

# Courtesy. Loyalty. Service.

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2024 ANNUAL REPORT





## EXECUTIVE SUMMARY

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The 2023-2024 Fiscal Year was one of immense growth and accomplishment for the Louisiana State Police Retirement System (LSPRS). The LSPRS Board of Trustees and Staff worked through the tremendous goal of modernizing and updating the procedures of the system. To memorialize this effort and ensure the path would be transparent to the membership, actives, retirees, and beneficiaries, the Board of Trustees diligently adopted the first Strategic Plan for LSPRS.

The LSPRS Strategic Plan 2024-2028 will be the road map moving forward for both the Board of Trustees and the Staff of LSPRS.

The LSPRS Strategic Plan calls for an annual report. Included in this report is an update on the progress made during the previous fiscal year on all goals and strategies.

## ABOUT US

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The Louisiana State Police Retirement System (LSPRS) was first established in 1938 (Act No. 293) by the Louisiana Legislature. LSPRS is a qualified pension and retirement plan under Section 401(a) of the Internal Revenue Code created to provide retirement benefits for Louisiana state police officers and their beneficiaries.

Currently, the LSPRS serves 947 active members and 1,419 retired/survivor members. With assets valued at \$1,133,924,343 (as of June 30, 2024), LSPRS' primary goal is to safeguard and manage the funds it holds in trust so that future benefits are guaranteed and protected.

# MESSAGE FROM THE EXECUTIVE DIRECTOR

The purpose of LSPRS is to safeguard and manage the funds it holds in trust so that future benefits are guaranteed and protected for our members and their survivors. It is a mandate we have honored for the past 86 years and what serves as the foundation of our 2024-2028 Strategic Plan.

The plan calls for an annual report to review the efforts and achievements made in furtherance of the vision and mission of LSPRS.

The Goals and Strategies identified through the Strategic Plan are focused on three fundamental areas: **Investment Growth, Customer Service, and Operational Efficiency.**

We are committed to continuous process improvements to better serve our members and we will focus the necessary time, energy, and resources in measuring our progress and communicating this strategic plan to our members and stakeholders.

We will endeavor to serve our members as they have served us, protecting member's benefits with integrity and courage.

We encourage all members to read the Annual Report and LSPRS's 2024-2028 Strategic Plan to better understand the scope of our work, the direction we're headed, and the importance we place on managing the benefits of our members.

Sincerely,



Margaret Corley Michel

## BOARD MEMBERS

Superintendent, Office of State Police  
Designee: Frank Besson, Board Chairman

Kevin Marcel, Vice Chairman, Active/Retired Representative

Thurman Miller, Central State Troopers Coalition

Doris Prudhomme, Surviving Spouse Representative

Hackley Willis, President, LSTA

Alan Verhoef, Active Representative

Bryan Zeringue, Retiree Representative

Ex-Officio, Senate Retirement Committee  
Designee: Sen. Caleb Kleinpeter

Ex-Officio, Speaker of the House of Representatives  
Designee: Rep. Tony Bacala

Ex-Officio, State Treasurer's Office  
Designee: Amy Mathews

Ex-Officio, Commissioner, DOA  
Designee: Andrea P. Hubbard



## VISION

ASSURANCE OF A STABLE RETIREMENT BENEFIT  
FOR OUR MEMBERS AND THEIR SURVIVORS.

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## MISSION

TO INSPIRE THE CONFIDENCE OF OUR MEMBERS  
IN OUR ABILITY TO COMPETENTLY AND  
SUCCESSFULLY PROTECT THE RETIREMENT  
BENEFIT OF THOSE WHO PROTECTED US.

# HIGHLIGHTS

## MEMBERSHIP

947

Actives

Active membership increased for the first time since 2018.

