



FIREFIGHTERS RETIREMENT SYSTEM

P.O. Box 94095, Capitol Station
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Telephone (225) 925-4060 • Fax (225) 925-4062



MEETING OF THE BOARD OF TRUSTEES MAY 23, 2012

Public notice was given that the Firefighters' Retirement System, Municipal Employees' Retirement System, and the New Orleans Fire Fighters' Pension and Relief Fund would be meeting in the same room of the LMA Building. Although each system was meeting independently, all three systems met separately in executive session, at the same time, for the purpose of simultaneously receiving testimony from staff and retained consultants.

A meeting of the board of trustees was held on May 23, 2012 at the Louisiana Municipal Association Building in Baton Rouge, Louisiana. Mr. Charlie Fredieu, Chairman, called the meeting to order at 10:00 a.m.

Mayor James Durbin gave the invocation and Mr. Mike Sans led the pledge of allegiance.

Ms. Kelli Rogers called the roll. A quorum was present.

MEMBERS PRESENT

Mr. Charlie Fredieu
Mr. Stacy Birdwell
Mr. John Broussard
Mayor James Durbin
Mayor Mayson Foster
Mr. Perry Jeselink
Dr. Steven Procopio
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Kelli Rogers

[NOTE: By posting its agenda in a timely fashion at the Firefighters' Retirement System's office, 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 the litigating position of the retirement system in any judicial matter related thereto; all pertinent notifications had been provided.]

The only item set forth on the agenda was the discussion and action regarding FRS investments, including but not limited to: **(A)** FRS asset manager known as Fletcher Asset Management, Inc., the current investment manager of at least two funds identified as the FIA Leveraged Fund and the Fletcher Income Arbitrage Fund, Ltd., **(B)** In the Matter of FIA Leveraged Fund, FSD Cause No. 0013 of 2012, In the Grand Court of the Cayman Islands, and **(C)** All matters related to the foregoing items.

MOTION: Mayor Durbin moved to enter executive session. Mr. Birdwell seconded. The motion passed unanimously. The board entered executive session.

MOTION: Mayor Durbin moved to resume public session. Mayor Foster seconded. The motion passed unanimously. The board resumed public session.

MOTION: Mr. Birdwell moved to approve a sum not to exceed one-third of \$200,000 to fund the cost of the appeal In the Matter of FIA Leveraged Fund, FSD Cause No. 0013 of 2012, In the Grand Court of the Cayman Islands. Mr. Tarleton seconded. The motion passed.

MOTION: Mr. Birdwell moved to approve a sum not to exceed one-third of \$2.5million to be used as funding by the court-appointed liquidators of the FIA Leveraged Fund, to accomplish the liquidation of that fund and to take all actions seeking to maximize the return of value to shareholders. Mayor Foster seconded. The motion passed.

MOTION: Mr. Birdwell moved to approve a sum not to exceed one-third of \$500,000 to fund all appropriate steps regarding maximizing the value of the stock warrant rights known as the "UCBI rights". Mayor Durbin seconded. The motion passed.

At this stage, the FRS board chairman announced that the FRS board would stand in recess while the other two retirement systems entertained motions to adjourn their board meetings. The FRS board was called to order by its chairman after being in recess for approximately five minutes.

MOTION: Mr. Birdwell moved to enter executive session. Mayor Durbin seconded. The motion passed unanimously. The board entered executive session.

MOTION: Mayor Foster moved to resume public session. Mayor Durbin seconded. The motion passed unanimously. The board resumed public session.

MOTION: Mr. Broussard moved to terminate the contract presently existing between FRS and Consulting Services Group. The motion failed for lack of a second.

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MOTION: Mayor Foster moved to include on the agenda for the board meeting to be held on June 14, 2012, an item requiring the board to consider the issuance of an Request For Proposal for investment consultant services. Mayor Durbin seconded. Mr. Birdwell and Mr. Broussard opposed the motion. The motion passed 6 to 2.

ADJOURNMENT

There being no further business, the meeting of the FRS board of trustees was adjourned.

