NONVERBATIM MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, SHERIFFS’ PENSION & RELIEF FUND, HELD AT THE LOUISIANA SHERIFFS’ PENSION FUND OFFICE IN BATON ROUGE, LOUISIANA AT 9:15 AM ON TUESDAY, APRIL 18, 2023.

Active Sheriff Willy Martin, President

Active Sheriff Jay Russell, Vice President

Active Sheriff Jeff Travis

Retired Sheriff Wayne Melancon

Retired Sheriff Victor Jones  
Active Deputy Debbie McBeth  
Active Deputy Richard Corbett

Active Deputy Rebecca Hebert   
Retired Deputy Ronnie Morse

Retired Deputy Don Rittenberry

Executive Director Osey McGee, Jr.

The meeting was called to order, and everyone was welcomed by Sheriff Willy Martin, President. Ronnie Morse offered an invocation and Sheriff Victor Jones led the pledge to the American Flag. Roll was called and those in attendance represented a quorum.

Others in attendance for the meeting included Bob Klausner, Attorney, Klausner, Kaufman, Jensen & Levinson; Greg Curran, Actuary, G.S. Curran & Co.; Jason Windham, Shobe Financial; several parish representatives and Pension Fund staff members Chris DeWitt, Betty Sibley, and Katie Thiebaud.

For the first item of business, Paul Eitleman, Russell Senior Investment Strategist, North America Division, joined the Board meeting through conference call to give a global economic and market outlook update. These discussions assist the Board in planning investment strategies for the future.

For the next agenda item, Director McGee took time to announce staffing updates for the Fund. He proudly announced the promotion of Chris DeWitt as the new Assistant Director in addition to his current role as Assistant CIO. Chris graduated from LSU with a degree in Finance and holds the CFA and CAIA designations. The Board collectively congratulated Chris, and the Director thanked him for his service and support.

Director McGee recognized Betty Sibley, CPA, as the Director of Accounting, who would be assuming a higher role in the management team and succession plan for the future of the Fund and he thanked her for her service. He also introduced Stacey Walton, who was recently promoted to Benefits Manager for the Fund, and would also be serving an important role in the management team for the Fund. Finally, he thanked Katie Thiebaud for her role as Executive Assistant.

Next, Director McGee and Assistant Director Chris DeWitt gave a performance report and asset allocation update and included reasons for optimism and causes for concern going forward. The following estimated returns (Net of Fees) were reported:

* First Quarter:(5.1)%
* Second Quarter: 6.7%
* First Half of Fiscal Year: 1.2%
* January 2023: 5.6%
* February 2023: (2.2)%
* March 2023: 1.5%
* Third Quarter: 4.8%
* Fiscal Year to Date: 7.1%

Their asset allocation review reflected the Fund’s diversification and total assets at 04/13/2023 estimated at $4,456,912,882.20.

Both the Director and Assistant Director stated that the current plan looking ahead was to:

1. Maintain the strong liquidity position of the Fund.
2. Continue to monitor the well diversified portfolio and perform any necessary rebalancing. This would be based on changes foreseen in the global markets and how the portfolio should look over the next 6-12 months and other intervals, and
3. With an ever-changing investment landscape, the staff and consultant would research and review new asset classes and strategies for possible additions to the portfolio.
   1. Education has been focused on private markets and certain low vol strategies.
   2. Enhancing portfolio risk analysis with Russell consultant

Moving on to the next agenda item, Director McGee began a discussion on the Assumed Rate of Return. After reducing the rate from 8% to 7%, the Board voted previously to continue reducing the rate by 5 basis points a year until it was reduced to 6.5%. However, last year the Board reduced the rate 10 basis points because of the markets and arrived at 6.85%. The question presented to the Board was whether they should hold the rate at 6.85%, where the Fund would stay on schedule, or further reduce the rate and stay ahead of schedule. It was the director’s recommendation, with concurrence from Actuary Greg Curran, to stay at 6.85% for the year.

A motion was made by Sheriff Jeff Travis and seconded by Sheriff Jay Russell to keep the Assumed Rate of Return at 6.85% for the year. The motion passed unanimously.[[1]](#endnote-1)

The next discussion held regarded the Employer Contribution rate beginning 7/1/2023. Last year the contribution rate was set at 11.5%, reduced from 12.25%. The Director’s recommendation, with concurrence from the actuary, was to maintain the contribution rate at 11.5%.

A motion was made by Debbie McBeth to maintain the employer contribution rate at 11.5% beginning 7/1/2023. Don Rittenberry seconded the motion, and it passed unanimously.[[2]](#endnote-2)

Director McGee asked the Board members to adopt the Actuarial Services Contract from Curran Actuarial for the next Fiscal Year. His new contract reflected a rate increase of around 4%.

Don Rittenberry made a motion to approve and adopt the Actuarial Services Contract. Sheriff Wayne Melancon seconded the motion, and it passed unanimously. The Board thanked Greg for his long-term relationship and the great job he does.[[3]](#endnote-3)

Next, Ronnie Morse, Executive Committee Chairman, gave the following report on the audit of the LSPRF Financial Statements:

Michelle Cunningham and Patrick Butler, partners of the Fund’s auditing firm Duplantier, Hrapmann, Hogan and Maher presented the audit report on February 1, 2023.