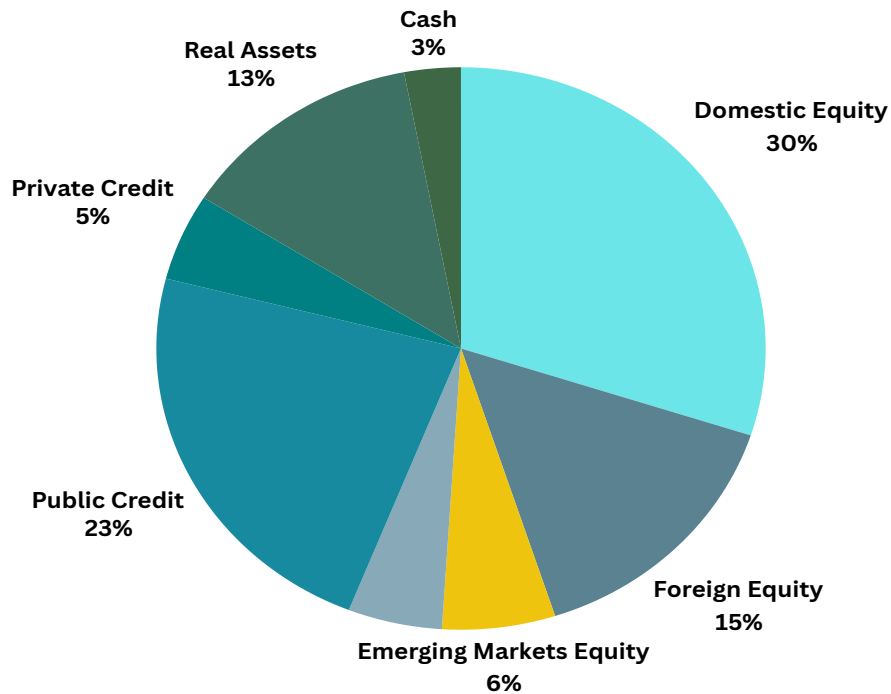
1,419

Beneficiaries

The number of beneficiaries has been trending upwards since 2017.

ANNUAL BUDGET	BUDGETED	ACTUALS
PERSONNEL SERVICES	\$ 868,235	\$ 786,593
OPERATING EXPENSES	\$ 153,500	\$ 119,486
PROFESSIONAL SERVICES	\$ 218,500	\$ 182,577
MAJOR ACQUISITIONS	\$ 65,000	\$ 72,639
INVESTMENT EXPENSES	\$ 3,262,000	\$ 2,467,583
TOTAL	\$ 4,567,235	\$ 3,628,879

	JUNE 2023	JUNE 2024
INVESTMENTS	\$ 1,045,811,117	\$ 1,133,924,343
FUNDED RATIO	76.42%	76.55%



### ASSET ALLOCATIONS AS OF 6/30/2024

LSPRS's objective is to protect the System's assets in real terms such that assets are persevered for providing benefits to participants and their beneficiaries. LSPRS targets to achieve investment returns over the long term of greater than the current actuarial assumption, currently 6.95%.

LSPRS' Board of Trustees approved a new asset allocation plan, shown in the pie chart above. The plan added new 5% targets to private credit and infrastructure. Private credit provides steady income. It does this through contractual interest payments. It has lower volatility and strong diversification benefits. Investments in infrastructure, like toll roads and airports, yield stable, long-term returns. They often have contracts that link prices to inflation, helping to protect against it. They also ensure steady cash flow. These asset classes make portfolios more stable. They help the retirement system meet its payout obligations.

### INVESTMENT FY RETURNS

- LSPRS returned 10.3% net in the fiscal year, outperforming the current actuarial assumption by over 3%.
- LSPRS generated a \$107 million gain net of all fees and expenses.
- At the end of the fiscal year, the portfolio stands at approximately \$1.13 billion.
- LSPRS conducted fee negotiations with 4 investment managers, resulting in expected savings of over \$1.5 million in the next 5 years.

# GOALS AND STRATEGIES: PROGRESS TO DATE

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## GOAL 1:

Successfully manage a diversified investment portfolio to meet or exceed the annual assumed rate of return each year.

1

### STRATEGY

Provide robust oversight of most capable investment consulting firm able to diversify the investment strategy by issuing an RFP every 5 years

### PROGRESS TO DATE

A Request For Proposals (RFP) was issued in December of 2023. In February of 2024, after an extensive interview process, the Board hired Meketa Investment Consultants for a 3 year term.

2

### STRATEGY

Include performance measures and deliverables in investment consulting firm's contract and annually review performance

### PROGRESS TO DATE

We have developed a monthly report detailing performance measures and reviewed our annual performance.

3

### STRATEGY

Uphold good governance practices to ensure transparency, accountability, and fiduciary responsibility

### PROGRESS TO DATE

We have updated our Investment Policy Statement and successfully completed our annual audit.

4

### STRATEGY

Manage cash flow to meet financial obligations

### PROGRESS TO DATE

We have developed a cash flow analysis and adjusted portfolio targets to ensure proper liquidity.





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STATE POLICE

# GOALS AND STRATEGIES

## GOAL 2:

Improve member outreach and engagement to ensure confidence in LSPRS operations.

1

### STRATEGY

Issue an annual report to members and stakeholders reflecting system performance and activities

#### PROGRESS TO DATE

This report is the first annual report. Feedback will be collected and evaluated to determine the areas in which it can be improved and expanded.

2

### STRATEGY

Launch an on-line member portal to provide members timely access to benefit information

#### PROGRESS TO DATE

During the past fiscal year, the internal member accounting system was completely upgraded. The LSPRS staff has spent considerable amount of time working through all aspects. This new system is the first step towards a member portal.

3

### STRATEGY

Develop an effective communication method to regularly update members on benefit changes and activities

#### PROGRESS TO DATE

LSPRS has been working to create a database of retiree and beneficiary emails to allow for the capability of contacting members in a more efficient manner.

