



Louisiana State Police Retirement System (LSPRS)

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Board Meeting Minutes

Meeting Title	LSPRS Board Meeting
Date of Meeting	February 23, 2022 (Wednesday)
Where	The Royal Sonesta, 300 Bourbon Street, New Orleans, Louisiana – Esplande Room
Start Time	10:30 am

- 1) Chairman, Frank Besson called the meeting to order.
- 2) Kevin Marcel, Vice-Chairman, led the Pledge of Allegiance followed by a prayer led by Kevin P. Reed, Executive Director. No public comments.
- 3) Tausha Facundus, Benefit Analyst Specialist, 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 Phillip R. DeVillier, Representing the House Committee on Retirement, NOT
PRESENT

Chris LeDay, President, Central State Troopers Coalition, NOT PRESENT

Kevin Marcel, Active Representative, Vice-Chairman, 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

Phillip Qualls, Designee for State Treasurer, PRESENT

Walter W. Smith, Retiree Representative, PRESENT

Hackley Willis, Jr., Active/Retired Representative, NOT PRESENT

The records reflect that the following persons were also present:

Racheal Alvey, Griffin & Co., LLC

Tausha Facundus, Retirement Benefits Specialist

Robin Landa, UBS/Paine Webber

Kevin P. Reed, Executive Director

Mike Caparotta, Auditor, Ericksen, Krentel

Claire Guidry, Retirement Benefits Analyst

Margaret Michel, Assistant Director

- 4) A **MOTION** was made by Walter Smith to approve the Board Minutes from the December 15, 2021 Board Meeting. The motion was seconded by Andrea Hubbard. No opposition. The motion passed (**See Exhibit A-attached**).

A **MOTION** was made by Kevin Marcell to approve the Executive Committee Minutes from the December 20, 2021 Executive Committee Meeting. The motion was seconded by Phillip Qualls. No opposition. The motion passed (**See Exhibit B-attached**).

A **MOTION** was made by Andrea Hubbard to approve the Investment Committee Minutes from the January 26, 2022 Investment Committee Meeting. The motion was seconded by Doris Prudhomme. No opposition. The motion passed (**See Exhibit C-attached**).

- 5) Robin Landa, UBS/PaineWebber, presented the Board with the Asset Allocation and Markets Value and Returns Summary as of January 31, 2022 (**See Exhibit D-attached**). Ms. Landa stated that the Asset Allocation was in line with the target weightings. The total equities were \$701,431,690, equating to 62.0% of the portfolio which is aligned with the target of 62.5%, the total fixed income of \$240,476,622, being 21.3% was slightly above the 20.0% target. The total alternatives were at \$172,358,940, equating to 15.2% of the portfolio, being slightly below target of 15.5%, the total cash of 1.5% at \$16,536,243 was slightly below the 2.0% target, and the month ended total fund value was \$1,130,803,496.

Ms. Landa directed the Board to view the Market Value and Returns Summary as of January 31, 2022. Looking at the Current Month column, Ms. Landa stated an important factor to note is that the S&P was down over -5% for the month of January, which is significant, as well as a couple of managers who underperformed and some who outperformed relative to the S&P 500 Index. For the FYTD period, total equity returns were down at -3.44%, total fixed income returns were -3.04%, while the total fund was down -1.23%, closing with a market value of \$1,130,803,496. The total fund for the Trailing 1 Year was up 9.08%. (**See Exhibit E-attached**).

Ms. Landa discussed the Scenario Chart stating that the UBS team expects growth potential in Equities. Focusing on the Central Scenario, which is deemed to be the most likely scenario, the team expects to see inflation falling near the end of the year with interest rate hikes expected to continue in 2022, but still a continued opportunity for economic and equity market growth. The team's key recommendation is to maintain a well-diversified portfolio. There are still global growth opportunities as COVID restrictions are rescinded. Another key defensive allocation is having an appropriate portfolio exposure in alternative investments. Ms. Landa mentioned that there is still some uncertainty in the foreseeable future, especially given the recent military posturing of Russia relative to Ukraine. (**See Exhibit F-attached**).

- 6) Racheal Alvey, Griffin & Co., LLC, presented the Cash Disbursements for the month ending December 31, 2021, noting a Refund of Contributions in the amount of \$27,661.22 and total disbursements were \$111,007.45. On the Cash Disbursements for the month ending January 31, 2022, noting the quarterly investment manager fee for Loomis, Sayles & Company, LP of \$84,821.60 and the investment consultant fee for UBS of \$30,000.00 with the total monthly disbursements of \$172,346.31. (**See Exhibit G-attached**).

