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 9:15A.M.MONDAY, DECEMBER 18, 2017.

Active Sheriff William Hilton, President
Active Sheriff Willy Martin, Vice President

Active Sheriff Jay Russell
Active Sheriff Jeffrey Wiley
Retired Sheriff Wayne McElveen
Retired Sheriff Ken Goss

Active Deputy Calvin McFerrin
 Active Deputy Debbie McBeth

 Active Deputy Sharon Cutrera

Retired Deputy Don Rittenberry
 Retired Deputy Ronnie Morse

Executive Director Osey McGee, Jr.

President Sheriff William Hilton called the meeting to order. Don Rittenberryoffered the invocation and Sheriff Willy Martinled the pledge to the American Flag. Roll was called and those in attendance represented a quorum.

Sheriff Hiltonasked audience members to introduce themselves. Others in attendance included Robert Klausner, Attorney, Klausner, Kaufmann, Jensen & Levinson; Gary Curran, Actuary, Curran & Co.; Jason Windham, Shobe Financial; and several parish representatives. Pension Fund staff members in attendance included Assistant Director Keith Duplechain, Lacey Weimer, Chris DeWitt, Ashley Pridgen and Katie Thiebaud.

## Financial and Market Reports

The first item on the agenda was a performance report and asset allocation review by Executive Director Osey McGee Jr. and Assistant Chief Investment Officer Chris DeWitt. They presented a review of performance and economic information from the beginning of the fiscal year, to date of the meeting, as follows:

**Performance Highlights**

Fiscal Year 2018:

* The markets continued to rise since the November 7, 2017 meeting.
	+ The Dow, S&P and Nasdaq continued to hit all-time highs
* The U.S. continued to lead the global economy with promising signs of growth.
	+ 3.3% GDP
	+ Positive employment data
	+ Manufacturing growth
	+ Better than expected corporate earnings reports
	+ Housing growth
	+ High business/consumer confidence
* Additionally, global growth was better than expected
* Much of the volatility was caused by geopolitical risks
	+ The Administration’s actions
	+ North Korea

Performance:

* Estimated Return (Net of Fees)
	+ July: 1.7%
	+ August: 0.3%
	+ September: 1.5%
	+ **First Quarter: 3.6%**
	+ October: 1.5%
	+ November: 1.5%
	+ **Fiscal Year to Date: 6.7%**
* Fiscal Year to Date Change in Market Value of Assets
	+ June 30: $3,300,985,265
		- *First Quarter increase of $109,864,451*
	+ September 30: $3,410,849,716
		- *Second Quarter to date (December 11th) increase of $101,083,395*
	+ Fiscal Year to Date: $3,511,933,111

McGee and DeWitt also reviewed the Fund’s asset allocation as of December 11, 2017.

**Investment Committee**

Investment Committee Chairman Don Rittenberry informed the Board that the Committee had not met since the last Board meeting on November 7th. He stated that the staff was in the process of implementing the asset allocation changes adopted at the last meeting.

McGee added that the Committee would be planning to meet sometime in January with the Fund’s investment consultants.

**Actuarial Presentation**

The Director and Gary Curran, the Fund’s Actuary, gave a detailed presentation on the highlights of the Fund’s actuarial valuation report for the Fiscal Year 2017. A hard copy of the actuarial valuation was provided to the Board members.

Next was a COLA presentation and discussion. After reminding the Board that the last approved COLA was 2.5% effective January 1, 2015, the Director stated that sufficient funds in the Funding Deposit Account were available to pre-pay a COLA to retirees effective January 1, 2018. Options for both a 2% cola and a 2.5% cola were presented.

The Director’s recommendation to the Board was to grant a 2.5% COLA paid from the Funding Deposit Account reserves to all eligible retirees using the same provisions as the 2015 COLA, with a cap and no floor. The cost to fully prefund the lifetime cost of the COLA would be $28,193,393, leaving a remaining reserve in the Funding Deposit Account for other uses of $28,373.950.He thanked retirees for their patience as the Fund continued to progress.

Ronnie Morse made the motion to accept the Director’s recommendation to grant a 2.5% COLA to all eligible retirees effective January 1, 2018. Retired Sheriff Wayne McElveen seconded, and the motion passed.[[1]](#endnote-2)

Director McGee also noted that the COLA would most likely be paid effective as of January 1, 2018 to retirees on February 1, 2018.

