

Louisiana State Police Retirement System (LSPRS)

Program Authorization: Const. Art. 10, Section 29; R.S. 11:1301 et seq.

Agency Description

LSPRS is a qualified pension and retirement plan, established by the Louisiana Legislature in 1938 to provide retirement benefits for Louisiana state police officers and their beneficiaries.

Budget Summary

	<u>Prior Year</u> <u>Actuals</u> <u>FY 17-18</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 18-19</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 19-20</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
Means of Financing:				
State General Fund by:				
<u>Fees and Self-generated Revenues</u>	\$ 3,085,628	\$ 3,650,500	\$ 3,510,500	\$ (140,000)
Total Means of Financing	\$ 3,085,628	\$ 3,650,500	\$ 3,510,500	\$ (140,000)
Expenditures & Request:				
Personal Services	\$ 483,891	\$ 483,500	\$ 513,500	\$ 30,000
Operating Expenses	73,788	92,000	92,000	-
Professional Services	259,006	289,000	299,000	10,000
Other Charges	-	-	-	-
Acquisitions & Major Repairs	-	6,000	6,000	-
<u>Investment Management Fees</u>	<u>2,268,943</u>	<u>2,780,000</u>	<u>2,600,000</u>	<u>(180,000)</u>
Total Expenditures & Request:	\$ 3,085,628	\$ 3,650,500	\$ 3,510,500	\$ (140,000)

Authorized Full-Time Equivalents:

Classified	2	2	2	0
<u>Unclassified</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Total FTEs	4	4	4	0

Source of Funding

Funding for LSPRS' operating budget comes from three (3) sources: employer contributions, employee contributions, and earnings from trust fund investments.

Major Changes from Existing Operating Budget: LSPRS

\$ 3,650,500	FY 18-19 Existing Operating Budget
\$ 30,000	Increase in Personal Services
\$ 1,000	Increase in Other: Equipment rental
\$ (1,500)	Decrease in Recruiting
\$ 500	Increase in Miscellaneous
\$ 10,000	Increase in Investment Consultant
\$ 10,000	Decrease in Custodial Fees
\$ (190,000)	Decrease in Investment Consultant Fees
\$ (140,000)	Total Proposed Adjustments
\$ 3,510,500	FY 19-20 Proposed Operating Budget

Table of Organization: LSPRS
(all are classified positions unless otherwise noted)

<u>Number</u>	<u>Occupational Group</u>	<u>Actual Salary</u>	<u>Average Salary</u>
2	Unclassified - Executive Administrative	\$ 256,000	128,000.08
1	Rate and Financial Analysis	\$ 49,712	-
1	<u>General Administrative</u>	<u>\$ 31,616</u>	<u>-</u>
4	Total Positions	\$ 337,328	84,332.04

Professional Services: LSPRS

Accounting & Auditing

- \$ 54,000 Licensed Certified Public Accountant to perform all internal accounting functions for LSPRS.
- \$ 14,000 Legislative Auditor or Licensed CPA to perform annual external audit for LSPRS.

Management Consulting

- \$ 130,000 Consultant to assist the Board of Trustees with investment manager monitoring and overall portfolio evaluation and management.
- \$ 20,000 Consultant to provide support for the LSPRS database and network.

Legal

- \$ 32,000 Attorney to provide legal services in conjunction with all system related matters and labor and tax issues as well as specific lawsuits.

Medical

- \$ 4,000 Physician charges - Examination of applicants for disability requirements.

Other Professional Services

- \$ 45,000 System Actuary - G.S.Curran & Company, LTD - Fees for annual valuation of LSPRS, compilation of data needed for valuation of reserves, and data needed at time of legislation.

\$ 299,000 Total Professional Services

Acquisitions & Major Repairs: LSPRS

\$	6,000	Various smaller office acquisitions
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\$	6,000	Total Acquisitions and Major Repairs

Investment Management Fees: LSPRS

\$	550,000	Global Fixed Income Investment Advisors
\$	425,000	Large Cap Value Equity Investment Advisors
\$	350,000	Large Cap Growth Equity Investment Advisors
\$	375,000	Small Cap Growth Equity Investment Advisors
\$	325,000	Small Cap Value Equity Investment Advisors
\$	375,000	Alternative Investments
\$	100,000	Investment Custodial - Global
\$	100,000	Equity Index Advisors
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\$	2,600,000	Total Investment Management Fees

