



# Louisiana State Police Retirement System

## Board Meeting Minutes

<b>Meeting Title</b>	Louisiana State Police Retirement System Board Meeting
<b>Date of Meeting</b>	December 17, 2014
<b>Where</b>	9224 Jefferson Hwy, Baton Rouge, LA 70809
<b>Start Time</b>	1:30 p.m.

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- 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  
Jason Starnes, 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, PRESENT  
Commissioner Kristy Nichols, Div. Of Administration, Appearing Thru  
Andrea Hubbard, Designee for DOA Commissioner, PRESENT  
Bobby E. Smith, Retired Representative, PRESENT

The records reflect that the following persons were also present:

Denise Akers, Attorney	Robin Landa, UBS/Paine Webber
Mike Caparotta, Hienz & Macaluso	Kristin Leto, Griffin & Co., System Accountant
Irwin L. Felps, 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**)

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) Kimberly Gann presented the Board Election results noting that the active representative elected was Kevin Marcel and the surviving spouse elected was Marsha Pressburg:

**Active Representative:**      **Kevin Marcel - 127**  
Sheldon Perkins – 52  
David Stelly - 55

**Surviving Spouse:**         **Marsha Pressburg – 350**  
Doris Prudhomme - 314

A **MOTION** was made by Bobby Smith to approve the Board Election results. The **MOTION** was seconded by Thurman Miller. No opposition. The motion passed.

- 5) Irwin Felps advised the Board, as a follow up to the previous meeting minutes, Item 4 and Item 7 on the October Board meeting minutes.

Item 4 - The PERSAC committee did approve our Actuarial Report with the Employer Contribution rate, DROP rate and the funded position was noted by the committee. It was a very positive meeting for all four of the State Retirement Systems.

Item 7 – The recommendations made in regards to increase the Consultant fees from \$100k to \$120k annually, and the Accounting Service fees from \$42k to \$45k annually. These increases have been made.

Item 12 – Mr. Felps, Kevin Marcel and Frank Besson met with Representative Fanning, Chairman of the legislative Joint Commission on the Budget, regarding any concerns of the unusual amount of increases in the salaries for the Assistant Director and Executive Director. Representative Fanning had no problem with the salary increase recommendation. The increases are as follows: Assistant Director received the 4% and \$7k annual for excellent performance, resulting in \$85k annual and the Executive Director received the 4% and \$7.3k annual for performance resulting in \$142.5k annual.

These increases in salary are part of a transition plan for the retirement of Mr. Felps, as they will allow the system to recruit a suitable replacement.

A **MOTION** was made by Thurman Miller to approve the Board Meeting minutes of October 15, 2014. The **MOTION** was seconded by Bobby Smith. No opposition. The motion passed.

- 1:45 p.m. – Frank Besson and Stephanie Little joined the meeting.

- 5) A **MOTION** was made by Amy Mathews to approve Investment Committee minutes of November 19, 2014. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

- 6) Robin Landa, UBS/Paine Webber, presented the board with the monthly asset allocation and the market value and returns summary as of November 30, 2014 (**See Exhibit B on file at LSPRS office**).

Before discussing the monthly reports, Robin Landa presented some thoughts on the current volatility of the stock market. Specifically, she addressed the impact of the significant decline in the price of oil on the economy and on our portfolio. Ms. Landa indicated that the decline in oil prices presents challenges to the oil and gas industry but for the nation's Gross Domestic Production, it will be a very positive factor. She pointed out that the decrease in oil and gas prices puts more dollars in the consumers' pockets, and that it will lead to a higher rate of growth for the economy. Overall, UBS believes that this decline in oil prices will be a positive factor for markets.

Ms. Landa discussed the Asset Allocation report, and she pointed out that we were within the allocation percentages allowed by our policy. The total portfolio was up .99% for the month end, and it is up 1.01% for the first five months of this fiscal year. As of November 30, 2014, the system's assets totaled \$630,924,145.

- 7) Kristin Leto presented the check registers for the period from October 1, 2014 to November 30, and the Budget Summary as of November 30, 2014 (**See Exhibit C on file at LSPRS office**). A **MOTION** was made by Amy Mathews to accept the report by Kristin Leto. The **MOTION** was seconded by Bobby Smith. No opposition.

- 8) Mike Caparotta presented the 2014 Audit Report (**See Exhibit D on file at LSPRS office**).

Mr. Caparotta reviewed the highlights of the audit which were:

- Hienz and Macaluso's audit is an unqualified opinion that all of LSPRS's statements are presented fairly and in conformity with GAAP;
- Hienz and Macaluso found no control deficiencies or noncompliance issues.
- The findings are consistent with the audit findings of previous years.

Mr. Felps thanked the staff and auditors for their efforts in getting the audit completed.

A **MOTION** was made by Kevin Marcel to accept the 2014 Audit report. The **MOTION** was seconded by Thurman Miller. No opposition. The motion passed.

- 9) A **MOTION** was made by Bobby Smith to approve the following retirement/DROP approvals, noting that all paperwork is in order. The **MOTION** was seconded by Thurman Miller. No opposition. The motion passed. (**See Exhibit E on file at LSPRS office**).

Approval of Retirement/DROP Approvals:

- A. Bobby Barnes                      B. Travis Savoy

- 10) A **MOTION** was made Bobby Smith to approve the following elimination/awarding benefits to spouse/survivor. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.

Approval of elimination/awarding benefits to spouse/survivor:

- A. John Jones

**ADD ON:**

- A. Rudy Guillory                      C. Malcom Millet  
B. William McBroom                D. Paul Olivier

- 11) A **MOTION** was made by Bobby Smith to adjourn. The **MOTION** was seconded by Kevin marcel. No opposition. The motion passed.

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