



Louisiana State Police Retirement System

Board Meeting Minutes

Meeting Title	Louisiana State Police Retirement System Board Meeting
Date of Meeting	February 28, 2018
Where	9224 Jefferson Hwy, Baton Rouge, LA 70809
Start Time	1:30 p.m.

- 1) Shelley Sebastian, Administrative Assistant, called roll as follows:

Commissioner Jay Dardenne, Div. Of Administration, Appearing Thru
Andrea Hubbard, Designee for DOA Commissioner, PRESENT
Col. Kevin Reeves, Superintendent, Office of State Police, Appearing Thru
Frank Besson, Designee for Superintendent, PRESENT
John Schroder, State Treasurer, Appearing Thru
Thomas Enright, Designee for State Treasurer, PRESENT
Rep. Sam Jones, House Retirement Committee, NOT PRESENT
Byron Juneau, President, Central State Troopers Coalition, PRESENT
Kevin Marcel, Active Representative, Vice Chairman, PRESENT
Sen. Barrow Peacock, Senate Retirement Committee, NOT PRESENT
Doris Prudhomme, Surviving Spouse Representative, PRESENT
Jay O'Quinn, LSTA President, NOT PRESENT
Baxter Welch, Retiree Representative, PRESENT
Hackley Willis, Jr., Active/Retired Representative, PRESENT

The records reflect that the following persons were also present:

Denise Akers, Attorney	Kimberly A. Gann, Assistant Director
Racheal Alvey, Griffin & Furman, LLC	Stephen Griffin, Griffin and Furman, LLC
Gary Curran, G.S. Curran & Co.	Robin Landa, UBS/Paine Webber
Irwin L. Felps, Jr., Executive Director	Shelley Sebastian, Administrative Assistant

- 2) Chairman Frank Besson opened the meeting with the pledge of allegiance. The prayer was led by Irwin L. Felps, Jr.
- 3) Chairman Besson opened the floor for nominations for the 2018 Board Chairman and Vice-Chairman. A **MOTION** was made by Kevin Marcel to nominate Frank Besson, Jr. as Chairman of the Board. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

A **MOTION** was made by Frank Besson to nominate Kevin Marcel. The **MOTION** was seconded by Thomas Enright. No opposition. The motion passed.

Chairman Besson announced that the committees will remain the same. The committees are as follows:

Investment Committee is Frank Besson, Andrea Hubbard, Thomas Enright, Kevin Marcel and Jay O'Quinn.

Executive Committee is Frank Besson, Kevin Marcel and Jay O'Quinn

- 4) Irwin L. Felps, Jr. reviewed the December 20, 2017 Board meeting minutes. Mr. Felps highlighted a few main topics; item 2, Kimberly Gann will update the board regarding the upcoming retirements in the "Other Business"; item 3, as of 11/30/17 the total fund was up 17.09% calendar year to date and up 7.05% fiscal year to date and the assets totaled \$841M; item 4, Carlo McDonald of Exigo Technology addressed the board regarding Cyber Security. Mr. Felps informed the board that LSPRS is under contract with Exigo Technology. **(Exhibit A on file at the LSPRS office)**

A **MOTION** was made by Thomas Enright to approve the December 20, 2017 Board meeting minutes. The **MOTION** was seconded by Doris Prudhomme. No opposition. The motion passed.

- 5) Irwin Felps, Jr. reviewed the January 24, 2018 Investment committee minutes. Mr. Felps highlighted the following; item 4, the presentation from Ferris Hussein and Joe Dalton with The Carlyle Global Infrastructure Opportunity fund; item 5, Rob Bickham reviewed the Asset Allocation, Market Value and Returns Summary as of December 31, 2017. Mr. Bickham recommended committing \$5M to The Carlyle Infrastructure fund which would be part of the re-balancing. Mr. Bickham also advised the board that his recommendations for the re-balancing of the portfolio are as follows: 1% from US Large Cap, taken equally from T. Rowe and AJO, 1.5% from US Small Cap, taken equally from Ivy Investments and Fisher Investments. The entire 1% will go to LBAB Fixed Income fund (Lehman Ag), 1/2% to Brandywine Global and 1% to Real Estate, PRISA and JPMCB, divided equally between the two. Mr. Bickham reviewed the Market Values as of 12/31/17 and at the time the total fund value was \$846M; item 7, Mr. Felps discussed the 2018 Investment priorities: 1) Re-balance the portfolio 2) Analyze International and Emerging Market managers 3) Review Liquid Alternatives 4) Review Private Equity and 5) Review Real Estate Allocation. **(Exhibit B on file at the LSPRS office)**

A **MOTION** was made by Hackley Willis to approve the January 24, 2018 Investment Committee minutes. The **MOTION** was seconded by Baxter Welch. No opposition. The motion passed.