FUTURE MEETINGS

**FRS Investment Committee
Public Safety Building
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, June 13, 2012 at 3:00 p.m.**

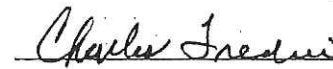
**FRS Board of Trustees
Public Safety Building
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, June 14, 2012 at 8:30 a.m.**

SUBMITTED BY:



Penny Gandy, FRS Board Secretary

APPROVED BY:



Mr. Charles Fredieu, FRS Chairman



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MEETING OF THE BOARD OF TRUSTEES MAY 1, 2012

A meeting of the board of trustees was held on May 1, 2012 at the Public Safety Building in Baton Rouge. Mr. Charlie Fredieu, Chairman, called the meeting to order at 8:30 a.m.

Chairman Fredieu introduced Layne McKinney as the new FRS System Administrator/CPA.

Mayor James Durbin gave the invocation and Mr. Birdwell led the pledge of allegiance.

Mrs. Penny Gandy called the roll. A quorum was present.

MEMBERS PRESENT

Mr. Charlie Fredieu
Mr. Stacy Birdwell
Mr. John Broussard
Mayor James Durbin
Mayor Mayson Foster
Dr. Steven Procópio
Mr. Perry Jeselink
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Kelli Rogers
Jason Starns
Penny Gandy
Joe Meals
Greg Curran
Bob Rust

MINUTES

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on April 12, 2012 as amended. Mayor Durbin 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 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. Jason Starns presented the list of new member applicants. (see attached Exhibit #1) He stated that all applications were in order.

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

- 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 license (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. [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)

Mr. Starns presented the application of Bessie Anita Brinson, surviving spouse of George Ray Brinson. He stated that the application was in order.

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MOTION: Mr. Birdwell moved to approve the application for Bessie Anita Brinson. Mr. Tarleton seconded. The motion passed.

Mr. Starns presented the application of Lettie Michiels, surviving spouse of Julius Louis Michiels. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application for Lettie Michiels. Mr. Jeselink seconded. The motion passed.

- Disability Applications

PROCEDURE: To obtain disability benefits, a member must furnish the retirement office with an application for disability retirement. For the following applicant(s), the application for disability retirement, current job duties, and all medical records pertaining to the injury or illness were received and reviewed by the retirement office staff. An appointment was scheduled with a State Medical Disability Board doctor specializing in the area of the claimed disability. The doctor submitted a detailed report in laymen's terms of his findings based on the examination performed and the medical records reviewed. Prior to the meeting, the board of trustees was provided with the disability application, job description, State Medical Disability Board doctor's report and all medical records related to each applicant, for their advance review. (R.S. 11:215, 216, 218, & 2258)

[NOTE: By giving advance notice on its posted agenda, the board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(1) for discussion of any privacy protected physical or mental health information related to the disability applicants.]

██████████ - Mrs. Gandy presented the application for disability retirement of ██████████. Mrs. Gandy stated that ██████████ was seen by State Medical Disability Board doctor, Dr. Lawrence Wade on April 16, 2012. In his report, Dr. Wade stated, that "It is my opinion, based on the available data, that any psychiatric disability with reference to his (former) job as a firefighter is not total, that he has not suffered at any point from a total and permanent psychiatric disability for that job, and that such psychiatric disability as he currently may suffer with reference to that job is not greater than it was at the time of his entry into this retirement system. It is true that during the period of time when he was actively using opiate analgesics, he suffered from resulting episodes of greater functional impairment (or "disability"), both when he was intoxicated and as a result of "withdrawal" symptoms, while not using the drugs - but that level of functional impairment was temporary and not permanent. It is my opinion, based on the available data, that such functional impairment (or "disability") as he currently suffers and/or has suffered, on psychiatric grounds, did not result and has not resulted from his work as a firefighter." "It is therefore my recommendation that his application for psychiatric disability retirement should be denied."

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Based upon the report of Dr. Lawrence Wade the staff recommendation was for the denial of job-related disability retirement.

MOTION: Mr. Birdwell moved to enter executive session. Mayor Durbin seconded. The motion passed unanimously. The board entered executive session.

MOTION: Mr. Birdwell moved to resume public session. Mayor Durbin seconded. The motion passed unanimously. The board resumed public session.

MOTION: Mr. Birdwell moved to accept the staff recommendation. Mr. Tarleton seconded. The motion passed.

