



Louisiana State Police Retirement System (LSPRS)

9224 Jefferson Highway, Baton Rouge, LA 70809

(225) 295-8400 or (800) 256-5210

Fax: (225) 295-8408

Board Meeting Minutes

Meeting Title	LSPRS Board Meeting
Date of Meeting	February 24, 2021 (Wednesday)
Where	LSP HQ. 7919 Independence Blvd., Baton Rouge, LA, Classrooms C and D
Start Time	1:30 p.m.

1) Chairman, Frank Besson opened the meeting with the Pledge of Allegiance followed by a prayer led by Byron Juneau.

2) Wendy Ingram, Administrative Assistant, called roll as follows:

Colonel Lamar Davis, Superintendent, Office of State Police, Appearing Through Frank Besson, Designee for Superintendent, PRESENT

Commissioner Jay Dardenne, Division of Administration, Appearing Through Andrea Hubbard, Designee for DOA Commissioner, PRESENT

Representative Lance Harris, NOT PRESENT

Byron Juneau, President, Central State Troopers Coalition, PRESENT

Kevin Marcel, Active Representative, Vice-Chairman, PRESENT

Senator Ed Price, Chairman, Senate Retirement Committee, NOT PRESENT

Doris Prudhomme, Surviving Spouse Representative, PRESENT

Jay O'Quinn, LSTA President, PRESENT

Treasurer John Schroder Appearing Through

Amy Mathews, Designee for State Treasurer, PRESENT

Walter W. Smith, Retiree Representative, PRESENT

Hackley Willis, Jr., Active/Retired Representative, PRESENT

The records reflect that the following persons were also present:

Denise Akers, General Counsel, Akers & Wisbar

Bonnie Bennett, Griffin & Co., LLC

Kimberly A. Gann, Assistant Director

Wendy Ingram, Administrative Assistant

Birney Malbrough, Administrative Assistant

Kevin P. Reed, Executive Director

Racheal Alvey, Griffin & Co., LLC

Greg Curran, System Actuary

Claire Guidry, Retirement Benefits Analyst

Robin Landa, UBS/Paine Webber

Mark Oxley, LSTA Executive Director

John Stelly, LA State Trooper

3) Walter W. Smith, LSPRS' new Retiree Representative was sworn in by Denise N. Akers, General Counsel, who administered the Oath of Office (**See Exhibit A-Attached**).

4) A **MOTION** was made by Kevin Marcel to nominate Frank Besson as 2021 Board Chairman. The motion was seconded by Hackley Willis. No opposition. The motion passed and Frank Besson happily accepted and expressed his appreciation for entrusting him as Chairman.

A **MOTION** was made by Frank Besson to nominate Kevin Marcel as 2021 Board Vice-Chairman. The motion was seconded by Jay O'Quinn. No opposition. The motion passed.

Frank Besson appointed the 2021 Committees as follows:

Executive Committee: Frank Besson, Chairman, Kevin Marcel, Vice-Chairman, and Jay O'Quinn

Investment Committee: Frank Besson, Vice-Chairman, Andrea Hubbard, Kevin Marcel, Chairman, Jay O'Quinn, and Amy Matthews

- 5) A **MOTION** was made by Kevin Marcel to approve the Board Meeting minutes from the December 16, 2020 meeting. The motion was seconded by Hackley Willis. No opposition. The motion passed **(See Exhibit B-Attached)**.
- 6) A **MOTION** was made by Amy Mathews to approve the Investment Committee minutes from the January 27, 2021 meeting. The motion was seconded by Ms. Doris Prudhomme. No opposition. The motion passed **(See Exhibit C-Attached)**.
- 7) Robin Landa, UBS/PaineWebber, presented the Board with the flash report and asset allocation as of January 31, 2021**(See Exhibit D-Attached)**. Ms. Landa reported that LSPRS' assets total \$1,056,832,983, remaining above the billion-dollar mark since November 2020. Ms. Landa mentioned that LSPRS is over its target allocation in equities, but we do have some rebalancing that is taking place. Ms. Landa stated that UBS economists foresee that the US economy will return to normal in the 3rd and 4th quarter as vaccinations roll out. She also stated that interest rates should continue to remain low for the foreseeable future and that is an opportunistic time to realize gains in equity segment of our portfolio. As noted earlier, Mr. Reed advised that we are currently reallocating by removing between \$5M and \$10M from the large cap area, anticipated to be complete in March 2021.

