NONVERBATIM MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, SHERIFFS’ PENSION & RELIEF FUND, HELD VIRTUALLY THROUGH ZOOM, AT 10:00 AM ON WEDNESDAY, MARCH 10, 2021.

Active Sheriff Willy Martin, Vice President

Active Sheriff Greg Champagne

Active Sheriff Jay Russell
Active Sheriff Jeff Travis
Retired Sheriff Jeff Wiley
Retired Sheriff Wayne Melancon
Active Deputy Debbie McBeth
Active Deputy Richard Corbett

Active Deputy Rebecca Hebert

 Retired Deputy Don Rittenberry
 Retired Deputy Ronnie Morse

 Retired Deputy Joe Seymour

 Senator Barrow Peacock, Ex Officio
 Representative Phillip Tarver, Ex Officio

 Executive Director Osey McGee, Jr.

The meeting was called to order and everyone was welcomed by Sheriff Willy Martin, Vice President. Don Rittenberry offered the invocation and Sheriff Jeff Wiley led the pledge to the American Flag. Roll was called and those in attendance represented a quorum. Sheriff William Hilton (Ret.), President of the Board, was unable to attend the meeting due to the funeral of a close friend.

Others in attendance for the meeting included Bob Klausner, Attorney, Klausner, Kaufman, Jensen & Levinson; Erik Ristuben, and Hal Bradford, Russell Investments; and Greg Curran, Actuary, G.S. Curran & Co. Pension Fund staff members in attendance included Assistant Director Keith Duplechain, Betty Sibley, Chris DeWitt, and Katie Thiebaud.

The Director introduced and welcomed Richard Corbett, from Caddo Parish, as the Board’s newest active deputy representative Board member.

Next, the Director gave special recognition to two Pension Fund staff members. First, he recognized Assistant CIO Chris DeWitt for his completion of the lengthy and strenuous requirements to achieve the professional designation of CFA (Chartered Financial Analyst). Chris also holds the CAIA (Chartered Alternative Investment Analyst) Designation, which is like the CFA designation, but focuses more on Alternative Investments. The Director thanked Chris for his service, and the Board congratulated him on his achievement.

Next, Director McGee recognized Assistant Director Keith Duplechain, CPA, for achieving 12 years of dedicated, outstanding service and becoming vested in LSPRF on January 1, 2021. The Director and Board members thanked Keith for his service.

For the first item of business, Don Rittenberry made a motion to approve of the minutes of the December 9, 2020 Board meeting. Joe Seymour seconded the motion. A roll call vote was taken, and it passed unanimously.[[1]](#endnote-1)

Moving on to presentation items, Erik Ristuben, Chief Investment Strategist for Russell Investments, presented a global economic and market outlook to the Board. In his presentation, he discussed changes in the market since he last spoke with the Board in December of 2020, and the potential effects of government stimulus on the markets. He provided Russell’s insight and views for the near-term future. This type of information assists the Fund in planning investment strategies for the current and near to immediate future.

Next, the Director and Assistant CIO gave a performance report and asset allocation update and included reasons for optimism and causes for concern going forward.

After the performance report, Russell Consultant Hal Bradford led a discussion on investment strategy research that Russell would be conducting and bringing to the Pension staff and Board to potentially prepare and adapt to a changing market environment.

**Executive Committee Report**

Executive Committee Chairman Ronnie Morse gave the following report to the Board on the Fund’s 2020 Audit:

 The Executive Committee met with Michelle Cunningham and Patrick Butler, partners of the Fund’s auditing firm Duplantier, Hrapmann, Hogan and Maher on Thursday, March 4, 2021 at 2:30 PM through Zoom.

Members of the Committee were all present for the meeting: Ronnie Morse, Chairman, Don Rittenberry, Vice Chairman, and Osey McGee, Executive Director.