Staff present for the meeting included Osey McGee, Executive Director, Chris DeWitt, CFA, CAIA, Betty Sibley, CPA and Katie Thiebaud.

Michelle reviewed the report with the staff. It was of the auditors opinion that the financial statements presented fairly, in all material respects, the respective financial position of the fiduciary activities of the Sheriffs’ Pension and Relief Fund as of June 30, 2022 and 2021, and of the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Michelle stated that it was a “Clean, unmodified opinion.” Page 70 of the audit report lists a summary schedule of findings and reflects the following:

Summary of Auditors Results:

1. The opinions issued on the financial statements of the Sheriff’s Pension and Relief Fund for the years ended June 30, 2022 and 2021 were unmodified.
2. Internal Control over financial reporting:

Material weaknesses: None noted

Significant deficiencies: None noted

1. Compliance and other matters:

Noncompliance material to financial statements: None noted

Findings required to be reported under generally accepted governmental auditing standards:

None

Management letter comments:

None

Summary of prior year findings:

None

Next, Ronnie reported on the GASB 68 Audit as follows:

Patrick reviewed the census data testing audit. This audit is required by GASB standards. Each year, our staff audits 3 sheriff’s offices. Then the auditors audit the findings of the staff. The parishes audited this year were Lafourche, St. Charles, and West Baton Rouge. Patrick was very complimentary of the staff’s job in auditing the parishes.

The Director thanked Michelle and Patrick and their firm for the Fund’s long-term relationship, the thorough job they do, and the assistance they provide when needed. Michelle complimented the Pension Fund staff.

That concluded the audit report.

Don Rittenberry made a motion to accept the Executive Committee’s report on the annual audit. Sheriff Jeff Travis seconded, and the motion passed.[[4]](#endnote-4)

Don Rittenberry made a motion to give the Director permission to adopt and sign the auditor’s contract for the Agreed Upon Procedures audit for the coming year, when it is received, since the contract was not received in time for the Board meeting. Don Rittenberry made the motion to and Sheriff Jay Russell seconded. The motion passed.[[5]](#endnote-5)

Next on the agenda was a Permanent Benefit Increase (PBI) discussion. After consideration of all the options presented, and following the recommendation of the Director, with concurrence from the actuary, Ronnie Morse made a motion to grant a 2.5% PBI for all eligible retirees and survivors effective January 1, 2023 funded from the Funding Deposit Account. Richard Corbett seconded the motion, and it passed unanimously.[[6]](#endnote-6)

The Director reminded the Board of Financial Disclosures that would be due to the Board of Ethics on May 15, 2023.

He notified Board members of the Louisiana Sheriffs’ Association Conference being held July 9 – 12th at the Crowne Plaza in Baton Rouge. He asked that anyone needing arrangements handled, to let him or Katie know.

The Director briefed the Board on potential legislative requests for next year’s session that would be further researched.

Director McGee stated that both a candidate training session and the Board’s educational training would be scheduled soon. The Board agreed to hold a onetime training, most likely in August, rather than breaking it up into two sessions.

A motion was made to go into executive session concerning pending litigation as permitted by RS 42.17(a)(10) and further to receive advice from counsel relating to RS 11:82 and 11:2174 on matters which are privileged under RS 44:4.1 C and Louisiana Code of Evidence Art. 506 to take possible action thereafter in Open Session.

When the Board returned to regular session, Legal Counsel stated that the record should show that no action was taken during executive session.

Ronnie Morse made a motion to approve the December 14, 2022 Board meeting minutes. Debbie McBeth seconded, and the motion passed.[[7]](#endnote-7)

For the final order of business, Don Rittenberry made a motion to approve the applications for reciprocal recognition of service and transfers, as well as applications for retirement, BackDROP, disability, and survivor benefits. Sheriff Jeff Travis seconded, and the motion passed.[[8]](#endnote-8)

**Adjourn**

With no further business to consider, Don Rittenberry made a motion and Debbie McBeth seconded to adjourn 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 April 18, 2023.

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Osey McGee, Jr. Executive Director

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Katie Thiebaud, Executive Assistant

Motions and Concurrences :

1. Assumed Rate of Return [↑](#endnote-ref-1)
2. Employer Contribution Rate [↑](#endnote-ref-2)
3. Adoption of Actuarial Services Contract [↑](#endnote-ref-3)
4. Executive Committee Report [↑](#endnote-ref-4)
5. Agreed Upon Procedures Audit Contract [↑](#endnote-ref-5)
6. PBI [↑](#endnote-ref-6)
7. December 14, 2022 Board Meeting Minutes [↑](#endnote-ref-7)
8. Applications for Reciprocal Recognition of Service, Transfers, Retirement, BackDROP, Disability and Survivor Benefits [↑](#endnote-ref-8)