



Louisiana State Police Retirement System (LSPRS)

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Board Meeting Minutes

Meeting Title	Louisiana State Police Retirement System Board Meeting
Date of Meeting	November 5, 2020
Where	Louisiana State Police Retirement System, 9224 Jefferson Highway, Baton Rouge, LA 70809, Dr. Bobby E. Smith Boardroom
Start Time	10:00 a.m.

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

2) Kimberly A. Gann, Assistant Director, called roll as follows:

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
Colonel Lamar Davis, Superintendent, Office of State Police, Appearing Through
Frank Besson, Designee for Superintendent, PRESENT
Treasurer John Schroder Appearing Through
Amy Mathews, Designee for State Treasurer, PRESENT
Baxter Welch, Retiree Representative, PRESENT
Hackley Willis, Jr., Active/Retired Representative, NOT PRESENT

The records reflect that the following persons were also present:

Denise Akers, General Counsel, Akers & Wisbar	Lowell Good, Actuary, LA Legislative Auditor*
Racheal Alvey, Griffin & Co., LLC	Claire Guidry, Retirement Benefits Analyst
Rob Bickham, Investment Consultant, UBS*	Robin Landa, UBS/Paine Webber*
Greg Curran, System Actuary	Kevin P. Reed, Executive Director
Kimberly A. Gann, Assistant Director	John Schroder, State Treasurer
Mike Caparotta, Auditor, Heinz & Macaluso, LLC	Walter W. Smith, Retiree

*Attendance Via Zoom

3) A **MOTION** was made by Kevin Marcel to approve the Board minutes from the June 24, 2020 meeting. Discussion: Kimberly Gann reminded the board that Ms. Prudhomme was re-elected to the surviving spouse seat on the board. This was announced at the June meeting, but it has been so long since a meeting that she wanted to remind the trustees and welcome Ms. Prudhomme for her second term through June 30, 2025. **(See Exhibit A-Attached)**. The motion was seconded by Byron Juneau. No opposition. The motion passed.

4) A **MOTION** was made by Amy Mathews to approve the minutes from the July 22, 2020 investment committee meeting. The motion was seconded by Doris Prudhomme. No opposition. The motion passed **(See Exhibit B-Attached)**.

- 5) A **MOTION** was made by Amy Mathews to approve the executive committee minutes from the August 12, 2020 meeting. Discussion: Kimberly Gann announced that the Sebastian vs. LSPRS matter is set for public hearing on January 25, 2021. **(See Exhibit C-Attached)**. The motion was seconded by Jay O'Quinn. No opposition. The motion passed.
- 6) A **MOTION** was made by Kevin Marcel to approve the minutes from the September 3, 2020 executive committee meeting. Discussion: Kimberly Gann advised the board that Ms. Karla Billiot has submitted her request in writing asking that the board continue to hold her disability application in pending status as she works through some issues related to leave with her employer. This matter will come before the board at the meeting on December 23, 2020. The motion was seconded by Amy Mathews. No opposition. The motion passed **(See Exhibit D-Attached)**.
- 7) A **MOTION** was made by Amy Mathews to approve the minutes from the September 30, 2020 investment committee meeting. Discussion: Amy Mathews noted that at this meeting the committee elected to rebalance the portfolio and pointed the members to the chart on Page 2 of the minutes. Rob Bickham advised that this process has already begun as we rebalance the portfolio to align with the Investment Policy Statement. The motion was seconded by Kevin Marcel. No opposition. The motion passed **(See Exhibit E-Attached)**.
- 8) Robin Landa, UBS/PaineWebber, presented the Board with the flash report and asset allocation as of September 30, 2020. Ms. Landa reported that LSPRS had a total market value of \$936,764,596 as of the end of September 2020. Ms. Landa pointed the members to the current month column of the returns summary noting that the month was not favorable to the portfolio. However, on a fiscal year to date basis the total return is 5.65%, giving LSPRS a return of 7.45% since inception. The Board accepted the report **(See Exhibit F-Attached)**.

Kevin Reed advised the members that AJO, LSPRS' large cap value manager, has notified us that they will be closing on December 31, 2020, although they will manage money into the first quarter of 2021 as clients exit. With executive committee approval we are transitioning from AJO to SSGA. This will move these assets from AJO to an index fund. We have begun the process of reviewing the documents, and we are also negotiating lower fees for assets currently under management by SSGA. We anticipate having this completed within the Thanksgiving to mid-December timeframe. A **MOTION** was made by Amy Mathews to approve moving assets managed by AJO to SSGA. The motion was seconded by Jay O'Quinn. No opposition. The motion passed.

