

LSPRS || LOUISIANA STATE POLICE RETIREMENT SYSTEM

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Board Meeting Minutes

Meeting Title	LSPRS Board Meeting
Date of Meeting	December 13, 2023 (Wednesday)
Where	9224 Jefferson Hwy, Baton Rouge, LA (Dr. Bobby E. Smith Boardroom)
Start Time	Upon Adjournment of the Investment Committee

- 1) Chairman, Frank Besson called the meeting to order.
- 2) Frank Besson led the Pledge of Allegiance followed by a prayer led by Alan Verhoef, LSPRS Board member.
- 3) Gretchen Marquez, Executive Staff Officer, 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 Vanessa LaFleur, Representing the House Committee on Retirement, PRESENT
Chris LeDay, President, Central State Troopers Coalition, PRESENT
Kevin Marcel, Retired/Active Representative, Vice-Chairman, NOT PRESENT
Senator Ed Price, Chairman, Senate Retirement Committee, Appearing Through Representative Cleo Fields, Designee for Senator, NOT PRESENT
Doris Prudhomme, Surviving Spouse Representative, PRESENT
Treasurer John Schroder, Appearing Through Amy Mathews, Designee for State Treasurer, PRESENT
Hackley Willis, Jr., LSTA President, PRESENT
Alan Verhoef, Active Representative, PRESENT
Bryan Zeringue, Retiree Representative, PRESENT

The record reflect that the following persons were also present:

Rob Bickham, UBS Institutional Consulting
Racheal Alvey, Griffin & Furman, LLC
Margaret Corley Michel, LSPRS Executive Director
Laura Gail Sullivan, General Counsel
Gretchen Marquez, LSPRS Executive Staff Officer
Doug Hanly, LSPRS Chief Investment Officer

- 4) A **MOTION** was made by Hackley Willis to approve the Board Minutes from the October 25, 2023 Board Meeting. The motion was seconded by Representative Vanessa LaFleur. No opposition. The motion passed. **(See Exhibit A - attached)**

- 5) Rob Bickham, UBS, presented the Board with the Asset Allocation and Markets Value and Returns Summary as of October 31, 2023. **(See Exhibit B - Attached)** The total equities had a market value of \$546,554,808 equating to 55.4% of the portfolio, the total fixed income equated to 22.1% of the portfolio at \$217,792,010, which is well within the minimum and maximum target allocation. The total alternative investments were 18.2% of the portfolio at \$179,419,052, which is below the 19.5% target, and total cash of 4.3% at \$42,532,133. The month ended with a total fund value of \$986,298,004.

Mr. Bickham directed the Board to view the Market Value and Returns Summary as of October 31, 2023. **(See Exhibit C - Attached)** Focusing on the Year-To-Date column, total domestic equities were 5.31%, total equity managers were 4.72%, total international equities were 3.62% and total fixed income managers were down -1.83%. Overall, the total fund was 1.72% for the year-to-date and 7.11% manager analyzed return since inception.

Doug Hanly also mentioned to the Board that the LSPRS negotiated fees with Ivy and are now saving \$25,000/year. Mr. Hanly and Ms. Michel have also changed fund structures which will save over \$100,000/year in fees and expenses. The investment in GQG has also outperformed the benchmark and has had a strong start since investing as of three months ago. As of FY October 2023, the positive returns have been in cash, short-term bonds, and private credit investments. Equities and fixed income have been negative. Mr. Hanly stated that we may want to bolster our diversification to have investments that perform well even in a rising rate environment by looking at our hedge fund exposure.

- 6) Racheal Alvey, Griffin & Co., LLC, presented the Cash Disbursements for October 2023. October's total disbursement amounted to \$173,280.27, noting two large disbursements to Loomis and UBS. **(See Exhibit D - attached)**

Ms. Alvey then reviewed the Statement of Fiduciary Net Position/Balance Sheet for the month ending October 31, 2023. She pointed out that the bank held \$105,350 in cash, with Total Investments standing at \$985,910,606. Total Liabilities were \$3,261,511, resulting in a Net Position of \$985,110,601. Next, she discussed the Statement of Changes in Fiduciary Net Position/Income Statement, focusing on the July-October 2023 column. Total Revenues were reflected as a loss of \$30,337,595.44 due to the unrealized gain/loss of investments. Total Expenses were \$29,552,351.75, bringing Net Income to a loss of \$59,889,947.19. **(See Exhibit E - Attached)**

Ms. Alvey reviewed the Budget Summary for the month ending October 31, 2023, focusing on the Over/Under Budget in last column. Ms. Alvey stated that we were under in all categories except for only a few. The travel budget was slightly over but should level out over the year. Dues and subscriptions were over budget due to the annual tax software. The death audit fee is now annual instead of monthly so the miscellaneous category is over budget but should also level out over time. Ms. Alvey stated that we were under budget with a Total Operating Budget of \$471,066. **(See Exhibit F - Attached)**

A **MOTION** was made by Representative Vanessa LaFleur to accept the financial reports. The motion was seconded by Alan Verhoef. No opposition. The motion passed.

