



Louisiana State Police Retirement System

Board Meeting Minutes

Meeting Title	Louisiana State Police Retirement System Board Meeting
Date of Meeting	February 18, 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, NOT PRESENT
Marsha Pressburg, Surviving Spouse Representative, PRESENT
Stephen Lafargue, Retired/Active Representative, NOT 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
Kevin Marcel, Active Representative, Vice Chairman, PRESENT
Rep. Kevin Pearson, House Retirement Committee, NOT 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
Bobby E. Smith, Retired Representative, PRESENT

NOTE: No Quorum

The records reflect that the following persons were also present:

Denise Akers, Attorney	Rob Bickham, UBS/Paine Webber
Irwin L. Felps, Jr., Executive Director	Kristin Leto, Griffin & Co., System Accountant
Kimberly A. Gann, Assistant Director	Shelley Sebastian, Administrative Assistant

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

Vice-Chairman Kevin Marcel opened the meeting with the pledge of allegiance. The prayer was led by Bobby Smith.

- 3) Vice-Chairman Kevin Marcel asked for general public comment. The record reflects that there were no public comments.
- 4) Election of 2015 Chairman and Vice-Chairman and appointment of 2015 committees will be addressed at the meeting in April due to a lack of quorum. Denise Akers advised the board that 2014 officers and committees will continue to serve until the new officers have been elected and appoint new committee members.
- 5) The Board members reviewed the December 17, 2014 minutes and had no comments or questions at this time.

- 6) Chairwoman Amy Mathews updated the board members on the January 14, 2015 Investment Committee minutes.

Ms. Mathews reviewed the Investment Committee 2015 priorities:

- 1) Portfolio rebalancing
- 2) Continue with the allocation to Private Equities
- 3) Allocate to the Active Mid-Cap space
- 4) Education on the Liquid Alternative and Master Limited Partnership

Irwin Felps updated the Board on Campbell Timber. Mr. Felps reported the steering committee continues to meet every other week. He noted that CALPERS has made the decision to terminate all of their timber holdings and alternative managed assets. Mr. Felps advised the board that at this time, there are two options: (1) re-structure the lending agreements (2) sale the entire portfolio. Mr. Felps believes the re-structuring of the lending agreements would be the best option. The final decision is in the hands of the general partner, according to the operating partnership agreement, which is Campbell Timber.

- 7) Irwin Felps reviewed the February 10, 2015 Executive Committee minutes. He updated the board regarding the retirement of the system's actuary, Charles Hall. 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 and it was Mr. Felps' intention to have the board authorize him to submit a Letter of Intent to Curran & Associates.

Retirement System Software – Kimberly Gann explained to the board members the need our system has for a new retirement software program. Ms. Gann has researched several different options and found the company Exigo could possibly meet our system's needs. The Clerks of Court and Assessor's Retirement systems both use this software. Ms. Gann has visited these retirement systems to learn both the pros and cons of the software. She will be making additional visits to learn more about this software program. Carlo Macdonald, owner of Exigo, was going to introduce himself to the board today but was unable to attend due to conflict in scheduling. Ms. Gann will continue to investigate and advise the board of her recommendation at a later date. Please see Exhibit B for a bio on Carlo Macdonald. **(Exhibit B on file at the LSPRS office)**

Mr. Felps advised the Board that Chairman Frank Besson asked the Executive Committee's opinion on an increase in benefits for the catastrophically disabled troopers. After review and further discussion the Board determined this Legislative Session would not be the right time to ask for this increase.

- 8) Rob Bickham, UBS/Paine Webber, presented the monthly asset allocation and the market value and returns summary as of January 31, 2015. **(Exhibit C on file at the LSPRS office)**

Mr. Bickham indicated that LSPRS finished the month of January at \$621,338,905. For the month, our assets were down 0.74%. For the first seven months of our fiscal year, our assets are down 0.34%. Mr. Bickham expressed concern about meeting our expected rate of return of 7% for the entire fiscal year. Mr. Bickham also reminded the Board that we have enjoyed three or four excellent investment years in the past five years. This will mitigate the impact of this years less than expected investment performance.

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

At this time Rob Bickham requested that the March investment committee meeting be moved due to a personal conflict with the meeting date of March 18th. The members agreed to change the meeting to Wednesday, March 25th.

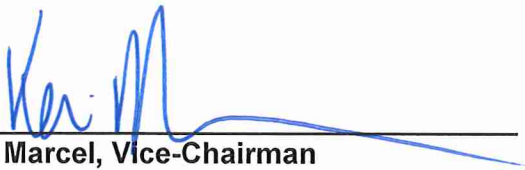
- 9) Kristin Leto presented the check registers for the period of December 1, 2014 to January 31, 2015, the Budget Summary and JP Morgan Balance Report as of January 31, 2015. **(Exhibit E on file at the LSPRS office)**
- 10) The Benefits Change Report will be presented at the April meeting, this report does require approval from the Board members.
- 11) Any Other Business:

Kimberly Gann reviewed a 2015 Operational Priorities (list attached) noting that two of the items have been discussed. The third item is under review by both she and Irwin Felps. She is investigating the need to either add additional staff or restructure the current staff as related to duties and job titles. She will have a recommendation for the board perhaps later this calendar year: **(Exhibit F on file at the LSPRS office)**

- 1) Actuarial Services
- 2) Retirement System Software and available options
- 3) Future staffing needs

Kimberly Gann advised the Board that SB2 has been filed. This bill seeks to repeal Section 2 of Act 859 of 2014, commonly known as the "Edmonson Amendment". The bill is authored by Senators Claitor and Peacock.

- 12) Meeting Adjourned.



**Kevin Marcel, Vice-Chairman
Louisiana State Police Retirement System
Board of Trustees**