Members were provided copies of the audit report, and Michelle reviewed the report along with the members. She reviewed the audit’s opinion that the financial statements presented fairly, in all material respects, the fiduciary net position of the Sheriffs’ Pension & Relief Fund as of June 30, 2020 and 2019, and the respective changes in the fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States.

She stated that it was a “clean, unmodified opinion.”

Michelle reviewed the statements of fiduciary net positions with the Committee. The Plan’s net assets increased for the fiscal year ended 2020 to $3,840,070,735, an increase of $48,358,224 from 2019’s level of $3,791,712,511, and another new all-time high for the Fund’s assets. She and the Director discussed the rebound to a positive year despite the severe impact of the global pandemic on the global economy and market conditions.

Michelle noted that there were no instances of non-compliance, and no findings to report in the audit. There were no material weaknesses or significant deficiencies on internal controls. She stated that it was a very good audit and commended the Director and his staff.

**GASB 68 Audit**

Patrick then reviewed the census data testing audit. This audit is required by GASB standards. Every year, Keith Duplechain, CPA, Assistant Director, Betty Sibley, CPA, Director of Accounting, and Stacey Walton, Benefits Supervisor, audit 3 sheriff’s offices. Then the auditors audit the findings of the staff. The parishes audited this year were Iberville, Ouachita, and St. Tammany. Patrick was very complementary of the staff’s job in auditing the parishes.

Director McGee commended and thanked our Fund’s audit team for the job they do on the 3 sheriff’s offices we are required to audit annually.

He also thanked Michelle and Patrick and their firm for our long-term relationship, the thorough job they do, and the assistance they provided when needed.

That concluded the Executive Committee Report.

**Audit Engagement Approval**

Next, the Director asked the Board for approval of Audit Engagements for the Fund’s three audits required by the Legislative Auditor: the main financial audit, the GASB 68 audit, and the Agreed Upon Procedures Audit. Normally, the engagements are for 1 year, but this year the engagements were for 3 years. The Director commented that this would assure the Fund the opportunity to work with the same auditors for the next 3 years, who are professional and very familiar with LSPRF.

Joe Seymour made a motion to approve the 3-year audit engagements for the Fund’s 3 audits, and adopt the audit report given by Ronnie Morse, Chairman of the Executive Committee. Don Rittenberry seconded the motion. A roll call vote was taken, and the motion passed unanimously.[[2]](#endnote-2)

**Employer Contribution Rate**
Next was a discussion on the contribution rate for the next Fiscal Year beginning 7/01/2021. Based on the Actuarial Valuation, the minimum recommended contribution rate was 11.5%. Director McGee recommended maintaining the current rate of 12.25%, to build additional Funding Deposit Account reserves and build the System stronger. The Fund’s actuary was in agreement with the recommendation. Joe Seymour made a motion to accept the Director’s recommendation and maintain the current employer contribution rate at 12.25% for the Fiscal Year beginning 7/1/2021. Sheriff Jeff Wiley seconded the motion. A roll call vote was taken, and the motion passed unanimously.[[3]](#endnote-3)

**Valuation Interest Rate**

The Director reminded Board members of their decision at the December 2020 Board meeting, after hearing the Asset Liability Study, to reduce the Valuation Interest Rate by 5 basis points a year over the life of the Asset/Liability Study, eventually bringing the rate down to 6.5%, with an option for the Board to make appropriate adjustments as needed. The Director recommended bringing the rate down from 7.0% to 6.95% for the Fiscal Year beginning 7/1/2021. Ronnie Morse made the motion to accept the Director’s recommendation to bring the Valuation Interest Rate down from 7.0% to 6.95% for the Fiscal Year beginning 7/1/2021. The Fund’s actuary supported this recommendation. Don Rittenberry seconded the motion. A roll call vote was taken, and it passed unanimously.[[4]](#endnote-4)

