



## **FIREFIIGHTERS RETIREMENT SYSTEM**

3100 Brentwood Drive  
Baton Rouge, Louisiana 70809  
Telephone (225) 925-4060 • Fax (225) 925-4062



### **MEETING OF THE BOARD OF TRUSTEES June 9, 2016**

A meeting of the Board of Trustees was held on June 9, 2016 at the Public Safety 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. Afrani Adomako (designee of Commissioner Jay Dardenne)  
Mayor David Amrhein  
Mr. Stacy Birdwell  
Mr. John Broussard (designee of Treasurer John Kennedy)  
Mr. Perry Jeselink  
Mayor Ron Roberts  
Mr. Jerry Tarleton

#### **OTHERS PRESENT**

Steven Stockstill  
Layne McKinney  
Jason Starns  
Michael Becker  
Denise Poche  
David Barnes  
Gary Curran  
Paul Schmidt  
Adam Morin  
Delbert Talley  
Trea Welch  
Van Mayhall

#### **MINUTES**

**MOTION:** Mr. Tarleton moved to approve the minutes of the board meeting held on May 12, 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. Birdwell moved to approve the new member applicants. Mr. Tarleton 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. Birdwell moved to approve the retiree applicants. Mr. Tarleton seconded. The motion passed.

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



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- 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 review. (R.S. 11:215, 216, 218, & 2258)

[NOTE: By giving advance notice on its duly posted agenda, the board of trustees reserves the 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.]

██████████ Mr. Starns presented the disability application of ██████████ He advised the board that based upon the report by State Medical Disability Board doctor, Dr. David Post, the staff recommendation was for the approval of job-related disability retirement and suspending the requirement of disability recertification.

MOTION: Mr. Birdwell moved to accept the staff recommendation regarding ██████████. Mr. Tarleton and Mr. Jeselink jointly seconded. The motion passed.

██████████ Mr. Starns presented the disability application of ██████████ He advised the board that based upon the report by State Medical Disability Board doctors, Dr. Thad Broussard and Dr. Larry Ferachi, the staff recommendation was for the approval of non-job-related disability retirement and continuation of disability recertification.

██████████ and his attorney, Delbert Talley, were both present in the board meeting. Mr. Talley discussed his client's medical history and injuries he believes led to ██████████ disability. He also advised the board, based on his interpretation of the case law and the judgement of the 19<sup>th</sup> Judicial District Court, that job-related benefits should be awarded to ██████████.

At this point, the discussion of ██████████ disability was suspended and the board entered executive session to discuss ██████████ disability in the context of a lawsuit filed by ██████████ versus FRS.

**MORIN v FRS**

*Morin v. FRS*, Suit No. 619928, 19<sup>th</sup> Judicial District Court, East Baton Parish, Louisiana.

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[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 the litigation position of FRS in the matters referenced in agenda item II(1) (see litigation cited above); all pertinent notifications had been provided.]

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

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

MOTION: In response to the judgement issued by the 19<sup>th</sup> Judicial District Court of Louisiana, Mr. Broussard moved to find Mr. Morin's disability to be a non-job-related disability. However, he noted that FRS disagrees with the opinion of the court and therefore the approval of this non-job-related disability benefit will be subject to FRS' appeal of the court's order. Mr. Tarleton seconded. A roll call vote was taken and the motion passed by the following tally-

Fredieu	Yes
Birdwell	Yes
Adomako	Yes
Amrhein	Yes
Broussard	Yes
Jeselink	Yes
Roberts	Yes
Tarleton	Yes

(8-0)

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

**RECESS FRS BOARD MEETING**

MOTION: Mr. Tarleton moved to recess the FRS board meeting in order to facilitate a meeting of the FRS-LB#3 Advisory Committee. Mr. Birdwell seconded. The motion passed.

**CONVENE FRS-LB#3 ADVISORY COMMITTEE**

[NOTE: The FRS-LB#3 Advisory Committee met on June 9, 2016, at the FRS office in Baton Rouge at 8:30 a.m. to discuss the following business set forth in its posted agenda- Consideration of offers to purchase parcel in whole or in part regarding property held by FRS-LB#3 LLC and listing agreement existing between FRS-LB#3 LLC and Avison Young applicable thereto, and all related matters. The minutes of that meeting are embedded herein.



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Committee members present were Mr. Stockstill, manager; Mr. Fredieu, Mr. Birdwell, Mr. Adomako, Mayor Amrhein, Mr. Broussard, Mr. Jeselink, Mayor Roberts, and Mr. Tarleton. Also present were Layne McKinney, Denise Poche, and Michael Becker.]

[NOTE: By giving notice on its duly posted agenda, the FRS-LB#3 Advisory Committee reserved its right to enter executive session pursuant to R.S. 42:17(A)(1) for discussion of the character or professional competence of the juridical entity known as Avison Young.]

