



FIREFIIGHTERS RETIREMENT SYSTEM

3100 Brentwood Drive
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MEETING OF THE BOARD OF TRUSTEES January 12, 2017

A meeting of the Board of Trustees was held on January 12, 2017 at the Firefighters' Retirement System building in Baton Rouge, Louisiana. Mr. Charlie Fredieu, Chairman, called the meeting to order at 8:30 a.m.

Mr. Jeselink gave the invocation and Mr. Birdwell led the pledge of allegiance.

Ms. Poche called the roll. A quorum was present.

MEMBERS PRESENT

Mr. Charlie Fredieu
Mr. Stacy Birdwell
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)
Mayor David Amrhein (arrived after roll call)
Mr. John Broussard (designee of Treasurer Ron Henson) (arrived after roll call)
Representative Barry Ivey (designee of House Speaker) (arrived after roll call)
Mr. Perry Jeselink
Mayor Ron Roberts
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Denise Poche
Jason Starns
Michael Becker
David Barnes
Greg Curran
Paul Schmidt
Annie Smith
Margaret Corley
Brandi Brown
Kirk Reasonover
Nick Berg

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TRUSTEE - OATH OF OFFICE

Mr. Perry Jeselink was administered the constitutional and statutory oaths of office as a trustee for the Firefighters' Retirement System.

Honorable Barry Ivey was administered the constitutional and statutory oaths of office as a trustee for the Firefighters' Retirement System.

ELECTION OF BOARD OFFICERS

Chairman. Pursuant to FRS by-laws, Mr. Stockstill conducted the election of board chairman. Mr. Fredieu placed the name of Stacy Birdwell into nomination for the position of FRS board chairman. No other names were given upon three calls for further nominations.

MOTION: After the third unanswered call, Mr. Jeselink moved that the nominations be closed and that Mr. Birdwell be deemed elected by acclamation to the position of FRS board chairman. Mr. Fredieu seconded. The motion passed.

Vice Chairman. Mr. Fredieu then conducted the election of board vice-chairman. Mr. Birdwell placed the name of Perry Jeselink into nomination for the position of FRS board vice-chairman. No other names were given upon three calls for further nominations.

MOTION: After the third unanswered call, Mr. Birdwell moved that the nominations be closed and that Mr. Jeselink be deemed elected by acclamation to the position of FRS board vice-chairman. Mr. Adomako seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

MINUTES

MOTION: Mr. Fredieu moved to approve the minutes of the board meeting held on December 8, 2016. Mr. Jeselink seconded. The motion passed.

APPLICANTS

- New Members

PROCEDURE: The FRS enrollment process, including the completion of the applicant forms, the physical examination, and the completion of any waivers of preexisting conditions, must be completed and all documents received by FRS within six months of the date of employment. If the FRS enrollment process is not completed within six months from the date of employment, the applicant will be a member eligible to begin vesting for regular benefits from the date of

employment, but not eligible to begin vesting for disability benefits until the completion of the enrollment process. It is the statutory responsibility of the employer to insure that the enrollment process is timely completed or to provide FRS with notice of noncompliance by the applicant. If a member who has not completed the enrollment process becomes injured in the line of duty and applies for disability benefits, then the member must prove that the disabling condition was not preexisting. Each enrollment application is reviewed by staff to determine eligible job classification, date of hire, employer certification, and medical waiver information. Each application for membership was completed and submitted in accordance with all applicable state laws.

Mr. Starns presented the list of new member applicants. (see attached Exhibit #1) He stated that all applications were in order.

MOTION: Mr. Jeselink moved to approve the new member applicants. Mr. Adomako seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

- Retirees

PROCEDURE: To retire, a member must furnish the retirement office with an application for retirement. When the application is received by the retirement office, the member's file is reviewed for proper documentation and to determine that the applicant meets the legal criteria necessary to receive payment in the form of a monthly retirement benefit. Calculations for retirement are performed by the benefit analyst and verified by the system's administrator. All retirement applications were submitted and benefits calculated in accordance with all applicable state laws.