**Option Factor Discussion**

Moving on to the option factor discussion, Director McGee explained that reductions in the valuation interest rate and changes in the periodic Experience Study performed by the actuary impacts liabilities for future benefits and factors used in calculating survivor’s benefits. Option factors for survivors are required to be adjusted periodically as the Valuation Interest Rates are reduced to deal with the additional potential cost to the Fund. After recommendation by the Director, Sheriff Greg Champagne made a motion to adjust the option factor to 6.95% for FY 2022, effective 7/1/2022, then adjust the factor in increments each 2 to 3 years over the next 10 years, with no year to have the Option Factor higher than the valuation Interest Rate range approved by the actuary (which avoids adding cost to the Fund until appropriate and in line with the decrease in the rate). And each adjustment to the Option Factor to be set by the staff in consultation with the actuary. Joe Seymour seconded the motion. A roll call vote was taken, and the motion passed unanimously. The Director noted that the actuary concurred with the recommendation.[[5]](#endnote-5)

**Permanent Benefit Increase Discussion**

Next, the Board considered the possibility of granting a Permanent Benefit Increase (COLA). The Director and actuary lead a discussion reviewing the Fund’s policy adopted in March of 2019 to prefund benefit increases from the Funding Deposit Account with no increase in Fund liabilities, and after discussion amongst the Board, Joe Seymour made a motion to grant a 2% PBI to retirees who have been retired for 1 full year, as specified in law, and who are at least 65 as of the date of the PBI. Debbie McBeth seconded the motion. A roll call vote was taken, and it passed unanimously. The total estimated lifetime cost of the PBI as calculated by the actuary was $19 million.[[6]](#endnote-6)

**Information Items**
The Director reviewed the following information items with the Board members:

* Financial Disclosures that Board members are required to fill out and turn in with the Board of Ethics are due May 15th. Copies of these disclosures were given to Board members.
* A new, updated handbook is being worked on and will be distributed to all sheriffs and sheriffs’ offices as soon as it is ready.
* After problems were discovered on the Pension Fund building’s air conditioning unit, Louisiana Controls provided the Fund with two different proposal. The first was a proposal to replace the chillers, pumps and other requirements for $116,775.00 and the second was to repair and replace parts of the chillers and other requirements for $61,335.00. Because repair of the chiller was only expected to make the system last another 3-4 years, the Director recommended replacement after advice on the matter from legal counsel Bob Klausner. Joe Seymour made a motion to authorize the Director to replace the chillers, pumps, and other requirements and check with independent sources to verify that the price quoted was competitive for replacement. Don Rittenberry seconded the motion. A roll call vote was taken, and the motion passed unanimously.[[7]](#endnote-7)

Don Rittenberry made a motion, and Joe Seymour seconded the motion to approve applications for reciprocal recognition of service and transfers, as well as applications for retirement, backDROP, disability, and survivor benefits. A roll call vote was taken, and the motion passed unanimously.[[8]](#endnote-8)

**Adjourn**

With no further business to consider, Sheriff Willy Martin adjourned the meeting.

I hereby certify to the best of my knowledge and belief that the above and foregoing is a true and correct synopsis of the proceedings of the meeting of the Board of Trustees on March 10, 2021.

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 Osey McGee, Jr. Executive Director

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 Katie Thiebaud, Executive Assistant

Motions and Concurrences :

1. Approval of December 9, 2020 Board Meeting Minutes [↑](#endnote-ref-1)
2. Audit Report and Audit Engagements Approval [↑](#endnote-ref-2)
3. Employer Contribution Rate [↑](#endnote-ref-3)
4. Valuation Interest Rate [↑](#endnote-ref-4)
5. Option Factors [↑](#endnote-ref-5)
6. Permanent Benefit Increase [↑](#endnote-ref-6)
7. Air Conditioning Proposal [↑](#endnote-ref-7)
8. Applications for Reciprocal Recognition of Service, Transfers, Retirement, BackDROP, Disability and Survivor Benefits [↑](#endnote-ref-8)