Performance Information: LSPRS

	<u>Actual at</u> <u>6/30/2017</u>	<u>Actual at</u> <u>6/30/2018</u>	<u>Projected at</u> <u>6/30/2019</u>
Membership Census			
1) Retirees	1,155	1,174	n/av
2) Actives	1,071	1,129	n/av
3) Vested	43	44	n/av
Annual Benefits	\$ 43,286,212	\$ 47,329,769	
Asset Valuation	\$ 774,664,801	\$ 848,456,307	n/av
Experience Account	\$ 5,260,562	\$ 1,957,062	n/av
Investment Yield			
Market Value	14.62%	9.40%	n/av
Actuarial Value	8.23%	8.22%	n/av
Unfunded Accrued Liability*	\$ 287,782,158	\$ 292,799,239	n/av
Funded Ratio	72.91%	74.34%	n/av
Employee Contribution Rate	8.500%	8.500%	8.500%
Employee Contribution Rate - New Hires after 12/31/2010	9.50%	9.50%	9.50%
Employer Contribution Rate**	51.2%	47.4%	43.1%

* UAL cannot be accurately predicted into future periods.

** Employer Contribution Rate set by Public Employees' Retirement Systems Actuarial Committee

n/ap = not applicable

n/av = not yet available

Budget Summary (LSPRS):

	<u>Prior Year</u> <u>Actuals</u> <u>FY 17-18</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 18-19</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 19-20</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>
Salaries - Regular	\$ 314,040	\$ 320,000	\$ 340,000	\$ 20,000
Board per diem & travel	\$ 3,262	3,500	3,500	\$ -
Salaries - Related Benefits	\$ 166,589	160,000	170,000	\$ 10,000
TOTAL PERSONAL SERVICES	\$ 483,891	\$ 483,500	\$ 513,500	\$ 30,000
Travel & Seminars	\$ 9,012	12,000	12,000	\$ -
Insurance	\$ 4,275	5,000	5,000	\$ -
Maintenance & Repairs	\$ 19,074	20,000	20,000	\$ -
Other: Equipment Rental	\$ 7,082	6,500	7,500	\$ 1,000
Dues & Subscriptions	\$ 985	2,000	2,000	\$ -
Postage	\$ 13,874	18,000	18,000	\$ -
Telephone	\$ 2,420	2,500	2,500	\$ -
Recruiting	\$ -	4,000	2,500	\$ (1,500)
Miscellaneous	\$ 2,512	2,000	2,500	\$ 500
Supplies	\$ 6,629	10,000	10,000	\$ -
Utilities	\$ 7,925	10,000	10,000	\$ -
TOTAL OPERATING EXPENSES	\$ 73,788	\$ 92,000	\$ 92,000	\$ -
Accounting Services	\$ 51,000	54,000	54,000	\$ -
Auditing Fees	\$ 9,935	14,000	14,000	\$ -
Investment Consultant	\$ 120,000	120,000	130,000	\$ 10,000
Computer Consultant Fees	\$ 17,866	20,000	20,000	\$ -
Legal Fees	\$ 18,705	32,000	32,000	\$ -
Medical Examinations	\$ -	4,000	4,000	\$ -
Actuarial Fees	\$ 41,500	45,000	45,000	\$ -
TOTAL PROFESSIONAL SERVICES	\$ 259,006	\$ 289,000	\$ 299,000	\$ 10,000
Major Acquisitions	\$ -	\$ 6,000	\$ 6,000	\$ -
TOTAL ACQUISITIONS	\$ -	\$ 6,000	\$ 6,000	\$ -
Custodial Fees	\$ 94,692	\$ 90,000	\$ 100,000	\$ 10,000
Investment Manager Fees	\$ 2,174,251	\$ 2,690,000	\$ 2,500,000	\$ (190,000)
TOTAL INVESTMENT MGMT FEES	\$ 2,268,943	\$ 2,780,000	\$ 2,600,000	\$ (180,000)
TOTAL OPERATING BUDGET	\$ 3,085,628	\$ 3,650,500	\$ 3,510,500	\$ (140,000)

Notes on salaries (LSPRS):

<u>Employee</u>	<u>Title</u>	<u>Salary Prior Year 2017-18</u>	<u>Salary Current 2018-19</u>	<u>% Increase</u>
Irwin Felps Jr.	Executive Director	148,200.00	160,000.10	8%
Kimberly Gann	Assistant Director	88,400.26	96,000.06	9%
Tausha Facundus	Benefits Analyst	47,798.40	49,712.00	4%
Shelley Sebastian	Administrative Assistant	30,409.60	31,616.00	4%
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		314,808.26	337,328.16	7%

<u>Related Benefits *</u>	<u>Related Benefits Prior Year 2017-18</u>	<u>Related Benefits Current 2018-19</u>	<u>% Increase</u>
	166,589.00	166,068.64	0%

* Related Benefits includes employer paid portions of health insurance, retirement benefits and payroll tax expense. There will be low percentage increases/decreases each year based on accruals, etc.