Mr. Starns presented the list of new retirees. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the retiree applicants. Mr. Jeselink seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

- Survivor Applications

PROCEDURE: Survivors applying for benefits must furnish the retirement office with a notarized application for survivor benefits, a copy of the member's death certificate, a marriage licence (if beneficiary is a spouse), and the beneficiary's birth certificate. Once received, the deceased member's records are reviewed by staff to determine survivor benefit eligibility and to determine that the survivor's benefit calculation is completed per all applicable state laws and any merger agreements.

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[NOTE: Individuals who retired under another retirement system where FRS is a third party administering payments as a result of a merger, and where the individual becomes deceased after the merger, the beneficiary or survivor is still required to submit all necessary documents; however, payment is made as set forth in the merger agreement (contract) affecting beneficiaries and survivors.] (R.S. 11:2256 and R.S. 11:2259)

Amelia Bernadette Landry - Mr. Starns presented the application of Amelia Bernadette Landry, surviving spouse of James Bob Landry. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Amelia Bernadette Landry. Mr. Tarleton seconded. The motion passed.

Francis Davidson Matlock - Mr. Starns presented the application of Frances Davidson Matlock, surviving spouse of William Kenneth Matlock. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Francis Davidson Matlock. Mr. Tarleton seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

JOSEPH N. BRYLES v. CANTOR FITZGERALD & CO., ET AL

Joseph N. Bryles v. Cantor Fitzgerald & Co., et al., Civil Action No. 3:10-854-JJB-SCR, United States District Court, Middle District of Louisiana consolidated with *Joseph N. Broyles, et al. versus Cantor Fitzgerald & Co. et al.*, Civil Action No. 3:10-857-JJB-SCR, United States District Court, Middle District of Louisiana; and *In re Sand Spring Capital III*, Case No. 11-13393, US Bankruptcy Court, District of Delaware - A consolidation of five funds managed by Commonwealth Advisors.

[NOTE: By giving notice on its duly posted agenda, the board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(1) for discussion of character or professional competence of the juridical entities identified in agenda item II(1); The board of trustees further reserved its right to enter executive session pursuant to R.S. 42:17(A)(2) for discussion of strategy or negotiations with respect to actual or prospective litigation where an open meeting would have a detrimental effect on litigation position of FRS in the matters referenced in agenda item II(1) (see litigation cited above); all pertinent notifications had been provided.]

MOTION: Mr. Tarleton moved to enter executive session to discuss the agenda item shown above. Mr. Jeselink seconded. The motion passed unanimously.

MOTION: Mr. Tarleton moved to resume public session. Mr. Jeselink seconded. The motion passed unanimously.

The discussion of this matter was concluded with no further action being needed or taken.

COMMITTEE REPORT - RECOMMENDATIONS COMMITTEE

[NOTE: The Recommendations Committee met on January 11, 2017, at the FRS office in Baton Rouge at 2:00 p.m. to discuss the following business set forth in its posted agenda- (i) Discussion and action regarding reduction of FRS actuarially assumed interest rate, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Jeselink, chairman; Mr. Broussard, Mayor Roberts and Mr. Tarleton. Also present were Mr. Birdwell, Mr. Fredieu, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, Margaret Corley, David Barnes, and Gary Curran.]

Mr. Jeselink gave the Recommendations Committee report. He reported that the sole agenda item shown above was discussed and resulted in no action item being recommended to the full board.

That concluded the Recommendations Committee report.

MONTHLY FLASH REPORT - DECEMBER 2016

Mr. Barnes presented the monthly flash report for December 2016. (see attached Exhibit #3) The overall fund was up/down as follows: 1.6% for the month of December as compared to the allocation index of 1.4%; 5.0% for the fiscal year to date as compared to the allocation index of 4.1%; 7.2% for the trailing 12 months as compared to the allocation index of 8.1%; and 1.7% for the trailing 3 years as compared to the allocation index of 3.8%.

The discussion of this matter was concluded with no action being needed or taken.

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on January 11, 2017, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda- (i) Monthly flash report for December 2016, (ii) Two-year extension of fund termination date as requested by General Partner of Louisiana Fund I private equity fund; and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Birdwell, chairman; Mr. Broussard, Mr. Jeselink, Mayor Roberts, and Mr. Tarleton. Also present were Mr. Adomako, Mr. Fredieu, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, David Barnes, Margaret Corley, and Gary Curran.]