Next on the agenda was an employer contribution rate discussion. The Director gave a historical review of the contribution rates since Fiscal Year 2011, including the role that the Funding Deposit Accountplayed to both buy down rates, and collect reserves.

The recommended rate as determined by the actuarial valuation was 9.5%, with the actual rate needed not being known until Fiscal Year end. To continue to build Funding Deposit Account reservesfor uncertain times, but also reduce the rate for the Sheriffs, to assist with their budgets, the Pension Fund Staff and Actuary recommended reducing the contribution rate from 12.75% to 12.25% for Fiscal Year 2018-2019.

Sheriff Willy Martin made a motion to accept the recommendation, and reduce the employer contribution rate by .5%, from 12.75% to 12.25% for Fiscal Year 2018-2019. Ronnie Morse seconded the motion, and it passed.[[2]](#endnote-3)

**Legislative Committee Report:**

Ronnie Morse gave the Legislative Committee report. The Fund and Actuary Gary Curran extensively researched a proposed benefit change to allow a retiree to select a new spousal beneficiary in the event that a spouse to whom the retiree was married to and living with at retirement dies. Morse stated that this request came after a retired sheriff’s wife passed away shortly after he retired, and he was considering remarriage. However, after the legislation was drafted with provisions to avoid cost to the Fund and the benefit was recalculated, the cost would have been prohibitive, and the member withdrew his request.

Director McGee stated that because of a potential cost, they would withdraw this potential legislation and sponsor no legislation for the upcoming 2018 session.

**Informational Items:**

For informational agenda items, Director McGee and Assistant Director Keith Duplechain told the Board about a drunk driver who crashed into the Pension Fund building a week prior to the meeting. They explained that the building did sustain damage, and would need to be repaired.

Next, Director McGee gave special recognition to long-time Pension Fund Employee Ashley Pridgen. She was presented with a service award and flowers. McGee thanked her for her over 28 years of service and dedication to the Pension Fund and its Board of Trustees and members.

President Hilton requested a motion to approve the following agenda items:

1. Minutes of the 11/07/2017 Board Meeting
2. Applications for reciprocal recognition of service and transfers
3. Applications for retirement, backDROP, disability, and survivor benefits

Sheriff Jeff Wiley made the motion to approve them. Debbie McBeth seconded, and the motion passed.[[3]](#endnote-4) **Executive Session**

President Hiltonmade a motion for the Board to go into Executive Sessionto receive advice from Counsel related to:

* RS 11:2174 on matters which were privileged under RS 44:4.1 and Louisiana Code of Evidence Art. 506
* Doucet v. Board of Trustees, denied disability claim
* Disability claim for Kari Planchard

**Regular Session**

The Board returned to Regular Session. The Counsel stated that the record should show that no actions or motions were taken during Executive Session.

Ronnie Morse made a motion to adopt the advice of legal counsel and the Director and Assistant Director, to get a delegation of active sheriffs and LSA staff to meet with the parish’s sheriff and representatives to try to resolve the membership issue. Debbie McBeth seconded, and the motion passed.[[4]](#endnote-5)

Next, Ronnie Morse made another motion that if the proposed meeting is unsuccessful, that Pension staff and legal counsel are directed to take all appropriate actions as provided by Louisiana Law. Don Rittenberry seconded and the motion passed.[[5]](#endnote-6)

**Adjourn**

With no further business to consider, Sheriff William Hilton 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 December 18, 2017.

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 Sheriff William Hilton,President

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 Osey McGee, Jr. Executive Director

Motions and Concurrences:

1. Approval of COLA [↑](#endnote-ref-2)
2. Employer Contribution Rate [↑](#endnote-ref-3)
3. Approval of the 11/07/2017 Board Meeting Minutes, Approval of Applications for Reciprocal Recognition of Service and Transfers and Applications for Retirement, BackDROP, Disability and Survivor Benefits [↑](#endnote-ref-4)
4. Meeting with Sheriffs and Parish [↑](#endnote-ref-5)
5. Appropriate actions by Legal Counsel and Staff [↑](#endnote-ref-6)