Mrs. Alvey then reviewed the Statement of Fiduciary Net Position/Balance Sheet for the month ending January 31, 2022, noting Cash on Hand of \$383,555, Total Receivables of \$355,461, Total Investments of \$1,127,397,018, Total Liabilities were at \$2,379,310 bringing the Net Position to \$1,126,996,674. The Statement of Changes in Fiduciary Net Position/Income Statement was reviewed next. Mrs. Alvey focused on the Year to Date This Year column with Total Revenues at \$14,469,847.35, Total Expenses were at \$46,744,289.00 bringing the Net Decrease to \$32,274,441.65 and the Net Position at the end of January to \$1,126,996,674.35.
(See Exhibit H-attached).

Mrs. Alvey reviewed the Budget Summary for the seven months ending January 31, 2022, focusing on the last column, Over/Under Budget. For Personnel Services, we were under budget \$107,895, Total Operating Expenses were over budget \$1,354, Total Professional Expenses were under budget \$16,210, Total Acquisitions were under budget \$27,305 and Total Investment Managers were under budget \$154,288, bringing the total Operating Budget - Actual to \$2,127,307, which is \$304,345 under budget. **(See Exhibit I-attached).**

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

- 7) Kevin Reed, Executive Director, directed the Board to view a summary of the June 30, 2021, Financial Statement/Audit, compiled by Mike Caparotta, Senior Audit Manager with Ericksen Krentel, LLP. He presented a complete printed copy and noted that individual copies are available to any Board Member requesting such. Margaret Michel, Assistant Director, also reminded the Board that a full copy was sent to them by email along with their packet of Board Meeting information. Mr. Caparotta also reminded Board Members that a copy is always available on the Legislative Auditor's website. Mr. Caparotta reviewed the three important objectives of the audit (Page 2) stating that there were no significant deficiencies, weaknesses, or non-compliance identified. The report was submitted to the Legislative Auditor's Office on October 18, 2021. **(See Exhibit J-attached).**

A **MOTION** was made by Walter Smith to accept the letter. The motion was seconded by Andrea Hubbard. No opposition. The motion passed.

- 8) A **MOTION** was made by Kevin Marcel to **enter** executive session to discuss the disability matter concerning Patrick Bell and other personnel matters. The motion was seconded by Phillip Qualls. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel to **exit** Executive Session. The motion was seconded by Doris Prudhomme. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel to approve the disability report submitted by Dr. Scimeca approving the Disability Retirement of Patrick Bell. The motion was seconded by Walter Smith. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel to change the official title of Margaret Michel to Assistant Director and Legal Counsel, expanding it from Assistant Director. The motion was seconded by Phillip Qualls. No opposition. The motion passed.

- 9) Margaret Michel, Assistant Director, presented information to the Board regarding 2022 Legislation including every retirement bill filed to date, not only those involving LSPRS. **(See Exhibit K-attached).**

A **MOTION** was made by Walter Smith to approve the Board Resolution to the legislature relative to the 2022 request for a PBI. The motion was seconded by Doris Prudhomme. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel to oppose HB 25. The motion was seconded by Walter Smith. Phillip Qualls abstained. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel to support HB 29. The motion was seconded by Doris Prudhomme. Andrea Hubbard and Phillip Qualls abstained. No opposition. The motion passed.

A **MOTION** was made by Kevin Marcel to support HB 31. The motion was seconded by Walter Smith. Andrea Hubbard and Phillip Qualls abstained. No opposition. The motion passed.

- 10) A **MOTION** was made by Kevin Marcel to approve the Benefits Change Report, in globo. The motion was seconded by Doris Prudhomme. No opposition. The motion passed **(See Exhibit L-attached).**

- 11) In other business, Kevin Reed, Executive Director, provided the Board with an article regarding the SEC starting to look at alternative investments and private equity. **(See Exhibit M-attached).**

Margaret Michel, Assistant Director, spoke about the Educational Training Report and asked the Board to provide her with any training information that she has not received yet as well as any training completed at the LATEC conference. The training report will be updated after the conference. **(See Exhibit N-attached).**

- 12) A **MOTION** was made by Phillip Qualls to adjourn the meeting. The motion was seconded by Andrea Hubbard. No opposition. The motion passed.



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