

LSPRS || LOUISIANA STATE POLICE RETIREMENT SYSTEM

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Board Meeting Minutes

Meeting Title	LSPRS Board Meeting
Date of Meeting	February 28, 2024 (Wednesday)
Where	9224 Jefferson Hwy, Baton Rouge, LA (Dr. Bobby E. Smith Boardroom)
Start Time	1:30 p.m.

- 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 Robert Hodges, Superintendent, Office of State Police, Appearing Through Frank Besson, Designee for Superintendent, PRESENT
Commissioner Taylor Barras, Division of Administration, Appearing Through Andrea Hubbard, Designee for DOA Commissioner, PRESENT
Representative Tony Bacala, Representing the House Committee on Retirement, NOT PRESENT
Thurman Miller, President, Central State Troopers Coalition, NOT PRESENT
Kevin Marcel, Retired/Active Representative, Vice-Chairman, PRESENT
Senator Ed Price, Chairman, Senate Retirement Committee, Appearing Through Representative Caleb Kleinpeter, Designee for Senator, NOT PRESENT
Doris Prudhomme, Surviving Spouse Representative, PRESENT
Treasurer John Fleming, Appearing Through Amy Mathews, Designee for State Treasurer, NOT 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:

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
Doreen Brasseaux, Sequitur Consulting
Greg Curran, Curran Actuarial

- 4) A **MOTION** was made by Kevin Marcel to nominate Frank Besson as the 2024 LSPRS Board's chairman. The motion was seconded by Bryan Zeringue. No opposition. The motion passed.

- 5) A **MOTION** was made by Hackley Willis to nominate Kevin Marcel as the 2024 LSPRS Board's vice-chairman. The motion was seconded by Alan Verhoef. No opposition. The motion passed.
- 6) Frank Besson stated that the 2024 Executive Committee members will be Frank Besson, Hackley Willis and Kevin Marcel.

The 2024 Investment Committee members will be Amy Mathews as Chairman, Thurman Miller, Andrea Hubbard, Alan Verhoef, and Representative Tony Bacala.

- 7) A **MOTION** was made by Hackley Willis to approve the Board Minutes from the December 13, 2023 Board Meeting. The motion was seconded by Doris Prudhomme. No opposition. The motion passed. **(See Exhibit A - attached)**
- 8) A **MOTION** was made by Alan Verhoef to approve the Investment Committee Minutes from the December 13, 2023 Committee Meeting. The motion was seconded by Andrea Hubbard. No opposition. The motion passed. **(See Exhibit B - attached)**
- 9) A **MOTION** was made by Alan Verhoef to approve the Investment Committee Minutes from the January 31, 2024 Committee Meeting. The motion was seconded by Andrea Hubbard. No opposition. The motion passed. **(See Exhibit C - attached)**

Doug Hanly gave a summary of the January 31, 2024 Investment Committee meeting where Edison Partners spoke to the committee. The Committee voted to engage Edison Partners and will begin with a \$7M investment.

- 10) Doug Hanly, LSPRS Chief Investment Officer, presented the flash report and asset allocation chart for January 31, 2024. **(See Exhibit D - attached)**

Focusing on the quilt chart on page 9 of the House View, Mr. Hanly stated that given the strong 60/40 portfolio performance, it might make sense to invest in emerging markets or developed markets based on growth and value. **(See Exhibit E - attached)**

Mr. Hanly stated that UBS prefers US small-cap equities, EM equities, fixed income, and oil. The least preferred asset class preferences are US large-cap equities and UK equities.

- 11) Racheal Alvey, Griffin and Co, presented the financial reports and check registers as of November 30, 2023, December 30, 2023, and January 31, 2024. **(See Exhibit F - attached)**

A **MOTION** was made by Hackley Willis to accept the financial reports. The motion was seconded by Kevin Marcel. No opposition. The motion passed.

- 12) Ms. Michel introduced Doreen Brasseaux of Sequitur Consulting to give a presentation on the LSPRS Strategic Plan. Ms. Michel stated that the plan will be officially adopted at the April board meeting.