Ms. Landa pointed the members to the Market Value and Returns Summary as of January 31st. Equities for the month were up 0.92%. Fixed Income managers were negative for the month at -0.86%. Fiscal year to date the total fund is up 19.88% vs the policy of 16.37%.

Robin Landa discussed the ACT 1004 Comparison Chart (4th Quarter, 2020) stating that this chart is a comparison between the state systems. Kevin Marcel noted that LSPRS is the smallest retirement system, yet it has the highest FYTD return. Walter Smith asked for clarification as to why some systems outperformed us, to which Robin Landa pointed out that performance depends on the time-period (1-year, 3-year, 5-year, 10-year). Amy Mathews also noted that TRSL has more risks and alternatives vs LSPRS having more domestic equity. **(See Exhibit E-Attached)**.

- 8) Racheal Alvey, Griffin & Co., LLC reviewed the Cash Disbursements for the month ending December 2020. The month of January ended with total cash disbursements of \$86,831.50 and there were no unusual items to note. Ms. Alvey then presented the Statement of Fiduciary Net Position, changes in Fiduciary Net Position, and Budget Summary as of January 31, 2021. As of January 31st, we have cash in the bank of \$303,877, total receivables of \$923,520, total properties of \$1,159,928, total investments are at \$1,057,278,671 bringing the total assets to \$1,059,667,014, total liabilities are at \$2,098,634 making the total net position \$1,057,639,183. The Statement of Changes in the Fiduciary Net Position as of January 31, 2021, Year to Date, Total Revenues were at \$208,178,345.61 and total expenses were \$42,243,234.15 bringing our net increase to \$165,935,111.46. Racheal reviewed the Budget Summary, focusing on the column titled Actual for the Seven Months (31-Jan-21). The Personnel Services were \$354,865, which is \$6,841 under budget. Operating expenses were \$49,680, \$8,695 under budget. Total professional expenses were \$169,050 which was \$27,242 under budget. Total acquisitions were \$3,980, \$395 under budget. Our total investment manager fees were \$1,239,735, \$276,931 under budget **(See Exhibit F-Attached)**. A **MOTION** was made by Kevin Marcel to accept the financial report. The motion was seconded by Hackley Willis. No opposition. The motion passed.
- 9) Greg Curran, Actuary stated there has been some interest from active troopers regarding how LSPRS determines lump sum payments for unused accrued leave. Greg provided a presentation

on the Lump Sum Payments for Unused Accrued Leave to the LSPRS Board of Trustees (**See Exhibit G-Attached**). After Mr. Curran's presentation the board agreed to post the presentation to its website and the LSP Bulletin Board so that individuals may view and perhaps understand the methodology used to determine the payouts. Denise Akers, Attorney, mentioned hearing in the news that the mortality tables are decreasing by a year or so because of the pandemic and asked Mr. Curran if he anticipates a change. Mr. Curran noted that the changes taking place now will most likely take a few years to be reflected on the mortality table. Mr. Curran noted that LSPRS should remind active troopers that calculations are only official when provided by the system. Frank Besson agreed noting that troopers are encouraged to, when eligible, request an official estimate from the system. These calculations from the system are the official estimate of benefits. ***This presentation will count as 1 hour of actuarial credit for trustees in attendance today.*

Lt. John Stelly addressed the board thanking them for the presentation and the information used for the leave calculations. He feels he has a better understanding of how this is calculated. He agreed that having this information available could help troopers with making their final retirement decisions. He also expressed appreciation for being allowed to attend the meeting.

- 10) Kevin Reed spoke regarding current 2021 Regular Session legislation (**See Exhibit H-Attached**) explaining that right now there are four bills that directly impact the LA State Police Retirement System as follows:

Purchase of Accrual Upgrade, LSPRS Sponsored

Kevin Reed reminded the Board that they previously approved that staff move forward with a Board-sponsored bill to allow members to purchase an accrual upgrade for transferred service. This bill was presented last session but was not heard due to the pandemic. The bill will be brought forward this session by Senator Price. The bill will be in the exact format as previously approved.

Purchase of "Air-Time, or Permissive Service Credit, LSTA Sponsored

It is intended that this bill would be modeled somewhat after the similar provisions as provided by the Louisiana Sheriffs Pension & Relief Fund. It involves the purchasing of additional service credit. The trooper must be vested with at least 12 years of service, and the purchase would take place within 30 days of retirement to minimize cost. The member may purchase up to five additional years in one-year increments.

A **MOTION** was made by Hackley Willis to support this purchase of "air-time" bill sponsored by the LSTA. The motion was seconded by Kevin Marcel. No opposition. The motion passed.

