



Louisiana State Police Retirement System

Board Meeting Minutes

Meeting Title	Louisiana State Police Retirement System Board Meeting
Date of Meeting	April 15, 2015
Where	9224 Jefferson Hwy, Baton Rouge, LA 70809
Start Time	1:30 p.m.

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

Frank Besson, Jr., President, LSTA, Chairman, PRESENT
Col. Michael Edmonson, Superintendent, Office of State Police, Appearing Thru
Charles Dupuy, Designee for Office of State Police, NOT PRESENT
Sen. Elbert Guillory, Senate Retirement Committee, NOT PRESENT
John Kennedy, State Treasurer, NOT PRESENT
Amy Mathews, Designee for State Treasurer, PRESENT
Stephen Lafargue, Retired/Active Representative, PRESENT
Kevin Marcel, Active Representative, Vice Chairman, PRESENT
Thurman Miller, President, Central State Troopers Coalition, NOT PRESENT
Commissioner Kristy Nichols, Div. Of Administration, Appearing Thru
Andrea Hubbard, Designee for DOA Commissioner, PRESENT
Rep. Kevin Pearson, House Retirement Committee, NOT PRESENT
Marsha Pressburg, Surviving Spouse Representative, PRESENT
Bobby E. Smith, Retired Representative, PRESENT

The records reflect that the following persons were also present:

Denise Akers, Attorney	Byron Juneau, Trooper attending for Thurman Miller
Rob Bickham, UBS/Paine Webber	Kristin Leto, Griffin & Co., System Accountant
Irwin Felts, Jr., Executive Director	Shelley Sebastian, Administrative Assistant
Kimberly A. Gann, Assistant Director	

- See attached Guest list for additional attendees (**Exhibit A on file at LSPRS office**)

Chairman Frank Besson opened the meeting with the pledge of allegiance. The prayer was led by Bobby Smith.

- 3) A **MOTION** was made by Bobby Smith to open the floor for nominations for the 2015 Board Chairman and Vice-Chairman. The **MOTION** was seconded by Amy Mathews. No opposition. The motion passed.

A **MOTION** was made by Bobby Smith to nominate Frank Besson as Chairman of the Board. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.

A **MOTION** was made by Bobby Smith to nominate Kevin Marcel as Vice-Chairman of the Board. The **MOTION** was seconded by Stephen Lafargue. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel for the Executive Committee and the Investment Committee to remain the same as the 2014 committees with no change in members. The **MOTION** was seconded by Bobby Smith. No opposition. The motion passed.

- 4) Chairman Besson asked the board to approve the Board meeting minutes of December 17, 2014. A **MOTION** was by Bobby Smith to approve the December 17, 2014 Board minutes. The **MOTION** was seconded by Amy Mathews. No opposition. The motion passed.

Chairman Besson asked the board to approve the Board meeting minutes of February 18, 2015. A **MOTION** was made by Amy Mathews to approve the February 18, 2015 minutes. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.

Irwin Felps updated the board regarding the retirement of Charles Hall, system Actuary, which was also discussed in the February 18, 2015 meeting. Mr. Felps has met with Gary and Greg Curran with Curran & Associates to inquire about their actuary services and the possibility of becoming a client when Mr. Hall retires. Mr. Felps recommends we continue our relationship with Charles Hall until June 30, 2016 and then retain Curran & Associates as our system's actuary. Curran and Associates is in agreement.

- 5) Chairman Besson asked the board to approve the Investment Committee meeting minutes of January 21, 2015. A **MOTION** was made by Amy Mathews to approve the January 21, 2015 minutes. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

Chairman Besson asked the board to approve the Investment Committee meeting minutes of March 25, 2015. A **MOTION** was made by Amy Mathews to approve the March 25, 2015 minutes. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

Investment Committee Chairperson Mathews explained to the Board that the minutes of the March 25, 2015 Investment Committee meeting contained a recommended plan to rebalance the portfolio. This rebalancing program would include:

- 1) Reducing the active large cap domestic equity managers by 5%
 - 2) Invest 3% of the large cap reduction into the current international managers, except for Aberdeen who is currently on "watch". The 3% for Aberdeen would be temporarily invested in a MSCI-EAFE fund with State Street Global;
 - 3) Invest 2% of the large cap reduction into our current emerging market managers;
 - 4) The 25% allocation target for our large cap domestic managers would be divided equally between Aronson, T.Rowe Price and the S&P 500 index fund; and
 - 5) Reduce the S&P 400 index fund from 5.6% to 2%, and the proceeds would be allocated to an active mid-cap manager.
- 6) Chairperson Mathews made a motion to approve the Executive Committee meeting minutes of February 10, 2015 and April 9, 2015. A **MOTION** was made by Kevin Marcel to approve the minutes of February 10th and April 9th. The **MOTION** was seconded by Bobby Smith. No opposition. The motion passed.
- 7) Rob Bickham, UBS/Paine Webber, presented the monthly asset allocation and the market value and returns summary as of March 31, 2015. **(Exhibit B on file at the LSPRS office)**

