

APPROVED MINUTES

**LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
BOARD OF TRUSTEES MEETING
TUESDAY, MAY 21, 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 Tuesday, May 21, 2024, at 9:00 am in Baton Rouge, LA.

The meeting was called to order by President Kim Turlich-Vaughan. Dot Lundin 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
Rick Arceneaux
Dot Lundin
Robin Hooter

OTHERS PRESENT:

Debbie Hudnall, Executive Director
Greg Curran
Chris Brokaw, Mariner
Sheri Morris, Attorney

ABSENT:

Mark Graffeo
Senator Bob Owen
Representative Sylvia Taylor

GUESTS PRESENT:

Cherie Lott, Connie Desselle, Dagmar Hebert, and Chris Kershaw.

PUBLIC COMMENTS: None

APPROVAL OF MINUTES:

Jeff Skidmore moved the minutes of the March 13, 2024, meeting be approved. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

FINANCIAL REPORT: (ON FILE IN OFFICE)

Treasurer Annette Fontana reported that the Fund is above \$800 million for the first time ever. She then reviewed the financial report as of March 31, 2024:

	March 31, 2024	Fiscal Year-to-Date
Contributions	\$3,076,679	\$37,512,698
Other Additions	\$707	\$225,916
Investment Gain (Loss)	\$18,183,426	\$80,538,382
Investment Expenses	\$157,079	\$2,120,803
Deductions	\$4,992,711	\$42,952,401
Net Increase (Decrease)	\$16,111,021	\$73,203,792
Total Investments	\$744,019,674	
Total Assets	\$817,541,651	

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

2024-2025 PROPOSED BUDGET (Exhibit A): Controller Chris Kershaw presented the 2024-2025 Budget Proposal. He highlighted increases in the following expenses: Building Insurance, Fiduciary Insurance, and the reimbursement to the Association. He noted decreases in office equipment and programming fees. A motion was made by Rick Arceneaux to approve the 2024-2025 budget as presented. The motion was seconded by David Dart. **MOTION CARRIED.**

INVESTMENT COMMITTEE: No report at this time.

MARINER:

Performance review – March 31, 2024:

	March 31, 2024	Percentage (FYTD)		March 31, 2024	Percentage (FYTD)
Total Funds Including Internal Cash	\$814,483,387	---			
US Equity			Fixed Income		
Fidelity S&P 500 Index	\$ 90,209,987	19.43%	FIAM Core Plus	\$ 82,859,057	3.96%
Great Lakes	\$ 64,639,954	17.69%	FIAM Tactical Bond Fund	\$ 42,295,221	3.89%
Westfield	\$ 72,258,600	29.24%	Orleans Capital	\$ 42,087,080	3.22%
Earnest	\$ 41,837,596	17.48%	Infrastructure		
Hood River	\$ 42,177,839	21.92%	IFM Global	\$ 35,243,248	2.17%
Int. Equity			Real Estate		
WCM	\$ 27,809,764	14.53%	Clarion	\$ 30,725,410	-7.90%
TS&W	\$ 27,167,139	9.43%	Principal	\$ 35,338,901	-6.10%
LSV	\$ 28,436,269	15.18%			
Driehaus	\$ 40,046,304	15.63%	CASH – Hancock	\$ 275,132	
SB&H	\$ 40,505,588	16.78%	CASH - DROP	\$ 36,635,834	
			CASH – General	\$ 33,934,463	

Chris Brokaw provided the performance update for Q1 2024. The US dollar remained strong however, fixed income was down as interest rates crept up in the quarter. The market continues to move by inflation and interest rate expectations. Chris reported that 10 out of the 11 sectors in the large cap Russell index were positive and moved even higher during the 1st quarter. The market seems to be broadening and not solely encapsulated by the Magnificent 7 stocks. Fixed income investments declined but still outperformed the benchmark. The long-term expectation for infrastructure is to add value, while real estate experienced negative performance in Q1. Mariner still approves the holding of the additional cash in LAMP at the rate of 5.28%. Chris noted that the April 2024 flash report was included but he would not review as the loss in April was completely made up so far in May 2024.

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ACTUARY REPORT:

Cost of Living Adjustments (COLAs): Greg Curran stated that the Clerks Fund is eligible to grant a COLA, which can be funded from the Funding Deposit Account. He reviewed the options available.

Option 1 (R.S. 11:1549) 2.5% of current benefit limited to \$40/month. Cost = \$660,989

Option 2 (R.S. 11:246) 2% of base to over age 65. Cost = \$670,012

Option 3 (R.S. 11:241) Up to \$1 x the sum of years of service plus years retired. Cost = \$661,289

Greg stated that with Option 2 there are 377 members who would not qualify for the COLA. He stated that with the CPI increases, it is a reasonable time to grant a COLA and with the employer rate currently set above the minimum required the Fund will continue to add money to the Funding Deposit Account.