- 6) Kimberly Gann advised the board that the Board of Ethics financial disclosure deadline is May 15th. She had provided the required forms in the Board packets.
- 7) Robin Landa, UBS/Paine Webber reported as of January 31, 2017. Ms. Landa pointed out the total fund is \$882,177,111. The total domestic equity is \$594,785,876 which is 67.4% of the portfolio, Fixed Income is \$144,219,697 which is 16.3% of the portfolio and total alternatives are \$107,054,689 making up 12.1% of the portfolio. Ms. Landa reviewed the Market Value and Returns Summary stating that the total Equity Managers was up 5.66% year to date and 17.46% fiscal year to date and total Fixed Income Managers up .55% year to date and 2.64% fiscal year to date. The Total Fund up 3.97% year to date, 12.19% fiscal year to date and 7.87% since inception. **(Exhibit C on file at the LSPRS office)**

Irwin Felps, Jr. reviewed the ACT 1004 report **(Exhibit D on file at the LSPRS office)**

- 8) Stephen Griffin presented the check registers for the month ending December 31, 2017, and January 31, 2018. Mr. Griffin also presented the Statement of Net Position and Budget Summary as of January 31, 2018. **(Exhibit E on file at the LSPRS office)**

A **MOTION** was made by Baxter Welch to accept the financial reports presented by Stephen Griffin. The **MOTION** was seconded by Hackley Willis. No opposition. The motion passed.

- 9) Irwin Felps, Jr. discussed the 2018 Legislation. He reviewed the following bills: **(Exhibit F on file at the LSPRS office)**

SB 2 (Sen. Peacock) (State Police)- Grants a 1.6% COLA to qualified retirees

SB 3 (Sen. Peacock) (LASERS)- Provides 80% for hazardous duty members killed in the line of duty intentionally

SB 4 (Sen. Peacock)- Allows boards to appoint independent actuaries. No management of administrative oversight of system

SB 5 (Sen. Peacock) (State Police)- Provides for qualification of surviving spouses; Removes "living with" from statute.

SB 9 (Sen. Peacock) (State Police)- Clarifies that the cap on the Experience account includes the reserve necessary to grant the supplemental benefit for retirees over 65 who retired before 6/30/01

SB 14 (Peacock)- hybrid plan for LASERS for hires after 01/01/2020

HB 22 (Rep. Ivey)- Sets minimum funding for employer contributions at 20% and specifies usage over 20%

HB 23 (Rep. Ivey)- Limits alternative assets to 25% of portfolio

HB 24 (Rep. Ivey)- Requires uniform reporting standards for presenting discount rates and assumed rates of return

HB 34 (Rep. Pearson)- Requires system to establish a terror free index fund that identifies and excludes for the fund that has facilities or employees in a prohibited nation

HB 39 (Rep. Ivey)- Establish a hybrid plan for members of state retirement systems, hired on or after 07/01/2020

- 10) A **MOTION** was made by Kevin Marcel to accept the Benefit Change Report, Retirement/DROP approvals and the elimination/awarding benefit to spouse/children. The **MOTION** was seconded by Hackley Willis. No opposition. The motion passed. (**Exhibit G on file at the LSPRS office**)
- 11) **Other Business:** Kimberly Gann gave an update on the retirements anticipated in 2018. As of February 28, 2018, 118 troopers have requested estimates, 27 have executed retirement documents and 24 are scheduled to execute retirement documents (prior to July 5, 2018) (**Exhibit H on file at the LSPRS office**)
- 12) A **MOTION** was made by Doris Prudhomme to adjourn. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.



Frank Besson, Chairman
Louisiana State Police Retirement System
Board of Trustees