



Louisiana State Police Retirement System

Board Meeting Minutes

Meeting Title	Louisiana State Police Retirement System Board Meeting
Date of Meeting	July 16, 2014
Where	9224 Jefferson Hwy, Baton Rouge, LA 70809
Start Time	1:30 p.m.

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

Frank Besson, Jr., President, LSTA, Chairman, PRESENT
Shirley Bourg, Surviving Spouse Representative, PRESENT
Stephen Lafargue, Retired/Active Representative, PRESENT
Col. Michael Edmonson, Superintendent, Office of State Police, Appearing Thru
Jason Starnes, Designee for Office of State Police, PRESENT
Sen. Elbert Guillory, Senate Retirement Committee, NOT PRESENT
John Kennedy, State Treasurer, PRESENT
Amy Matthews, 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, NOT PRESENT

The records reflect that the following persons were also present:

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

*** See Exhibit A for a complete list of the meeting attendees ***

- 2) Chairman Frank Besson opened the meeting with the pledge of allegiance. The prayer was led by Shirley Bourg. At this time, Chairman Frank Besson asked for a moment of silence to honor the passing of retiree Ben Pressburg.
- 3) A **MOTION** was made by Kevin Marcel to revise the agenda to discuss item "11) Any Other Business" first. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

Denise Akers LSPRS Attorney, stated we received word of SB 294 the day before the session ended and it was to be considered by the legislature. There was not a procedure to make a comment and there was not time to solicit input from the Board before it was voted on by the legislature. We have made a recommendation to the board that we let you all know about this bill and give us time to research what steps, if any, we might recommend the Board take. You all are fiduciaries of the system and we want to pay careful attention to what that means and what steps to pursue, and we want to do that wisely. We need more time to do the research.

State Treasurer, John Kennedy, stated the biggest concern is the Unfunded Accrued Liability. He noted that he was in New York meeting with the ratings agencies when he became aware of what was happening in Louisiana. He did commend the system on the great rate of return, an unaudited 17.85%, and he made the agencies aware of the return. He noted that this issue with SB 294 has not affected the ratings as of yet, but we need answers. Mr. Kennedy listed the issues he would like to see addressed:

- A. How many people does SB 294 impact? Who are they? Their individual personalities do not matter, but these individuals have a right to due process. They should be invited to a meeting to tell their side of the story.
- B. What is the cost of SB 294? I need this information so that I can report back to the rating agencies.
- C. Does SB 294 give special treatment to anyone? What would it cost to give the same treatment to all retirees?
- D. Who sponsored the amendment in conference committee? Senator Morrell should be invited to speak to the Board to tell his side of the story.
- E. What are the legal issues?
 - 1) Can an amendment be done in conference committee without advertisement?
 - 2) Was the amendment germane to the bill?
 - 3) Was the amendment properly advertised?
- F. Who contacted Charles Hall? The LSPRS Board should hear from Mr. Hall.
- G. And lastly, what are the remedies? Legislative relief? Litigation?

Mr. Kennedy is more concerned with the accuracy of the information than quickness. He noted that he would like for the system attorney, Ms. Denise Akers to report back to the board at the next meeting. Mr. Kennedy then asked if the Board could call a special meeting before the next regular meeting (in September) should the information become available before the next regular meeting. The Board agreed that a special meeting will be called if the report is available.

- 4) **A MOTION** was made by Kevin Marcel to approve the Board meeting minutes of May 21, 2014. The **MOTION** was seconded by Stephen Lafargue. No opposition. The motion passed.
- 5) **A MOTION** was made by Andrea Hubbard to approve the Investment Committee minutes of June 16, 2014. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.
- 6) Rob Bickham reviewed the monthly asset allocation and the market value and returns summary as of June 30, 2014 (**See Exhibit B on file at LSPR office**). Mr. Bickham indicated that LSPRS finished the fiscal year with an unaudited return of 17.85%. This performance resulted in LSPRS having assets totaling \$622,000,000.00. This is the first time LSPRS has finished a fiscal year above \$600,000,000.00, and LSPRS' assets have increased more than \$100,000,000 in the current fiscal year (July 1, 2013 through June 30, 2014).

Mr. Bickham also indicated that LSPRS' asset allocation is within policy guidelines, and that we will be making recommendations to the Investment Committee at the August meeting to further rebalance the portfolio. Finally, Mr. Bickham discussed the "flash report" for the system and noted that the managers had an excellent month and fiscal year.

{John Kennedy exited the meeting and is now represented by his designee, Amy Matthews}

- 7) Kristin Leto presented the Check Registers for the period from May 1, 2014 to May 31, 2014 and June 1, 2014 to June 30, 2014, the Statement of Plan Net Assets and Budget Summary as of June 30, 2014, and the JPMorgan Balance Summary (**See Exhibit C on file at LSPRS office**).

A **MOTION** was made by Shirley Bourg to accept the Financial Reports. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.

- 8) Kimberly Gann advised the Board that the COLA program has been tested and is complete. Ms. Gann posted the COLA to all eligible accounts. The first payment with the COLAs included will be on July 31, 2014.

- 9) Kimberly Gann announced to the board the dates and registration information for the 2014 LAPERS Conference (**See Exhibit D on file at LSPRS office**). Ms. Gann requested that anyone interested in attending should let Shelley Sebastian know as soon as possible so that hotel arrangements can be made.

- 10) Irwin Felps advised the board that Charles Hall Actuarial contract ended on June 30, 2014. The terms of the 2015, 1 year contract are as follows: \$28,650 yearly, this amount includes a 3% increase and \$3,600 increase due to GASB changes. Mr. Hall will provide this contract in writing upon approval of these terms by the board. A **MOTION** was made by Kevin Marcel to accept the Hall Actuarial Associates Contract terms. The **MOTION** was seconded by Shirley Bourg. No opposition. The motion passed.

- 11) A **MOTION** was made by Amy Mathews to approve the following retirement/DROP Approvals and elimination of benefits to survivors(s) noting that all paperwork is in order. The **MOTION** was seconded by Shirley Bourg. No opposition. The motion passed. (See Exhibit E on file at LSPRS office).

Retirement/DROP Approvals:

- | | |
|-----------------------|----------------------|
| A. Eddie E. Andrus | C. James S. Jacobsen |
| B. Jeffrey M. Cupples | D. Jesse S. Perry |

Approval of elimination/awarding benefits to spouse/survivor:

- | | |
|---------------------------|-----------------------|
| A. Maxine Kule | D. Edward L. Spurgeon |
| B. Boylston B. Lewis, III | E. Mark B. Wise |
| C. David C. Rains | |

Add On:

- | |
|--------------------|
| A. Joycelyn Newton |
| B. Ben Pressburg |

- 12) A **MOTION** was made by Stephen Lafargue to adjourn. The motion was seconded by Amy Mathews. No opposition. The motion passed.

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