After discussion on the options available, a motion was made by Louis Perret to grant COLA Option 2 based on R.S. 11:246, 2% of base to over age 65, retroactive to January 1, 2024. The motion was seconded by David Dart. **MOTION CARRIED.**

Contract for Actuarial Services Fiscal Year 2025: Greg Curran presented to the Board a contract for FY 2025 with no increase in the annual compensation. He explained increases in the hourly services rate based on the experience level for additional services including but not limited to estimates/special calculations. In 2025, there would need to be an experience study regarding the assumptions which would be at an additional cost. Experience Studies are done every five years.

A motion was made by Louis to approve the Contract for Actuarial Services for the fiscal year 2025 as presented. The motion was seconded by Annette Fontana. **MOTION CARRIED.**

APPLICATIONS AND REFUNDS: (On file in office)

Debbie Hudnall reported since the last Board meeting there were 8 applications for DROP; 2 applications for regular retirement; 10 Post DROP retirement applications; and no disability applications.

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

Debbie stated there had been a total of 83 refunds in the amount of \$815,789 for the 2023-2024 fiscal year.

REPORT OF EXECUTIVE DIRECTOR:

Debbie reminded the Board that Clerks are required to report rehired retirees and pay the employer contribution on their earnings. The Clerks do not pay social security but would be required to pay Medicare taxes on the rehired retirees. Our retirement laws do not provide for contract employees in clerks' offices. There was discussion on the decrease to the employer contribution rate once the unfunded accrued liability is paid off.

Legislation: Debbie provided an update on legislation:

HB 29 – Clerks Bill – This legislation has passed and is Act 12.

SB 1 – Transfers - using the actuarially required employer contribution rate not the rate set by the Board. This legislation has passed and is Act 46. Effective June 30, 2024.

ATTORNEY

Contract: Attorney Sheri Morris explained that her contract is in effect until 2026. However, the Attorney General had increased rates. The contract terms were written for the attorney general rates. A motion was made by David Dart to adopt the Attorney General rates of compensation for attorneys. The motion was seconded by Louis Perret. **MOTION CARRIED.**

Executive Session: A motion was made by Kim Turlich-Vaughan 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 Rick Arceneaux. **MOTION CARRIED.**

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

OTHER BUSINESS: The next meeting date is to be determined. President Kim Turlich-Vaughan stated it was her last meeting to serve as President and she thanked the Board members for their diligent service. She then presented Retired Clerk Member Dot Lundin a special award for her service on the board as a retired clerk.

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.**

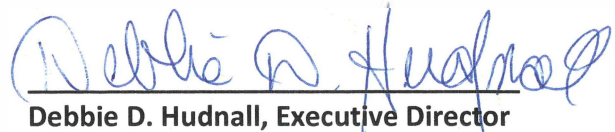
MEETING ADJOURNED.

Approved:



Kim Turlich-Vaughan, President

Respectfully submitted,



Debbie D. Hudnall, Executive Director

Louisiana Clerks of Court Retirement Fund Budget

	7/1/2023	7/1/2024	
	ACTUAL	PROPOSED	
	BUDGET	BUDGET	BUDGET
			Difference
	2023-2024	2024-2025	
Administrative Expenses			
Actuary Fees	85,000	85,000	0
Advertising	500	500	0
Auditing Fees	65,000	65,000	0
Bank Charges	20,000	20,000	0
Building Insurance	10,000	12,000	2,000
Building Maintenance / Fees	35,000	35,000	0
Depreciation (non-cash)	15,000	15,000	0
Doctors Fees	4,000	4,000	0
Fiduciary Insurance	30,000	45,000	15,000
Legal Fees	100,000	100,000	0
Meeting Expense	12,000	12,000	0
Miscellaneous	1,500	1,500	0
Office Equipment - Generator in FYE 2024	25,000	5,000	(20,000)
Office Supplies and Printing	2,000	2,000	0
Other Professional Fees	3,000	3,000	0
Per Diem	3,375	3,375	0
Postage	3,500	3,500	0
Programming Fees	50,000	20,000	(30,000)
Reimbursement to Assoc.	510,000	534,000	24,000
Travel and Seminar	18,000	18,000	0
Administrative Expenses	992,875	983,875	(9,000)
Investment Expenses:			
Consultant Fees	135,000	135,000	0
Custodial Fees	70,000	75,000	5,000
Investment Managers	4,000,000	4,250,000	250,000
Total Investment Expenses	4,205,000	4,460,000	255,000
TOTAL EXPENSES	5,197,875	5,443,875	246,000

Budget Adopted on this date: _____