Mr. Birdwell gave the investment committee report. In doing so he recognized Mr. Barnes who recalled his presentation of the monthly flash report to the Investment Committee for the month of December 2016. (see minute entry captioned above as "Monthly Flash Report - December 2016")

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- Louisiana Fund I

Mr. Birdwell reported that the Louisiana Fund I agenda item was discussed by the committee and resulted in a recommendation to the board of trustees to approve FRS' non-binding expression of interest in having the Louisiana Fund I General Partner solicit the sale of the fund's assets in the secondary market.

MOTION: Mr. Fredieu acknowledged the foregoing and moved the Investment Committee's recommendation in the form of a motion. Mayor Roberts seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

That concluded the Investment Committee report.

GASB STANDARD NO. 68

The discussion of this matter was postponed to a future date.

FRS LEGISLATION - 2017 REGULAR SESSION

Mr. Jason Starns, FRS Benefits Manager, explained the following 2017 legislative bill draft to the board and addressed questions that arose relative thereto-

- Provides order of payments for certain types of death benefits. (see attached Exhibit #4)

MOTION: Mr. Broussard moved to approve submission of the bill draft to the legislature. Mr. Tarleton seconded. The motion passed.

The discussion of this matter was concluded with no further action being needed or taken.

POLICY - WRONGFULLY TERMINATED EMPLOYEE

[NOTE: By giving notice on its duly posted agenda, the board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(2) for discussion of strategy or negotiations with respect to actual or prospective litigation where an open meeting would have a detrimental effect on litigation position of FRS in the matters referenced in agenda item III(5) (see litigation cited above); all pertinent notifications had been provided.]

Mr. Starns explained current FRS Policy No. 0302006 regarding an employee who has been wrongly terminated, and then enters retirement status, and is thereafter reinstated to his or her former employment. Current policy states "The member is required to repay all benefits received. The employer is required to provide all salary information as well as employee and employer

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contributions on the salary paid. The member will have an adjustment to his service credit to reinstate the service initially lost."

Mr. Starns said the current policy does not address the scenario where an employee was enrolled as a participant in the DROP plan at the time of wrongful termination. He said the staff is proposing an amendment to the existing policy to address that scenario because the system is currently facing the same situation. (see attached Exhibit #5)

MOTION: Mayor Roberts moved to approve the amendment to FRS Policy No. 03022006 as proposed by staff. Mr. Tarleton seconded. The motion passed.

Mr. Stockstill mentioned one clarifying point after the motion passed. He said the policy, as amended, is applicable only to an employee who was "participating in the DROP plan" at the time of the wrongful termination. He said this policy is distinguishable from an employee who was wrongfully terminated prior to entry into the DROP plan. Mr. Stockstill said, in the first instance, there is no speculation whether the employee would actually enter into DROP participation; but, in the second instance, it must be assumed or speculated that the employee would actually enter into DROP participation.

Chairman Birdwell then discussed certain scenarios and asked the staff to prepare a proposed change to FRS administrative procedure whereby a DROP applicant would be required to submit his DROP application directly to FRS, instead of seeking approval from his employer. He said the board should discuss the proposal because, under current procedures, an employer could "hold up" the processing of a DROP application, either intentionally or unintentionally, and that would interfere with a right that is conferred by law to an employee.

The discussion of this matter was concluded with no further action being needed or taken.

ADJOURNMENT

Mr. Tarleton moved to adjourn the meeting. Mayor Amrhein seconded. The motion passed.

FUTURE MEETINGS

**FRS System's Recommendations Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, February 8, 2017 at 2:00 p.m.**

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**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, February 8, 2017 at 3:00 p.m.**

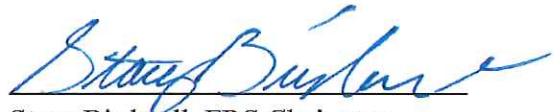
**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, February 9, 2017 at 8:30 a.m.**

SUBMITTED BY:



Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman