

## **Board Meeting Minutes**

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| <b>Meeting Title</b>   | LSPRS Board Meeting  |
| <b>Date of Meeting</b> | April 24, 2024 (Wednesday)   |
| <b>Where</b>           | 9224 Jefferson Hwy, Baton Rouge, LA (Dr. Bobby E. Smith Boardroom) |
| <b>Start Time</b>      | 1:30 p.m.  |

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- 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, 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, 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  
Stephen Griffin, Griffen & 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  
Tyler Brannan, Curran Actuarial  
Greg Curran, Curran Actuarial  
Carlo MacDonald, Exigo Technology Services

- 4) A **MOTION** was made by Kevin Marcel to approve the Board Minutes from the February 28, 2024, Board Meeting. The motion was seconded by Bryan Zeringue. No opposition. The motion passed. **(See Exhibit A - attached)**

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

Mr. Hanly gave an investment update. **(See Exhibit C - attached)**

- 6) Racheal Alvey, Griffin and Furman, presented the financial reports and check registers as of March 31, 2024. **(See Exhibit D - attached)**

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

- 7) Ms. Michel directed the Board to view the Legislative update for the Regular Session. Senate Bill (SB) 1 is pending House final passage. SB 5 was heard on April 2, 2024, and the vote was a tie. The bill failed to move out of committee. HB 902 was a late file bill that focuses on proxy voting. HB 902 was voluntarily deferred. HB 800 proposes a language shift of Constitution versus statutory. HB 800 moved out of House and Governmental affairs on April 24, 2024. The Senate and the House would serve as the members of this Constitutional Convention as opposed to elected members of the previous Constitution Convention. **(See Exhibit E - Attached)**

- 8) Ms. Michel directed the Board to view the LSPRS Trustee Handbook. Ms. Michel added a mention of the strategic plan on page 3 of the handbook. On page 10, Ms. Michel added the membership count of the committees. There have been no large substantive changes to the handbook.

A **MOTION** was made by Amy Mathews to approve the changes to the LSPRS Trustee Handbook. The motion was seconded by Bryan Zeringue. No opposition. The motion passed.

- 9) Ms. Michel discussed the adoption of the strategic plan. Ms. Michel mentioned that a paper copy of the strategic plan was in the binder at last month's meeting and was emailed out a week before this meeting for review. There were no comments for change requests within the plan. Ms. Brasseaux will also put together an annual report template for LSPRS and the first annual report will be presented at the October board meeting.

A **MOTION** was made by Bryan Zeringue to adopt the strategic plan. The motion was seconded by Amy Mathews. No opposition. The motion passed.

- 10) Greg Curran, Curran Actuarial, gave an actuarial education to the Board. Mr. Curran discussed how R.S. 11:102.4 changed the amount of money that would be placed in the experience account for future permanent benefit increases by directing investment gains first to reducing unfunded accrued liability. In addition, a portion of any asset experience gain is used to prepay the oldest positive amortization base. Over \$26M has been used to offset the oldest positive amortization bases.

Mr. Curran stated that without the experience account or priority excess allocations, any investment gains experience by our system would lower employer contribution rates over a 20-year amortization period.

In 2025, reamortization expectations include the 2001 loss ending. Millions of dollars will be cut from the payment for the 2002 loss.

Ms. Curran mentioned that the LSPRS employer contribution rate is greatly influenced by the overall level of payroll. Large pay increases increase the projected benefits of current troopers leading to liability losses, but they also help to support the covered payroll for the system. Payroll growth can result in significant reductions in the employer contribution rate because a significant part of that rate comes from level dollar unfunded accrued liability payments. **(See Exhibit F – Attached)**

A **MOTION** was made by Kevin Marcel to remove the liability associated with filling the experience account previously shown in the 2023 evaluation, based on the actuary's recommendation. The motion was seconded by Doris Prudhomme. No opposition. The motion passed.

- 11) Carlo MacDonald, Exigo Technology Services, gave a cybersecurity education to the Board. Mr. MacDonald expounded on the increase of cyber-attacks and remote ransomware incidents in the last few years. Mr. MacDonald discussed how Exigo is completing a migration for LSPRS from servers to cloud storage. Mr. MacDonald also discussed how Information Technology protects our system with an Azure environment, datto file backup, and security monitoring. **(See Exhibit G – Attached)**

- 12) A **MOTION** was made by Hackley Willis to **enter** Executive Session to discuss Doug Hanly's performance review. The motion was seconded by Kevin Marcel. No opposition. The motion passed.

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

- 13) A **MOTION** was made by Hackley Willis to approve the Benefits Change Report for April 24, 2024, in globo. The motion was seconded by Alan Verhoef. No opposition. The motion passed. **(See Exhibit H - Attached)**

- 14) In other business, Ms. Michel mentioned that Exigo is almost done with the internal management system upgrade. The upgraded system is being run in conjunction with the old system to ensure processes run smoothly. The new system is projected to be solely used by the end of the fiscal year.

The scanning project is complete, and staff are working to physically verify that each file is uploaded into the system. All files have been scanned and returned to the building.

Exigo is working on a data conversion for LSPRS and should be done within the next month. This conversion will move away from servers and provide more data protection.

Ms. Michel stated that there is money in the budget to move forward with the project of converting the paper meeting binders to digital. With the digital board packet, Board members would access a tablet with their own documents in an individualized portal.

Kevin Marcel asked what would the cost be for the conversion? Ms. Michel stated that the tablets and hardware are right under \$10,000 and the subscription for OnBoard Management would be \$150-\$160 per month.

- 15) Paper copies of financial disclosures are included in all binders and Ms. Michel stated that she will email a link to complete the disclosure.

Ms. Michel stated that she will email a link for completing an actuarial education credit that some members still need.

- 16) A **MOTION** was made by Kevin Marcel to adjourn the meeting. The motion was seconded by Hackley Willis. No opposition. The motion passed.



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