MONTHLY FLASH REPORT - APRIL 2012

The monthly flash report for April 2012 was not yet available because the date of the May 2012 FRS board meeting had been accelerated from the ordinary meeting date (second Thursday of May) to the first day of May. Instead of presenting the April 2012 flash report, Mr. Joe Meals presented a spreadsheet that was titled "April Update". (see attached Exhibit #2) The spreadsheet displayed the investment performance for the period of 03/31/12 through 04/25/12 relative to most, but not all, of FRS' investments. He said that, on a very preliminary basis, the FRS portfolio value should decline between 50 and 100 basis points. The FRS portfolio value was down approximately 60 basis points as of 04/25/12. The S&P 500 was at -1.2% and the Russell 2000 Index was at -2.1%. Mr. Meals said that most of the losses were being experienced in the equity market. He further noted that the Barclays Aggregate Bond Index was at 0.8% and the high yield markets were at 0.7%.

[NOTE: The flash report for April 2012 was provided to FRS on 05/09/12. (see attached Exhibit #3) The report shows that the overall fund was up/down as follows: -0.2% for the month of April as compared to the blended index of 0.1%; 1.4% for the fiscal year to date as compared to the blended index of 7.6%; 0.0% for the trailing 12 months as compared to the blended index of 6.2%; and 11.4% for the trailing 3 years as compared to the blended index of 14.7%.]

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee did not meet this month.]

Committee chairman Birdwell recognized Mr. Joe Meals to give an investment report.

- **Biennial board diligence review of Consulting Services Group (CSG)**

Mr. Meals recalled that the board previously adopted a policy requiring a biennial diligence review of the investment consultant. He noted that, last month, CSG provided a packet of information in response to a FRS diligence questionnaire. (see attached Exhibit #4) The information included an overview of CSG. He offered to address any points or answer any questions the board might have after having reviewed the information provided last month.

Chairman Fredieu questioned Mr. Meals regarding the conflicts of interest section of the review. He asked Mr. Meals if there were any conflicts of interest. Mr. Meals advised the board that he believed there were not any conflicts of interest. He pointed out that none of FRS' managers trade through the CSG-affiliated broker/dealer. Mr. Meals noted that the hedge funds managed by CSG are mainly for high net worth individual accounts, and said FRS is not invested in these funds. Chairman Fredieu questioned Mr. Meals regarding an employee of CSG borrowing money from Argonaut, an existing FRS manager. Mr. Meals said that Mr. Giavennetti, CSG's former CEO, made an investment in Argonaut, not in the same fund as FRS. He advised that Mr. Giavennetti needed to redeem his investment from the fund in order to make a payment on his own personal real estate loans. Mr. Meals said that Argonaut has a 60 day waiting period for withdrawals, so Mr. Giavennetti talked to Argonaut and they agreed to advance the money and would take a repayment in 60 days when the distribution was made. He noted that when the actual distribution was made by Argonaut, instead of setting the distribution aside against his loan, Argonaut made it directly to Mr. Giavennetti and he spent the money on something besides repaying the loan. Mr. Meals said that this situation is between Argonaut and Mr. Giavennetti.

Mr. Birdwell asked Mr. Meals what Mr. Giavennetti's position was with CSG. Mr. Meals said that he was the CEO, but he is no longer the CEO. He noted that one of the results of this occurrence was that he resigned from the CEO position with CSG.

Mr. Broussard noted that this is an actual conflict of interest because Mr. Giavennetti was the CEO of CSG. Mr. Meals advised that CSG has taken action against Mr. Giavennetti for having created this situation and asked him to pay the loan off as soon as possible. Mr. Broussard asked if Mr. Giavennetti was the CEO of CSG when FRS made the investment with Argonaut. Mr. Meals responded yes he was the CEO, but was not sure if he was invested in Argonaut at that time. Mr. Meals advised the board that Mr. Giavennetti is now the president of Intersect and works with the wealth management division.

Mr. Meals was asked when CSG learned of the loan. Mr. Meals said that this came to light about a year ago. He noted that when CSG first learned of the advance, the CSG compliance officer inquired if the advance had been paid off and Mr. Giavennetti said it will be paid off when the distribution is made. Mr. Meals was asked why he was using the word "advance" when the ADV says "loan"?

Mr. Meals said that is because the original intent was just an advance against Mr. Giavennetti's distribution, it became a loan when the distribution was not used to pay it off, that is when the interest rate became a loan document. Mr. Meals said the loan was found through an internal audit at CSG.

Chairman Fredieu asked if this was a violation of CSG's ethics policy. Mr. Meals responded that it is not illegal for Mr. Giavennetti to take a loan, but it is improper for him to not disclose the fact that he has a loan.