4

### STRATEGY

Increase outreach to individual troops

#### PROGRESS TO DATE

In coordination with the Colonel, LSPRS has visited Troops C, E, and F. During each visit, staff has provided members with an update on the system and up-to-date handbooks.

5

### STRATEGY

Ensure publications and system website reflect accurate information

#### PROGRESS TO DATE

The website has been updated and is constantly monitored to ensure the content is up-to-date. Information posted on the website has been increased to include quarterly investment returns and other reports.



# GOALS AND STRATEGIES

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GOAL 3:  
Operate in an efficient and effective manner to maximize administrative functions.

1

## STRATEGY

Ensure resiliency and redundancy in operational functions

### PROGRESS TO DATE

LSPRS continues to cross-train staff so that all members of staff are able to assist a member or trustee as needed. The staff continuously updates the LSPRS Policies and Procedures Manual.

2

## STRATEGY

Invest in technology upgrades as necessary to protect system assets and confidential member information

### PROGRESS TO DATE

The internal member system received a complete upgrade during the FY. All member files were scanned to ensure protection of confidential information. Multifactor Authentication (MFA) was instituted for all software.

3

## STRATEGY

Implement a process improvement plan to identify and solve for administrative challenges

### PROGRESS TO DATE

Many programmatic upgrades have been implemented in the FY to solve known challenges. Including but not limited to system calculation of repayments and digital board binders.

4

## STRATEGY

Increase board and staff professional development and continuing education

### PROGRESS TO DATE

LSPRS staff has participated in both internal and external professional development including communication and specialized software training.





5

## STRATEGY

Continually update written policies and procedures to reflect best practices

### PROGRESS TO DATE

Through the policy set in the Trustee Handbook, adopted April 2024, each publication by LSPRS is updated at least every five years. The executive director has provided a schedule of such updates.

6

## STRATEGY

Develop an evaluation process for non-classified employees based on established annual expectations

### PROGRESS TO DATE

A new evaluation form was created to mirror the non-classified employees' job descriptions and the LSPRS strategic plan. Feedback is being taken for improvement.



7

## STRATEGY

Achieve an annual clear audit of financials

### PROGRESS TO DATE

Together with our internal accountant, Griffin & Furman, LSPRS was able to provide all necessary documentation and received a clean audit from our external auditor, Eriksin Krentel.

8

## STRATEGY

Maintain administrative efficiency of less than 1% of assets

### PROGRESS TO DATE

Both the current 2024-2025 FY Budget and the budget presented to the Board for 2025-2026 FY maintain an administrative efficiency of less than 1% of assets.

# STRATEGIC PLAN

## 2024-2028

### VISION

ASSURANCE OF A STABLE RETIREMENT BENEFIT FOR OUR MEMBERS AND THEIR SURVIVORS.

### MISSION

TO INSPIRE THE CONFIDENCE OF OUR MEMBERS IN OUR ABILITY TO COMPETENTLY AND SUCCESSFULLY PROTECT THE RETIREMENT BENEFIT OF THOSE WHO PROTECTED US.

## GOALS AND STRATEGIES

#### GOAL 1:

**SUCCESSFULLY MANAGE A DIVERSIFIED INVESTMENT PORTFOLIO TO MEET OR EXCEED THE ANNUAL ASSUMED RATE OF RETURN EACH YEAR.**

#### STRATEGIES:

- Provide robust oversight of most capable investment consulting firm able to diversify the investment strategy by issuing an RFP every 5 years
- Include performance measures and deliverables in investment firm's contract and annually review performance
- Uphold good governance practices to ensure transparency, accountability, and fiduciary responsibility
- Manage cash flow to meet financial obligations

#### GOAL 2:

**IMPROVE MEMBER OUTREACH AND ENGAGEMENT TO ENSURE CONFIDENCE IN LSPRS OPERATIONS.**

#### STRATEGIES:

- Issue an annual report to members and stakeholders reflecting system performance and activities
- Launch an on-line member portal to provide members timely access to benefit information
- Develop an effective communication method to regularly update members on benefit changes and activities
- Increase outreach to individual troops
- Ensure publications and system website reflect accurate information

#### GOAL 3:

**OPERATE IN AN EFFICIENT AND EFFECTIVE MANNER TO MAXIMIZE ADMINISTRATIVE FUNCTIONS.**

#### STRATEGIES:

- Ensure resiliency and redundancy in operational functions
- Invest in technology upgrades as necessary to protect system assets and confidential member information
- Implement a process improvement plan to identify and solve for administrative challenges
- Increase board and staff professional development and continuing education
- Continually update written policies and procedures to reflect best practices
- Develop an evaluation process for non-classified employees based on established annual expectations
- Achieve an annual clear audit of financials
- Maintain administrative efficiency of less than 1% of assets