



## **FIREFIIGHTERS RETIREMENT SYSTEM**

P.O. Box 94095, Capitol Station  
Baton Rouge, Louisiana 70804-9095  
Telephone (225) 925-4060 • Fax (225) 925-4062



<p><b>MEETING OF THE BOARD OF TRUSTEES</b> <b>June 13, 2013</b></p>
-------------------------------------------------------------------------

A meeting of the Board of Trustees was held on June 13, 2013 at the Public Safety Building in Baton Rouge. 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.

Mrs. Susan Waite 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  
Mr. Jerry Tarleton

### **OTHERS PRESENT**

Steven Stockstill  
Kelli Rogers  
Layne McKinney  
Jason Starns  
Susan Waite  
Margaret Corley  
Stephanie Little  
Greg Curran  
David Barnes  
Ben Gerarve

### **MINUTES**

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on May 9, 2013. Mr. Broussard 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. Birdwell seconded. The motion passed.

- 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. Jeselink moved to approve the new retiree applicants. Mr. Birdwell 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 Jane Roth Butler, surviving spouse of Robert Marshall Butler. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Jane Roth Butler. Mr. Jeselink seconded. The motion passed.

Mr. Starns presented the application of Gladys Lee Guthrie, surviving spouse of Samuel Corneal Guthrie. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Gladys Lee Guthrie. Mr. Tarleton seconded. The motion passed.

- Disability Conversion Applicant

PROCEDURE: Retirees who apply for conversion from regular retirement to a disability retirement are required to submit detailed medical information as part of the application in support of their claim that the disability was job-related and occurred during active employment as a firefighter, even though the actual physical disability may not have become manifest until after the effective date in DROP or after commencement of service retirement. Once received, the application is reviewed by staff and medical records are forwarded to a State Medical Disability Board doctor to determine if sufficient documentation is present to certify that the retiree's disability occurred during active employment and was a direct result of working as a firefighter. If the medical information submitted is not sufficient for the doctor to determine the date and cause of the disability, then an appointment is scheduled for the applicant to undergo a physical examination. For the applicant to become eligible for conversion, the State Medical Disability Board doctor must furnish a medical report certifying the retiree's disability and that the disability was a direct result of employment as a firefighter. (R.S. 11:2258(B) and Administrative Rule)

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**JUNE 13, 2013  
PAGE 4**

[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.]

Mr. Starns presented the application for disability conversion of [REDACTED] and recommended denial of the application.

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 reject the staff recommendation with three conditions- First, to apply the presumptive causation law to this matter; second, to inform the examining physician that the FRS board is applying the presumptive causation law and solicit his feedback; and three, to defer taking further action regarding the application until the appropriate time. Mr. Broussard seconded. The motion passed. Mayor Foster abstained.

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

**MONTHLY FLASH REPORT - MAY 2013**

Mr. Barnes presented the monthly flash report for May 2013. (see attached Exhibit #3) The overall fund was up/down as follows: 0.6 % for the month of May as compared to the allocation index of 0.3%; 13.3% for the fiscal year to date as compared to the allocation index of N/A%; 12% for the trailing 12 months as compared to the allocation index of N/A; and 8.0% for the trailing 3 years as compared to the allocation index of N/A%.

**COMMITTEE REPORT - BUDGET AND FINANCE COMMITTEE**

[NOTE: The Budget and Finance Committee met on June 12, 2013, at the FRS office in Baton Rouge at 2:30 p.m. to discuss the following business set forth in its posted agenda - The FRS operating budget for Fiscal Year 2013-14, FRS educational policy, and review of G.S. Curran 2013-14 contract. The minutes of that meeting are embedded herein. Committee members present were Mayor Mayson Foster, chairman; Stacy Birdwell, Jerry Tarleton, Charlie Fredieu, ex officio. Also present were Mayor James Durbin, Steven Stockstill, Kelli Rogers, Layne McKinney, Susan Waite, David Barnes and Margaret Corley.]

Committee chairman Foster gave the FRS Budget and Finance Committee report information to the board as follows:

- FRS Education Policy

Mayor Foster began by advising that the current FRS education policy language allows for salary increases up to a maximum of 15%, in 5% increments for enrollment, completion, then certification for certain educational courses. The Budget and Finance Committee considered revising downward the current policy guidelines. Under the proposed policy, if eligible, employee salary could be adjusted in an amount up to a 5% for any preapproved educational course, and also up to 5% upon certification, for a maximum possible increase of 10%. (see attached Exhibit #4) Mayor Foster said the FRS Budget and Finance Committee recommended approval of revised Policy No. 061313.