- 9) Racheal Alvey, Griffin & Co., LLC, reviewed the Cash Disbursements for the months ending June 30, 2020, July 31, 2020, August 31, 2020 and September 30, 2020. Ms. Alvey then presented the Statement of Fiduciary Net Position, changes in Fiduciary Net Position, and Budget Summary as of June 30, 2020 and as of September 30, 2020 **(See Exhibit G-Attached)**. A **MOTION** was made by Jay O'Quinn to accept the financial report. The motion was seconded by Byron Juneau. No opposition. The motion passed.
- 10) Mike Caparotta, Heinz & Macaluso, LLC, presented the system's June 30, 2020 Audit Report **(See Exhibit H-Attached)**. Mr. Caparotta noted that the financial statements present fairly in all material aspects with no noted matters involving internal controls. He stated that this was a challenging time to conduct an audit considering the COVID related restrictions, but, was complimentary of staff and their willingness to work through the process. Kevin Reed thanked Mr. Caparotta for working with them through this challenging audit timeframe, due to the unique COVID-19 induced operating environment. Mr. Reed also advised the board that the Compliance Questionnaire is located in their material and has been signed and presented to the auditors **(See Exhibit I-Attached)**. A **MOTION** was made by Amy Mathews to approve the audit report. The motion was seconded by Jay O'Quinn. No opposition. The motion passed. A **MOTION** was made by Amy Mathews to approve the Compliance Questionnaire. The motion was seconded by Jay O'Quinn. No opposition. The motion passed.

- 11) Greg Curran, G.S. Curran & Co., presented the board with the June 30, 2020 Actuarial Report (**See Exhibit J-Attached**). Mr. Curran pointed the members to Page 22 explaining how experience gains and losses impact the funding ratio of the plan. On Page 1 of the report he noted that membership has remained relatively the same although payroll has increased a small amount. As expected, payroll has increased over time. Mr. Curran did note that there was a small amount of interest added to the Experience Account but the account does not have enough available for a COLA this year. Amy Mathews inquired about the amount needed. Mr. Curran advised that we need approximately \$4.4M this year for a COLA (that amount does change based on the CPI). Mr. Curran noted that the non-money market DROP rate is 5.06% available to be credited to only DROP eligible accounts. The employer rate for 2022 will be 58.8% if approved by PERSAC. Mr. Curran also noted that he was able to provide historical market return information in this report because he was able to access the old actuarial reports from the previous actuary. On Page 8 he noted that over a 30-year period the system has met its assumed rate of return of 7%, coming in at 7.22%. A **MOTION** was made by Amy Mathews to approve and accept the 2020 Actuarial Report. The motion was seconded by Kevin Marcel. No Opposition. The motion passed.
- 12) Kevin Reed provided the members with an update on legislation (**See Exhibit K-Attached**). He advised that the only bill directly impacting LSPRS during the special session was HB 97 which addressed rehired retirees during a declared emergency. There were a few bills that passed the regular session but none having a direct impact to LSPRS benefits. Act 302 provided guidance for meetings during and emergency, Act 153 addressed administrative rule requirements, Act 155 placed cybersecurity training requirements on state employees, and Act 293 addressed interagency sharing of data.
- 13) Kimberly Gann advised the board that the system recently conducted an election of the retiree representative on the LSPRS Board of Trustees. This person will replace Baxter Welch who chose not to seek re-election. Mr. Walter Smith, who is in attendance today, won the seat and will begin his term on January 1, 2021 through December 31, 2025. The members welcomed Mr. Smith and thanked Mr. Welch for his service on the board.
- 14) Kimberly Gann presented the members with the proposed 2021 Board and Committee Schedule (**See Exhibit L-Attached**). Upon approval this schedule will be submitted to the Legislature and posted online. A **MOTION** was made by Jay O'Quinn to approve the 2021 meeting schedule. The motion was seconded by Byron Juneau. No opposition. The motion passed.
- 15) Kevin Reed advised the members that the installation of additional cameras on the LSPRS building is complete. The pictures and videos are saved for 3 months and cover most every area of the building.
- 16) A **MOTION** was made by Kevin Marcell to approve the Retirement/DROP and Elimination/Awarding Benefits to Spouse Children Benefits Change Report (**See Exhibit M-Attached**), in globo. The motion was seconded by Jay O'Quinn. No opposition. The motion passed.
- 17) Any Other Business:
 - Treasurer John Schroder asked if the members could explain to him the difference between old DROP and Back DROP. Kevin Reed and Kim Gann explained that old DROP is when a member of the system must make a decision to go into DROP, lock in the salary, continue working for a period not to exceed 3 years, and receive monthly deposits to their DROP account for the number of months they are in the program. They are locking in their salary and retirement at the time that they make the decision. Back DROP is when a member works beyond eligibility and elects to go into DROP on the day they retire. They make the decision at the time of retirement with all of the salary information available to them.

- A **MOTION** was made by Amy Mathews to add discussion of surviving child benefits to the agenda. The motion was seconded by Baxter Welch. No opposition. The motion passed. Discussion: Denise Akers made the board aware of a situation where we have a surviving adult handicap child, Henrietta Vondenstein, who is now without a curator to handle her affairs. Her curator is unable to perform the duties. The family will be closing the account leaving us with no direction on where to make payments, and no one to take direction from. Ms. Akers is proposing that we file a concursus proceeding inside the curatorship, if necessary, requesting the court to appoint a new curator. This may not become necessary since we are working with Ms. Vondenstein's sister in an attempt to reach a resolution. However, since our next board meeting is not until the end of December, we would like this option if it becomes necessary. A **MOTION** was made by Amy Mathews to authorize Denise Akers to file a concursus proceeding inside the curatorship to request the court appoint a new curator if it becomes necessary. The motion was seconded by Jay O'Quinn. No opposition. The motion passed.
- 18) A **MOTION** was made by Jay O'Quinn 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

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