Mr. Bickham indicated that LSPRS finished the month of March at \$649,207,750 total assets, pointing out that this is a high-water mark for the system. The quarter ended with \$409M in total equities making up 63% of the portfolio. T.Rowe, Aronson and State Street Global are the Large Cap Equity managers which are 30.4% of the portfolio, slightly over the target of 25.0%. The underweight equity managers are Aberdeen and Templeton at 9.6% with a target being 12.5%. By

reducing the large cap by 5%, putting 3% into international equities (Aberdeen and Templeton, and 2% into emerging market equities (Brandes and Vontobel), this will effectively rebalance the equity portion of our portfolio as approved at the March 25th Investment Committee meeting.

Fixed income makes up 19.3% of the portfolio with a target of 22.5%. State Street Global and Orleans Capital (Core Fixed Income) make up 8.8% with a target of 12.5% and Loomis and Brandywine (Full Discretion) makes up 10.5% and the target is 10.0%. The alternative assets currently make up 14.6% of the portfolio, with a target percentage of 15%.

Mr. Bickham advised the board, at the upcoming (May 20th, 2015) Investment Committee meeting, the committee will be addressing the Mid Cap and also tweaking the Fixed Income target from 22.5% to 20.0%.

Irwin Felps reviewed the 4th quarter 2014, ACT 1004 Comparison Chart (**Exhibit C on file at the LSPRS office**)

- 8) Kristin Leto presented the check registers for the period of February 1, 2015 to March 31, 2015, the Budget Summary and JP Morgan Balance Report as of March 31, 2015. (**Exhibit D on file at the LSPRS office**)

A **MOTION** was made by Kevin Marcel to accept the Financial Report. The **MOTION** was seconded by Amy Mathews. No opposition. The motion passed.

- 9) Legislation Update – Irwin Felps advised the board there are 2 bills that may affect LSPRS. The 2 bills are SB16, authored by Senator E. Guillory and HB42, authored by Representative Sam Jones. The bills would allow the 4 state retirement systems to pay a COLA in 2015.

*Let the record reflect, Andrea Hubbard, Designee for DOA commissioner, stated she does have reservations concerning these bills due to not knowing the fiscal impact from an actuarial standpoint.

A **MOTION** was made by Bobby Smith granting legislative authority to Irwin Felps, Jr. and Frank Besson during the 2015 session. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.

A **MOTION** was made by Bobby Smith in support of HB42 and SB16. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.

- 10) Kimberly Gann advised the board that she has been researching options for new system software. As a reminder she noted that the current software package is very outdated with limitations. It is a DOS based program that was implemented in 1999. In her research she discovered Exigo Technology and has visited with the two systems, Clerk's and Assessor's, who are currently using this software. Mr. Gann requested that the owner of the company introduce himself to the board so that he could answer any questions they may have. Carlo MacDonald gave the board a brief bio on himself and his company. He advised that this is a web based program that will also have the capability for members to sign into their accounts to update and check certain information. It has all of the capabilities of the current software plus many enhancements. He looks forward to working with Kimberly and the staff as we move forward if the Board elects to move to this software.

A **MOTION** was made by Kevin Marcel to accept the Exigo contract for the new software program, and to choose the cloud option at a cost of approximately \$30,000. The **MOTION** was seconded by Bobby Smith. No opposition. The motion passed. (**Exhibit E on file at the LSPRS office**)

- 11) Actuarial Services – Irwin Felts discussed the upcoming retirement of the system’s actuary, Charles Hall. The discussion was during the approving of the February 18, 2015 Board meeting minutes. See discussion on page 2.
- 12) A **MOTION** was made by Amy Mathews to accept the elimination/awarding benefits to spouse/survivor. The **MOTION** was seconded by Bobby Smith. No opposition. The motion passed. **(Exhibit F on file at the LSPRS office)**
- 13) A **MOTION** was made by Kevin Marcel to adjourn. The **MOTION** was seconded by Bobby Smith. No opposition. The motion passed.



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