund annuity with a spouse
- (3) Joint & 50% contingent survivor cash refund annuity with a spouse

Tyler further explained the same assumptions for mortality and interest would be used in these calculations.

After discussion, a motion was made by Robin Hooter to adopt the three annuity options as presented. The motion was seconded by Jeff Skidmore. **MOTION CARRIED.**

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

Debbie Hudnall reported since the last Board meeting there were 14 applications for DROP; 10 applications for regular retirement; 12 Post DROP retirement applications; and 2 disability applications.

Louis Perret moved the applications to be approved. Motion was seconded by Robin Hooter. **MOTION CARRIED.**

Debbie stated there had been a total of 67 refunds in the amount of \$588,518 for the 2023-2024 fiscal year.

**REPORT OF EXECUTIVE DIRECTOR:**

**Executive Session Designations – House and Senate:** Debbie presented letters from the House and Senate for Executive Session designees – Joey David, Alana Perrin and Brandi Cannon.

**Madoff Victim Fund:** Debbie reported that another distribution from the recovery fund had been received bringing the total received to \$1.4 million with possibly one more distribution.

**Legislation:** Debbie provided an update on legislation:

HB 29 – Clerks Bill

SB 1 – Transfers - using the actuarially required employer contribution rate not the rate set by the Board.

SB 5 – ESG (environmental social governance) Boards cannot use any other factors, “non pecuniary,” for investment decisions other than what provides the best financial return. There was discussion regarding the Board’s position. Jon Breth commented he wasn’t aware of any systems that invest based on ESG. A motion was made by Louis Perret to oppose SB 5 in its present posture. The motion was seconded by Jeff Skidmore. **MOTION CARRIED.**

**Software Update:** Debbie reported that the new software went live on March 8<sup>th</sup>.

**Audio Visual Upgrade Update:** The new screen and recording equipment upgrade had been completed and was being utilized for the meeting.

**ATTORNEY**

**Executive Session:** A motion was made by David Dart to enter into Executive Session for discussion on Litigation – *The Recreation and Park Commission for the Parish of East Baton Rouge v. Sid J. Gautreaux, III* and *Sid J. Gautreaux v. The City of BR/Parish of EBR*. The motion was seconded by Mark Graffeo. **MOTION CARRIED.**

A motion was made by David Dart to return to regular session. The motion was seconded by Mark Graffeo. **MOTION CARRIED.**

**OTHER BUSINESS:** Louis Perret brought to the Board two members who had approached him with questions regarding their future benefits including the possibility of rescinding their DROP and recalculation of a new benefit. There was discussion regarding the cost to the system for and that the law does not provide for this to happen. The Board discussed the major impact to the system if alterations to previous option decisions were permitted. The Board discussed their fiduciary responsibility to the system.

**COMMENTS BY BOARD TRUSTEES:** None

The next Board Meeting is scheduled for Tuesday, May 21, 2024, at 9:00 am.

There being no other business, David Dart moved the meeting to be adjourned. Motion seconded by Kim Turlich-Vaughan. **MOTION CARRIED.**

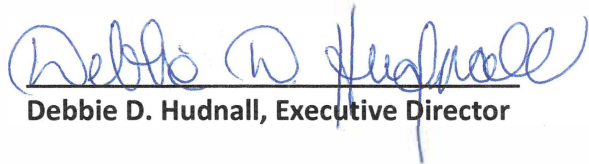
**MEETING ADJOURNED.**

Approved:



Kim Turlich-Vaughan, President

Respectfully submitted,



Debbie D. Hudnall, Executive Director