3% Annual Increase, Intentional Act of Violence, LSTA Sponsored

This bill relates primarily to the surviving spouse or children of a trooper killed in the line of duty resulting from an intentional act of violence. This bill would provide that survivors may obtain insurance coverage through OGB under certain conditions. The portion of the bill impacting LSPRS is the portion that provides that the survivor's benefit (from an intentional act of violence) will increase by 3% each year on the anniversary of the trooper's death and will continue until that payment reaches the maximum according to the trooper's pay scale.

A **MOTION** was made by Jay O'Quinn to support as written the Intentional Act of Violence enhanced benefit package sponsored by the LSTA. The motion was seconded by Hackley Willis. No opposition. The motion passed.

COLA/PBI/1x Check

The next bill for consideration is the COLA/PBI bill spearheaded by Senator Price. Senator Price tasked the four state systems with providing language for his bill. This is actually something that the four state systems have been working on for about a year. Senator Price asked that a previous bill (the Doerge bill) be followed as an example. The issue is that the current application of the parameters, as provided for in the Doerge bill, would result in zero LSPRS members being eligible. So in an effort to provide a meaningful payment to the oldest and lowest paid members who gave the most service, LSPRS crafted language targeting individuals who served a full career and who have been retired the longest. Normally, most of the COLAS or PBIs are based on the federal poverty level (FPL). There has been much discussion regarding the applicability of the aggregate national poverty level vs a poverty level targeted to Louisiana residents; thus, utilizing more contemporary measures such as the United Way's ALICE reported poverty level or the University of Massachusetts-Boston, Senior Survivability Index. The subject increased retirement benefit payment must also be funded by the Experience Account, and the request was that we not use all or a large portion of the Experience Account to only fund a limited number of members' benefits. LSPRS has approximately \$2.1 million in the Experience Account. In summary, LSPRS has crafted a one-time non-reoccurring payment (or thirteenth check) to individuals who are at least 60 years of age, have a benefit of less than \$2500 per month, who have at least 20 years of service credit hired before September 8,1978 or 25 years of service if hired on or after September 8,1978, in addition to all disability recipients, including service-connected deaths regardless of age. This would exclude DROP, IBO and Back-DROP.

LSPRS has calculated a one-time cost for the system based on the above parameters to be \$572,807 and it would use approximately 27% of the assets in the experience account. This payment is calculated using \$3 per month of service and \$2 per month retired. This will provide a one-time payment to 395 recipients or 31.15% of retirees and members. This bill is a single bill for all 4 state systems, although LSPRS' portion is quite different. Walter Smith inquired why all benefit recipients over a certain age, say 80 years old, cannot be included in this bill. This would provide a benefit to our older population regardless of their current benefit amount. Mr. Reed noted that this request was brought to Senator Price's attention. Due to the increased cost, coupled with the limited number of additional recipients, this is not something that will be pursued at this time.

A **MOTION** was made by Walter Smith to support the one-time non-re-occurring benefit payment as described by Kevin Reed. The motion was seconded by Kevin Marcel. No opposition. The motion passed.

Mark Oxley, LSTA Director, expressed his gratitude to staff for all their hard work, guidance and support.

- 11) Kimberly Gann reminded the trustees of their requirements for educational training and provided information to access training online. The training period is September 1st through August 31st each year. The current year to date Education Training Report is provided for information purposes only. This gives the Trustees a snapshot of where they stand today on the credits required. **(See Exhibit I-Attached)**. Mrs. Gann also noted that Walter Smith has completed one hour of training credit in each of the required categories which entitles him to vote at today's meeting.

- 12) A **MOTION** was made by Jay O'Quinn to enter executive session. The motion was seconded by Byron Juneau. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel to exit Executive Session. The motion was seconded by Hackley Willis. No opposition. The motion passed.

- 13) A **MOTION** was made by Hackley Willis to accept the Retirement/DROP and Elimination/Awarding Benefits to Spouse/Children Benefits Change Report (**See Exhibit J-Attached**), in globo. The motion was seconded by Byron Juneau. No opposition. The motion passed.

Questions regarding potential changes to a retirement benefit were raised. Wendy Ingram explains that it is because of a possible fluctuation in leave between the time of the retirement meeting and the trooper's last day of work/leave. Frank Besson commented that we would constantly be approving small changes if we continue with this method of noting adjustments on the change report. Kimberly Gann will address the matter with staff.

- 14) A **MOTION** was made by Byron Juneau to adjourn. The motion was seconded by Jay O'Quinn. No opposition. The motion passed.



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