Mr. Meals was asked if Mr. Giavennetti is still employed with any of CSG's affiliates? Mr. Meals said that he is the president of Intersect Research; he went from being a part of the holding company, part of the investment structure, to only being involved with Intersect. It was observed that Mr. Giavennetti's penalty for a material nondisclosure was being changed from CEO to president. Mayor Foster asked if Mr. Giavennetti's salary was reduced? Mr. Meals said that his salary was not reduced. Mr. Meals advised that CSG is currently entertaining an offer to buy Intersect Research and Commerce Holdings.

Chairman Fredieu noted that members of the FRS board cannot invest their personal money in anything that FRS is invested in.

Mr. Stockstill commented to Mr. Meals, that each FRS board member understands that Mr. Meals has a professional license, a Series 7 and Series 53, and along with those licenses comes a duty to disclose to Mr. Meal's client (i.e., FRS) any material information that they need to know, information that might impact their decision making process with regard to investments that they discuss with Mr. Meals. Mr. Stockstill further commented that, based on the FRS board's reliance on Mr. Meals' professional and industry duty to disclose, and for the purpose of those board members who have not read the diligence packet provided by CSG and who are relying on Mr. Meals' duty to disclose, Mr. Stockstill asked if there is anything Mr. Meals would like to verbally add to the diligence packet; anything that board members should be informed of that would impact their relationship with Mr. Meals as a consultant and CSG as a consulting firm? Mr. Meals responded by saying, nothing other than disclosing his own personal investment in Capital Springs III, an existing FRS manager, which is not disclosed in the diligence packet because CSG's compliance officer did not think it needed to be disclosed because Mr. Meals is in the limited partnership under the same terms and made the investment after FRS. Mr. Meals advised the board that he invested \$50,000.⁰⁰

Mr. Stockstill asked Mr. Meals, by first acknowledging to Mr. Meals the FRS board's reliance on Mr. Meals' professional and industry duty to fully disclose needed information to the FRS board, and further acknowledging that members of the FRS board may depend solely on Mr. Meals' duty to fully disclose all needed information, he asked if there is anything outside of the documents contained in the diligence packet that the FRS board is presently reviewing that Mr. Meals' has an

obligation to disclose to the board that may have a material impact on their management of the account with CSG or Mr. Meals' services as the investment consultant. Mr. Meals said nothing that comes to mind. Mr. Meals noted that, when he comes to the board with an investment or recommendation, he never does that with the standpoint of personal gain. Mr. Broussard observed that, by state ethics standards, he cannot co-invest in anything that FRS invests in and he believes CSG and Mr. Meals should not be allowed to either.

Mr. Meals said that if the FRS board is uncomfortable with his investment in the Capital Springs III fund, he is more than willing to ask if he can get his investment out. Mr. Broussard said that getting rid of the investment does not get rid of the violation. Dr. Procopio suggested FRS contact the Ethics Board and ask them to provide an opinion.

Mayor Durbin asked if FRS has a policy in place that would prohibit a FRS investment consultant from investing in a strategy that FRS is investing in? Mr. Stockstill said that FRS does not have an internal written policy because the ethics laws cover that situation. It would be a prohibited activity under the ethics laws. Any company that is retained as an agent of a Louisiana public retirement system is subject to the ethics laws and also has a fiduciary duty to the retirement system. Mayor Durbin stated that what occurred with Mr. Giavennetti and Mr. Meals should not have been done.

Mayor Durbin stated that he would like to have further dialogue about establishing a policy that would be clear and the policy's broad reach would apply to anyone in the consulting firm. Mr. Stockstill said he would prefer to seek an opinion from the ethics administration and, if they come back and say an FRS agent cannot do what was done, then that becomes FRS policy.

MOTION: Mayor Durbin moved to request an opinion from the Ethics Board regarding Mr. Giavennetti's loan and Mr. Meals' investment in the Capital Springs III fund and, if the Ethics Board says that their actions did not violate ethics laws, then FRS would unilaterally adopt a policy prohibiting such conduct. The motion was unanimously seconded. The motion passed.

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

**IN THE MATTER OF THE COMPANIES LAW (2011 REVISION); IN THE MATTER OF
FIA LEVERAGED FUND**

[NOTE: By giving notice on its duly posted agenda, the FRS 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 III(2); 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 the litigating position of FRS in the judicial matter cited in agenda item III(2); all pertinent notifications had been provided.]