- 7) Ms. Michel directed the Board to view a legislative bill drafted which defines that the employer contribution designated for the PBI account does not leave with a member transfer. Senator Price agreed to author the Bill and it is going forward for the 2024 Regular Session of the Legislature. **(See Exhibit G - Attached)**
- 8) Ms. Michel directed the Board to view the memo regarding a request for proposals (RFP) for an institutional investing consultant, as well as a draft of the RFP itself. Ms. Michel mentioned that LSPRS has not had an increase with our current consultant in ten years. Ms. Michel did a review of

other retirement systems and concluded that LSPRS is very under market value on what we are paying a consultant. LSPRS has not gone out for an RFP in about thirty years. A request for proposals is in the best interest of the Board and its fiduciary duty. Ms. Michel and Mr. Hanly will choose the finalists and then give the Board two weeks' notice of who the finalists will be. **(See Exhibit H - Attached)**

A **MOTION** was made by Amy Mathews to issue the draft Request for Proposal for an Institutional Investment Consulting Service and to advertise such RFP in the most effective and efficient manner as determined by staff. The motion was seconded by Andrea Hubbard. No opposition. The motion passed.

- 9) A **MOTION** was made by Amy Mathews to **enter** Executive Session for the strategic unclassified salary review. The motion was seconded by Hackley Willis. No opposition. The motion passed.

A **MOTION** was made by Amy Mathews to **exit** Executive Session. The motion was seconded by Bryan Zeringue. No opposition. The motion passed.

A **MOTION** was made by Bryan Zeringue to adopt a strategic plan for the increase of Unclassified Personnel Salaries, subject to satisfactory performance evaluations, as outlined by the attached graph. The motion was seconded by Alan Verhoef. No opposition. The motion passed.

	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Ex Dir		6%	5%	5%
CIO	\$20,000 increase at the one-year anniversary	6%	6%	6%

- 10) Ms. Michel directed the Board to view the Benefits Change Report from October 25, 2023. Jeffery Argrave has already been approved by the Board to retire. The incoming administration has requested that LSPRS amend the policy specifically for this one member to be working for a longer period and he will retire at a later date. Ms. Michel stated that it is the official policy of LSPRS that once a member has executed their retirement documents, inclusive of the intent to retire letter and the application for retirement, the member has made an irrevocable decision to retire. Due to the specific needs of the changing administration, the LSPRS Board has moved to allow the member to rescind his retirement application.

A **MOTION** has been made by Hackley Willis to revise the Benefits Change Report adopted by the board on October 25, 2023, to remove Jeff Argrave. The motion was seconded by Doris Prudhomme. No opposition. The motion passed. **(See Exhibit I -Attached)**

A **MOTION** was made by Alan Verhoef to approve the Benefits Change Report for December 13, 2023, in globo. The motion was seconded by Hackley Willis. No opposition. The motion passed. **(See Exhibit J -Attached)**

- 11) Ms. Michel informed the Board that PRSAC will be meeting on December 14, 2023, to approve the LSPRS experience study as well as approving the valuations of the four State retirement systems.

Ms. Michel mentioned that the strategic planning workshop was held last week. Mr. Besson, Ms. Hubbard, and Mr. Zeringue attended the workshop and described the needs of the System, what LSPRS was doing previously, and what we are looking forward to doing to help the System in the future. Ms. Brasseaux also spoke to a few other Board members via phone interviews. In the

coming months, Ms. Michel will be working with Doreen Brasseaux to draft the strategic plan for the Board to review at the February Board meeting. The Board members will have until the April Board meeting to review and give feedback.

- 12) In other business, Ms. Michel stated that approximately half of the scanning project that was approved in October is completed. MoeBiz has installed software on computers and is picking up the rest of the files today.

The AHRMS project with Exigo has been going well. Everything entered into the old system is also entered into the new system to detect any possible glitches with the new system.

Ms. Michel mentioned that Chris LeDay is not seeking reelection as the CSTC president so LSPRS will get a new Board member in January 2024.

The LATEC convention will be the week before Mardi Gras. No current Board members need any extensive training hours. The Board will get one more hour of actuarial training at an upcoming meeting. Ms. Michel stated that she can send out some information to the members who still need one more actuarial training course online.

- 13) A **MOTION** was made by Bryan Zeringue to adjourn the meeting. The motion was seconded by Representative Vanessa LaFleur. No opposition. The motion passed.



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