Ms. Brasseaux conducted phone and in-person interviews with members of the Board to get historical information as well as a future vision. A SWOT analysis was done which indicated LSPRS strengths, weaknesses, opportunities, and threats. The goals of the strategic plan include successfully managing a diversified investment portfolio to meet or exceed the annual assumed rate of return each year, improve member outreach and engagement to ensure confidence in LSPRS operations, and operate in an efficient and effective manner to maximize administrative functions. The LSPRS mission is protecting the retirement benefit for those who protected us. **(See Exhibit G - attached)**

- 13) LSPRS conducted finalist interviews with UBS, Meketa, and NEPC for the RFP for Institutional Investment Consulting managers.

Robert Bickham and Hal Tabb of UBS gave the Board a presentation of their firm. UBS has been investing since the 1980s and has endured five market cycles with clients. The firm is multi-generational with advisors ranging in age from 30s to 60s. UBS has 30 institutional clients averaging \$150 million and 70 private wealth clients averaging \$50-100 million. UBS consultant investment discretion process involves a discovery process, IPS development and asset allocation, due diligence and strategy selection, performance reporting, and ongoing oversight.

Aaron Lally, Shawn Bowen, and Henry Jaung of Meketa gave the Board a presentation of their firm. Meketa has four decades of investment advisory experience. They have over 240 clients with 50 of those clients having total assets between \$500 and \$2 billion. Meketa has been working with public pensions for over 25 years and over 80% of their assets are pension assets. Meketa focuses on negotiating fees, supervising transitions, managing cash flows, providing research, as well as being transparent. Meketa gave preliminary thoughts on LSPRS's current position, where future cash-flows may go given the current allocation, and how changing current asset allocation may improve LSPRS's future.

David Barnes and Margaret Belmondo of NEPC gave a presentation of their firm. NEPC has been working with public funds since their inception in 1986. NEPC has 362 employees and has a dedicated public fund team consisting of 18 professionals. They have 420 clients with \$1.6 trillion assets under advisement. NEPC ensures alignment of interests, a hands-on experienced partner, and translation of complex investment concepts into plain English. NEPC's investment process overview involves an active vs. passive analysis, sourcing, qualitative analysis, quantitative analysis, approval process, and disciplined monitoring.

After interviews, the Board deliberated who would best benefit LSPRS as the Institutional Investment Consulting manager.

A **MOTION** was made by Hackley Willis to engage Mekata as the LSPRS investment consultant. The motion was seconded by Doris Prudhomme. No opposition. The motion passed.

- 14) Ms. Michel directed the Board to view the Legislative update for the Regular Session. Senate Bill (SB) 1 provides relative to transfers of service credit between systems. SB 5 requires fiduciaries for public retirement systems to make investment decisions based solely on financial factors. SB 5 in its current form could be detrimental to LSPRS and could result in close to \$250M investment opportunity loss over the next twenty years. The other bills listed do not have an impact on LSPRS directly. **(See Exhibit H - Attached)**

A **MOTION** was made by Andrea Hubbard to support SB1. The motion was seconded by Bryan Zeringue. No opposition. The motion passed.

A **MOTION** was made by Bryan Zeringue to oppose SB5 in its current form. The motion was seconded by Doris Prudhomme. No opposition. The motion passed.

- 15) A **MOTION** was made by Alan Verhoef to approve the Benefits Change Report for February 28, 2024, in globo. The motion was seconded by Bryan Zeringue. No opposition. The motion passed. **(See Exhibit I -Attached)**

- 16) In other business, Ms. Michel directed the Board to look at the education update. There will be an opportunity to get an hour of actuarial science at the next board meeting. Ms. Michel will send an email to anyone who needs more actuarial education and how to get the credit via online seminars.

The scanning portion of the scanning project is complete and all paper documents are now back in the office.

The five-year review schedule that would start with standard operating procedures will be altered by one year to allow for all standard operating procedures to work in the changes from internal software update and the scanning project. Next board meeting, the trustee handbook will be reviewed.

- 17) A **MOTION** was made by Doris Prudhomme to adjourn the meeting. The motion was seconded by Bryan Zeringue. No opposition. The motion passed.



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