MOTION: Mr. Birdwell moved to enter executive session. Mr. Tarleton seconded. The motion passed unanimously. The board entered executive session.

MOTION: Mr. Birdwell moved to resume public session. Mr. Tarleton seconded. The motion passed unanimously. The board resumed public session.

MOTION: Mr. Birdwell moved to authorize expenses for the FRS executive director to appear before the Securities and Exchange Commission in Washington, DC, to give a deposition in this matter. Mr. Tarleton seconded. The motion passed.

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

FRS V. REGIONS BANK, ET AL

This item was deferred until the June 2012 board meeting.

IN RE ROBERT BLACK & KELLY J. BLACK (LAND BARON)

This item was deferred until the June 2012 board meeting.

IN RE SAND SPRING CAPITAL III

This item was deferred until the June 2012 board meeting.

**STATEMENT OF NET ASSETS AND STATEMENT OF CHANGES IN NET ASSETS FOR
Q3, 2012**

Ms. Kelli Rogers presented the board with the Statement of Net Assets and Statement of Changes in Net Assets, as of March 31, 2012. (see attached Exhibit #5) She advised the board that these numbers are different from the monthly FRS Flash Report numbers because there is a time lag, Mr. Meals uses estimates and Ms. Rogers uses monthly statements. She pointed out that she does not have all the statements at this time for the alternative investments. Ms. Rogers advised that, as of March 31, 2012, FRS had \$59.3 million in cash and cash equivalents, which is up slightly from the prior year, up 23%. She advised that large cap stock is \$233 million, mid cap \$146 million, international equity \$163 million and fixed income is \$178 million. Ms. Rogers noted that Fletcher is zero on the statement because, during last year's audit it was re-classified as a receivable, and it has not been changed by this year's audit. The investment receivable is \$63 million with the allowance

talked about at last month's board meeting of \$8.5 million that was booked at the end of the year. She noted that real-estate totals were \$99 million, hedge funds were \$138.7 million, private equity around \$100 million, for total investments of \$ 1.1 billion for March quarter end. Ms. Rogers noted that, of the receivables, the main component is the Fletcher receivable. She noted that about \$3 million of notes receivable are left over from prior mergers. Ms. Rogers pointed out that the accounts payable is a debit balance because of the timing of the payment schedule of the bills. Ms. Rogers noted that, regarding the Statement of Changes in Net Assets, for the 9 month ending on March 31, 2012, FRS had \$33 million in employer contributions, \$2.6 million more than this time last year. She noted that employee contributions were \$14 million compared to \$11.7 million from last year. She noted that contributions from mergers is actually a late payment from the East Baton Rouge System for employees of District Six. Ms. Rogers pointed out that the total additions for the nine month period was \$81.8 million, the deductions from net assets are annuity benefits which are \$47.8 million, disability benefits are \$3.5 million and refunds are \$1.1 million and administrative expenses are up due to legal fees and contract services. She noted an overall net increase in net assets of \$28.2 million for the nine months and net assets of \$1.183 billion.

MOTION: Mr. Birdwell moved to approve the Statement of Net Assets and Changes in Statement of Net Assets. Mr. Tarleton seconded. The motion passed.

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

OPERATING BUDGET FOR FISCAL YEAR 2012 - 2013

Mayor Foster advised the board that Ms. Rogers will be going over the highlights of the operating budget, and then the budget will lay over for review until June when the board will be asked to give consideration of final adoption. (see attached Exhibit #6) He noted that there only a few changes from last year's budget. Ms. Rogers stated that the changes mainly relate to building maintenance, staff is currently taking bids on certain building improvements. She noted that some capital items also need to be evaluated, such as the computer server and the recording device used for board meetings.

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

POLICY REGARDING ENROLLMENT APPLICATION

This item was deferred until the June 2012 board meeting.

10 YEAR ACTUARIAL FORECAST STUDY

This item was deferred until the June 2012 board meeting.

2012 FINANCIAL DISCLOSURE FORM

Mr. Stockstill advised the board that he sent out an email of the Tier 2 Financial Disclosure Statement, which is due on May 15th. He noted that it is required to be filed with the Board of Ethics.