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

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

MOTION: Mayor Roberts moved to recommend that the FRS-LB#3 defer consent for our partner to accept the Klein offer on their 50.5% ownership and to diligently consider and pursue our rights of first refusal and do all necessary due diligence associated with that including sending representatives to Utah to meet with the various stakeholders and approve all costs associated therewith. Mr. Birdwell seconded. The motion passed.

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

**ADJOURN FRS-LB#3 LLC ADVISORY COMMITTEE**

MOTION: Mr. Tarleton moved to adjourn the FRS-LB#3 LLC Advisory Committee meeting and reconvene the FRS Board meeting. Mr. Adomako seconded. The motion passed.

**RE-CONVENE FRS BOARD MEETING**

**COMMITTEE REPORT - PERSONNEL COMMITTEE**

[NOTE: The Personnel Committee met on June 8, 2016, 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 FRS employee benefits, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Birdwell, chairman; Mr. Adomako, Mayor Amrhein, and Mr. Fredieu. Also present were Mr. Jeselink, Mayor Roberts, Mr. Tarleton, Steven Stockstill, Layne McKinney, Denise Poche, and Michael Becker.]

Mr. Birdwell gave the Personnel Committee report. He reported that one agenda item was discussed and resulted in multiple action items being approved for recommendation to the full board.

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- FRS Employee Health Insurance Premiums (only applicable to employees of the FRS administrative office)

Mr. Birdwell said the Personnel Committee discussed the options presented to cover a percentage of FRS staff's dependent health insurance premiums. (see attached Exhibit #3) It was clarified that the discussion of options was being considered as an addition to the system's current practice of paying 100% of the FRS' employees' health insurance premiums as provided through the Louisiana Office of Group Benefits.

MOTION: Mr. Birdwell said the Personnel Committee voted to recommend approval of payment of 50% of FRS staff's family and dependent health insurance premiums and he moved that recommendation in the form of a motion. Mayor Amrhein seconded. A roll call vote was taken and the motion passed by the following tally-

Fredieu	Yes	
Birdwell	Yes	
Adomako		Absent
Amrhein	Yes	
Broussard	Yes	
Jeselink	Yes	
Peacock		Absent
Pearson		Absent
Roberts	Yes	
Tarleton	Yes	

(7-0)

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

- FRS Retiree Health Insurance Premiums (only applicable to employees who retired from the FRS administrative office)

Mr. Birdwell drew the board's attention to a chart showing the current state policy regarding payment of a percentage of retired state employees' health insurance premiums. (see attached Exhibit #4)

MOTION: Mr. Birdwell said the Personnel Committee voted to recommend approval of adopting the same policy that the State of Louisiana uses regarding the payment of a percentage of retiree health insurance premiums and he moved that recommendation in the form of a motion. Mr. Tarleton seconded. A roll call vote was taken and the motion passed by the following tally-

Fredieu	Yes
Birdwell	Yes
Adomako	Yes



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Amrhein	Yes
Broussard	Yes
Jeselink	Yes
Peacock	Absent
Pearson	Absent
Roberts	Yes
Tarleton	Yes

(8-0)

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

- FRS Employee Conversion of Unused Leave to Service Credit (only applicable to employees who retire from the FRS administrative office)

Mr. Birdwell said the Personnel Committee also discussed FRS employees being allowed to convert any unused accrued leave to service credit pursuant to Act 403, which originated as HB77 of the 2014 regular legislative session.

MOTION: Mr. Birdwell said the Personnel Committee voted to recommend approval of authorizing FRS employees to convert their unused leave time into service credit according to law and authorizing the FRS' executive director to draft a policy for that purpose and he moved that recommendation in the form of a motion. Mr. Tarleton seconded. The motion passed.

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

That concluded the Personnel Committee report.

**COMMITTEE REPORT - BUDGET AND FINANCE COMMITTEE**

[NOTE: The Budget and Finance Committee met on June 8, 2016, at the FRS office in Baton Rouge upon adjournment of the FRS Personnel Committee meeting to discuss the following business set forth in its posted agenda- (i) Discussion and action regarding FRS Proposed Budget for Fiscal Year 2016-2017, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Tarleton, chairman; Mayor Amrhein, Mr. Birdwell, Mr. Jeselink. Also present were Mr. Fredieu, Mayor Roberts, Steven Stockstill, Layne McKinney, Denise Poche, and Michael Becker.]

Mr. Tarleton gave the Budget and Finance Committee report.

