

APPROVED MINUTES

LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND BOARD OF TRUSTEES MEETING WEDNESDAY, MAY 20, 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, May 20, 2015 at 9:00 AM in Baton Rouge, Louisiana.

The meeting was called to order by President Holli Vining. Mark Graffeo gave the invocation and Rick Arceneaux led the Pledge of Allegiance.

MEMBERS PRESENT:

President Holli Vining
David Dart
Rick Arceneaux
Robin Hooter
Mark Graffeo
Cliff Dressel
Kay Bolding

OTHERS PRESENT:

Debbie Hudnall, Executive Director
Jessica Portis, Summit Strategies
Denise Akers, Attorney
Gary Curran, Actuary
Michelle Cunningham, Auditor
Chris Kershaw, Controller

GUEST PRESENT:

Frank Borne, Randy Deshotel, Brian Lestage, Steve Andrews, Darlene Landry, Becky Patin, Tammy Foster

PUBLIC COMMENTS: None

OATH OF OFFICE

Holli Vining administered the oath of office to Kay Bolding as the Retired Clerk Member.

APPROVAL OF MINUTES:

Cliff Dressel moved that the minutes of March 24, 2015 meeting be approved as presented. Motion seconded by Mark Graffeo. **MOTION CARRIED.** Mark Graffeo subsequently moved to amend the minutes to reflect that Denise Akers was present at the March 24th meeting. Motion seconded by Kay Bolding. **MOTION CARRIED.**

COMMENTS BY PRESIDENT:

President Vining reported that all new members had completed the required educational hours for a Board Trustee. She also reported that Jim Martin had re-injured his back over the weekend and would not be in attendance.

**Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, May 20, 2015
Page 2**

FINANCIAL REPORTS: (ON FILE IN OFFICE)

Treasurer Robin Hooter reviewed the financial reports for March 2015.

Mar. 2015 -	Monthly Contributions	\$ 2,163,554
	Other Additions	\$ 0
	Investment Gain (Loss)	\$ (2,065,179)
	Investment Expenses	\$ (230,445)
	Deductions	\$ (2,667,232)
	Net Income (Decrease)	\$ (2,799,303)
	Total Investments	\$ 498,533,589
	Total Assets	\$ 534,637,048

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

2016 BUDGET PROPOSAL: (On File in Office)

Debbie presented the proposed Budget for fiscal year 2016 showing Revenue with slight increase in Rental Income from the Association of \$21,016 and Insurance Fund of \$10,405 that had been prepaid based on a 2% inflation rate. Additionally budgeted for revenue was \$30,000 in Interest Income. The only noted difference in expenditures was a slight reduction in audit fees of \$2,100 because there would only be one year of the GASB 68 accounting rather than two years; increased building maintenance fees by \$5,500, legal fees were increased by \$13,000, and the reimbursement to the Association increased by \$30,000. Debbie explained that this amount had not been increased in 5 years and would equal to a 2% annual increase. Cliff Dressel moved that the Budget be approved. Motion seconded by Mark Graffeo. **MOTION CARRIED.**

AUDIT PROPOSAL

Debbie submitted a proposal from Duplantier, Hrapmann, Hogan & Maher, L.L.P. for the 2015 audit of the Retirement Fund in the amount of \$25,860 to \$26,400 (same as prior year); an audit proposal for GASB 67 of \$8,500 to \$9,800 (same as prior year); and an audit proposal for GASB 68 of \$3,800 to \$4,250. Motion was made by Robin Hooter to accept the proposals. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

2013 and 2014 GASB 68 AUDITS

Michelle Cunningham presented the 2013 and 2014 GASB 68 audit in which she reminded the Board that the employers would have to include the liabilities on their 2015 Financial Statements. She explained the audits in detail and stated that the report would be placed on the Louisiana State Auditors website in addition to the Louisiana Clerks of Court website. She said their individual auditors would be able to obtain all of the information they need for GASB 68 from the report. She stated that the Fund received a clean GASB 68 audit for both 2013 and 2014.

**Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, May 20, 2015**

Page 3

David Dart moved that the GASB 68 audits be accepted. Motion seconded by Cliff Dressel. After discussion, Gary Curran stated that he and Michelle Cunningham would work on bullet points to help explain GASB 68 for the clerks to have for the public.

Investment Committee:

President Vining reported that the new Investment Committee consisted of the following: Chairman Mark Graffeo, Jim Martin, David Dart, Debbie Hudnall and Holli Vining. Jessica Portis reported that the new committee had their first conference call on May 6th and Summit Strategies gave the committees an update on the markets. There were no recommendations made or any action taken.

Summit Strategies Group: (Report on file in office)

Market Updates

Jessica Portis gave the market update stating that the US economy remains strong relative to foreign economies. This strength has raised expectations for growth and activity in the US, while expectations have come down due to low growth and deflationary pressures outside the US. Summit Strategies recommends that the portfolio should balance risk exposures within fixed income allocation; maintain a diversified equity portfolio with a global focus, and remain open to alternative assets/sources of return.