2012 LEGISLATIVE SESSION

Mr. Stockstill discussed HB9, which is a constitutional provision that would allow a court to order a forfeiture of retirement benefits if a member of a public retirement system is convicted of a felony related to the public trust. He further discussed HB10, which is the companion statutory enabling legislation.

MOTION: Mr. Birdwell moved to oppose HB9 and HB10. Mr. Tarleton seconded. The motion passed.

Mr. Stockstill discussed HB38 by Representative Jones. The bill requires a newly hired public employee to disclose whether he/she is receiving a retirement benefit from any other public retirement system. The bill also requires FRS to send notification to all other applicable retirement systems if a retiree of another public retirement system is hired by FRS.

Mr. Stockstill discussed HB39 and noted that this is a FRS board sponsored bill. He noted that it enacts the revised USSERA provisions that Congress recently enacted. He recalled that the board previously voted to support this bill.

Mr. Stockstill discussed HB986 and noted that this is a PFFA bill. He noted that this bill allows FRS to pay benefits to a trust for a minor or a permanently disabled child.

MOTION: Mr. Birdwell moved to support HB986. Mr. Tarleton seconded. The motion passed.

Mr. Stockstill discussed HB988 and noted that the board needs to take a position. He said the bill enacts a 5-year DROP period and allows certain current DROP participants the option to extend to 5-years. Mr. Birdwell advised the board that this bill has already passed unanimously out of the House Retirement Committee.

MOTION: Mr. Birdwell moved to support HB988. Mr. Tarleton seconded. The motion passed.

Mr. Stockstill discussed HB1143. He noted that the bill deals with public meeting agendas. He noted that the bill prohibits a public body from changing its posted agenda within twenty-four hours of a meeting. The board took no position on this bill.

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Mr. Stockstill discussed HB1174. He said the bill creates a second tier retirement plan which would apply to firefighters hired on or after January 31, 2013. He provided the board with an overview of the proposed bill.

MOTION: Mr. Birdwell moved to oppose HB1174, with a corresponding commitment to work towards a FRS board-designed proposal for next legislative session. Mr. Tarleton seconded. The motion passed.

Mr. Stockstill discussed SB33. He noted that this bill requires employers to continue paying contributions for employees in the DROP plan.

MOTION: Mr. Birdwell moved to oppose SB33. Mayor Durbin seconded. The motion passed.

Mr. Stockstill discussed SB44. He noted that this bill deals with the target funded ratio and the payment of COLAs. Mr. Greg Curran said that the bill adopts ranges for the target funded ratio instead of an all or nothing target ratio. He said that if the target ratio falls into one of the defined ranges, then FRS could pay a COLA according to a term schedule set forth in the bill.

MOTION: Mr. Birdwell moved to support SB44. Mr. Jeselink seconded. Mr. Tarleton opposed. The motion failed 4 to 1.

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

MATTER OF ST. TAMMANY FIRE PROTECTION DISTRICT # 1

[NOTE: By giving notice on its duly posted agenda, the FRS 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 the litigating position of FRS in the judicial matter cited in agenda item III(11); all pertinent notifications had been provided.]

MOTION: Mr. Birdwell moved to enter executive session. Mr. Tarleton seconded. The motion passed unanimously. The board entered executive session.

MOTION: Mayor Foster moved to resume public session. Mr. Tarleton seconded. The motion passed unanimously. The board resumed public session.

MOTION: Mayor Foster moved to authorize the FRS executive director to negotiate an appropriate settlement in the matter of Firefighters' Retirement System versus St. Tammany Fire District #1. Mr. Tarleton seconded. The motion passed.

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

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

ADJOURNMENT

There being no further business, the meeting of the FRS board of trustees was adjourned.

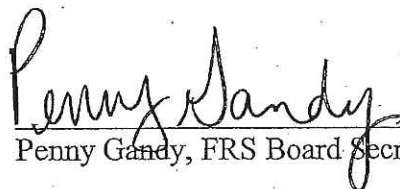
FUTURE MEETINGS


**FRS Investment Committee
Public Safety Building
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, June 13, 2012 at 3:00 p.m.**

**FRS Board of Trustees
Public Safety Building
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, June 14, 2012 at 8:30 a.m.**

SUBMITTED BY:

APPROVED BY:


Penny Gandy, FRS Board Secretary


Mr. Charles Fredieu, FRS Chairman