- FRS Proposed Operating Budget for Fiscal Year 2016-2017

Mr. Tarleton reported that Mr. Layne McKinney, FRS CPA, presented the FRS Proposed Operating Budget for Fiscal Year 2016-2017 to the Budget and Finance Committee. (see attached Exhibit #5)

MOTION: Mr. Tarleton said the Budget and Finance Committee voted to recommend approval of the Proposed Budget for Fiscal Year 2016-2017 as submitted by Mr. McKinney with an adjustment to Line Item #2, in the section captioned as "Salaries Expense", to reflect a 4% merit increase for all FRS employees and he moved that recommendation in the form of a motion. Mr. Birdwell seconded. A roll call vote was taken and the motion passed with the following tally-

Fredieu	Yes
Birdwell	Yes
Adomako	Yes
Amrhein	Yes
Broussard	No
Jeselink	Yes
Peacock	Absent
Pearson	Absent
Roberts	Yes
Tarleton	Yes

(7-1)

Mr. Tarleton recalled that the FRS executive director expressed his belief that it is not an appropriate time for him to accept a pay increase at this time.

MOTION: Mr. Tarleton said the Budget and Finance Committee voted to adopt the FRS executive director's request to waive any pay increase for himself for the upcoming fiscal year and Mayor Roberts moved that request in the form of a motion. Mayor Amrhein seconded. The motion passed.

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

That concluded the Budget and Finance Committee report.

#### **MONTHLY FLASH REPORT - MAY 2016**

Mr. Barnes presented the monthly flash report for May 2016. (see attached Exhibit #6) The overall fund was up/down as follows: 0.1% for the month of May as compared to the allocation index of -0.1%; -2.6% for the fiscal year to date as compared to the allocation index of -0.2%; -4.3% for the trailing 12 months as compared to the allocation index of -1.4%; and 1.3% for the trailing 3 years as compared to the allocation index of 4.8%.



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

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on June 8, 2016, at the FRS office in Baton Rouge following the adjournment of the FRS Budget and Finance Committee meeting to discuss the following business set forth in its posted agenda- (i) Monthly flash report for May 2016, (ii) TimberVest LLC, business continuity plan, and (iii) Cash flow rebalancing proposal to move assets closer to the recently approved Policy Target Allocations; 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, and David Barnes, Kirk Reasonover, Spencer King, Joel Shapiro, and David Jacobson.]

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 May 2016. (see minute entry captioned above as "Monthly Flash Report - May 2016")

Mr. Barnes also recalled his presentation of the Portfolio Rebalancing Proposal to the Investment Committee. (see attached Exhibit #7)

MOTION: Mr. Birdwell reported that the Investment Committee voted to recommend to the board to not move any money out of the Sentinel investment and Mayor Roberts moved that recommendation in the form of a motion. Mayor Amrhein 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.

**FRS LEGISLATION - 2016 REGULAR SESSION**

Mr. Stockstill explained the status of the following legislative bills pending in the 2016 regular session of the legislature and addressed questions that arose relative thereto-

HB22 Montoucet RETIREMENT/FIREFIGHTERS: Establishes a funding deposit account for the Firefighters' Retirement System and authorizes the board of trustees of the system to modify required employer contribution rates in certain circumstances and within certain limits in order to fund the account (EG NO IMPACT APV); Status-Becomes Act No. 208; Effective 07/01/16

HB24 Montoucet RETIREMENT/FIREFIGHTERS: Provides that a member of the Firefighters' Retirement System is not eligible for disability retirement benefits if his

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disability is indirectly a result of a preexisting condition (EG DECREASE APV); Status-Becomes Act No. 209; Effective 05/26/16

- HB25 Montoucet RETIREMENT/FIREFIGHTERS: Provides relative to the reemployment of retirees of the Firefighters' Retirement System (EG DECREASE APV); Status-Returned to House Calendar - Subject to Call 04/06/16
- HB26 Montoucet RETIREMENT/FIREFIGHTERS: Provides relative to appeals of certain disability eligibility decisions in the Firefighters' Retirement System (EG DECREASE APV); Status-Becomes Act No. 78; Effective 05/11/16
- HB27 Montoucet RETIREMENT/FIREFIGHTERS: Provides with respect to payment of interest in certain cases of administrative error in the Firefighters' Retirement System (EG INCREASE APV); Status-Becomes Act No. 231; Effective 05/26/16
- HB38 Montoucet RETIREMENT/FIREFIGHTERS: Provides relative to reenrollment in the Firefighters' Retirement System by employees covered by Social Security (EG NO IMPACT APV); Status-Becomes Act No. 79; Effective 05/11/16

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

**ADJOURNMENT**

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

**FUTURE MEETINGS**

**FRS Investment Committee  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, July 13, 2016 at 3:00 p.m.**

**FRS Board of Trustees  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, July 14, 2016 at 8:30 a.m.**



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SUBMITTED BY:

APPROVED BY:



Steven S. Stockstill, Executive Director



Mr. Charlie Fredieu, FRS Chairman