Quarterly Investment Performance Review

Jessica reported that the US economic growth appears to have moderated during the first quarter of 2015 with consumer spending, manufacturing and construction activity and retail sale below expectations although the labor market continued to show signs of improvement. Equity markets around the world moved higher during the quarter; international developed markets were generally the best performers while within the US market small caps outperformed large caps; and fixed income investments performed well as global interest rates continued to decline. The Clerks' Fund ranked 79th in comparison to its peers for the first quarter, 37th for the 3 year period and 24th for the 5 year period. Jessica did point out that 65% of the time over the three year rolling period the portfolio outperformed its peers.

Jessica then reviewed the preliminary April flash report. She said that half of the managers had done well relative to the benchmark and a few others had struggled. She said that most changes have been made that need to be made to the portfolio although one area left to focus on is the possibility of consolidating the international small cap managers. She and Phinney have been discussing that possibility.

**Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, May 20, 2015
Page 4**

**PORTFOLIO PERFORMANCE
April 30 2015**

	2015	1 Mo	FYTD
Total Funds	\$ 539,592,251	1.53%	4.10%
US Equity			
QMA	\$ 52,955,763	0.64%	8.46%
Rothschild	\$ 29,316,491	1.87%	4.80%
Westfield	\$ 40,881,440	-0.22%	9.51%
William Blair	\$ 17,908,255	-2.83%	1.63%
Elk Creek	\$ 17,982,344	-2.51%	2.98%
Intl. Equity			
Vontobel	\$ 37,812,407	2.94%	.70%
LSV	\$ 34,030,963	5.13%	-1.67%
Mondrian	\$ 15,900,704	3.89%	-2.20%
William Blair	\$ 12,331,854	3.76%	-2.05%
Fixed Income			
Pyramis	\$ 45,888,903	0.05%	3.61%
Pyramis (Fact)	\$ 23,933,752	0.55%	3.76%
SSgA Ag Bond	\$ 21,405,701	-0.36%	3.27%
Hedge Funds			
Blackstone	\$ 22,405,580	0.33%	4.82%
Magnitude	\$ 22,750,202	0.40%	8.34%
UBP	\$ 1,137,855		
Real Estate			
Clarion	\$ 47,497,952		11.98%
MLP'S			
Harvest	\$ 16,190,786	4.65%	-2.23%
Tortoise	\$ 15,834,802	5.76%	-5.13%
Whitney --Cash*	\$ 30,522,725		
DROP FUNDS	\$ 21,817,389		
Cash Funds	\$ 11,086,382		

* Whitney shows large amount of cash because of terminating Funds from DFA to new manager – AJO and funds were in transition

ACTUARY REPORT:

Debbie presented the proposed Actuary contract for fiscal year ending 2016 in the monthly amount of \$5,570 which is the same as the prior year. She pointed out that this amount also includes up to two hours of actuarial education and also two additional hours of actuarial education within its webinar training series. Mark Graffeo moved to approve the contract. Motion was seconded by Cliff Dressel. **MOTION CARRIED.**

**Louisiana Clerks of Court Retirement and Relief Fund
Board of Trustees Meeting, May 20, 2015
Page 5**

APPLICATIONS AND REFUNDS: (On file in office)

Debbie reported that since the March Board meeting there were 10 applications for DROP; 3 applications for regular retirement; and 1 post drop retirement application. David Dart moved that the applications be approved. Motion was seconded by Rick Arceneaux. **MOTION CARRIED.**

Debbie further reported there had been 99 refunds through April 2015 in the amount of \$770,724. She also reminded the Board that Evie Dodge would be entering DROP in the near future and it would be important to bring a new employee on board in the new future to begin the training to take her position.

EXECUTIVE DIRECTOR REPORT:

Contribution Issues – Debbie reported that they had received all past due funds from Tensas Parish and received the April report showing he had taken no salary for the month of April.

Legislative Update – Debbie gave a Legislative update stating that HB 27 by Representative Miller, which was clean up legislation to amend the law for anyone hired after January 2011, who defers their retirement must be age 60 in order to retire, was proceeding through the process without opposition. Additionally, HB 48 which was originally filed by the Assessors and amended to include all statewide systems with a Funding Deposit Account was proceeding through the process. HB 48 would allow the Clerks to use the Funding Deposit Account to pay for COLA's if and when the Fund met all other necessary requirements in order to grant COLA's and if the Board should choose.

RETIREMENT PORTAL – Debbie said they continue to work on the Retirement Portal and hoped to have it running shortly.

Attorney: Denise Akers said she had nothing to report at this time.

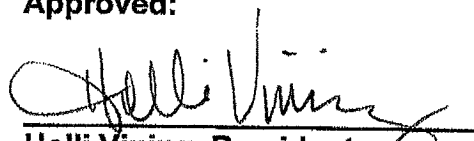
OTHER BUSINESS: No other business.

COMMENTS BY BOARD MEMBERS: No comments.

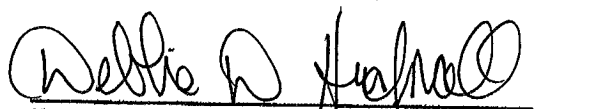
There being no other business; motion made by Mark Graffeo to adjourn. Motion seconded by David Dart. **MOTION CARRIED.**

MEETING ADJOURNED.

Approved:


Holli Vining, President

Respectfully submitted,


Debbie D. Hudnall, Executive Director