MOTION: Mayor Foster moved the recommendation of the FRS Budget and Finance Committee in the form of a motion. Mr. Birdwell seconded. The motion passed.

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

- G.S. Curran and Company - 2013-14 Contract

Mayor Foster then presented and discussed the G.S. Curran 2013-14 contract. (see attached Exhibit #5)

MOTION: Mayor Foster moved approval of the G.S. Curran 2013-14 contract. Mr. Birdwell seconded. The motion passed.

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

- FRS Operating Budget for Fiscal Year 2013-14

[NOTE: An advance copy of the FRS Operating Budget for Fiscal Year 2013-2014 had been furnished to the board members at the board meeting held in May 2013. By procedure, the proposed budget laid over to June 2013 to give board members an opportunity to review the proposed budget and discuss any related matters with FRS staff in the interim.]

Mayor Foster indicated that last month FRS System Administrator, Layne McKinney, had furnished the board members with a copy of the proposed budget for their advance review. He said that, this month, Mr. McKinney presented the details of the budget to the FRS Budget and Finance Committee. He said that Mr. McKinney was now available to answer any questions from board members. (see attached Exhibit #6) Seeing no further questions by the board members, Mayor

Foster advised the full board that the FRS Budget and Finance Committee recommended approval of the FRS Operating Budget for Fiscal Year 2013-14.

MOTION: Mayor Foster moved the recommendation of the FRS Budget and Finance Committee 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.

This concluded the committee report of the Budget and Finance Committee.

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on June 12, 2013, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda - (A) The FRS monthly investment performance results for May 2013, (B) Request for exception to FRS written investment policy regarding Advisory Research, Inc., an existing FRS investment advisor, (C) Request for exception to FRS written investment policy regarding Thornburg Investment Management, an existing FRS investment advisor, (D) Request for Proposals, Global Tactical Asset Allocation (GTAA), including the time line set forth therein, and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Stacy Birdwell, chairman; Afranie Adomako, Mayor Mayson Foster, and Jerry Tarleton. Also present were, Charlie Fredieu, Mayor James Durbin, Steven Stockstill, Kelli Rogers, Layne McKinney, Susan Waite, David Barnes and Margaret Corley.]

[NOTE: The items posted on the Agenda were all discussed during the Investment Committee meeting, and although they were not discussed in the posted order shown above, the entries are recorded here in an order that follows the posted Agenda.]

Committee chairman Birdwell gave the committee report and, in doing so, he recognized Mr. Barnes who provided information to the board as follows:

- Advisory Research - Request for Exception

Mr. Barnes informed the board that Advisory Research Inc. requested an exception to the FRS Investment Policy Statement, which prohibits investment management employees from investing in the same securities held in the FRS portfolio. Advisory Research has a trading policy which allows its employees to trade alongside its clients. Further discussions with Advisory Research were undertaken. NEPC's recommendation to the investment committee was for denial of the request.

MOTION: Mr. Birdwell said the investment committee voted to accept NEPC's recommendation and he moved that recommendation in the form of a motion. Mr. Broussard seconded. The motion passed.

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

- Thornburg Investment Management - Request for Exception

Mr. Barnes informed the board that Thornburg Investment Management also requested an exception to the FRS Investment Policy Statement, which prohibits investment management employees from investing in the same securities held in the FRS portfolio. Thornburg provided FRS with a copy of its Personal Securities Transaction Policy which implements restricted trading lists, for a period before and after a trade for a client. Thornburg also has an automated system that collects brokerage statements from its employees to verify the employees were not trading in those securities over that time period. This policy has all of the controls wanted in an investment manager to ensure they are not disadvantaging the client (FRS) or advantaging its employees. NEPC's recommendation to the investment committee was to approve the exception request from Thornburg. Mr. Birdwell indicated that the investment committee voted to recommend approval of Thornburg's request based on Thornburg's current Personal Securities Transaction Policy as provided by Thornburg, and the following stipulations: (1) FRS must be notified of any changes to Thornburg's current Personal Securities Transaction Policy; (2) Thornburg must maintain their current policy, as this exception is being given in good faith on FRS' part, and violation of same might lead FRS to withdraw all of FRS' funds from Thornburg's portfolio; and (3) Thornburg must notify FRS in the event any employee violates their Personal Securities Transaction Policy.

MOTION: Mr. Birdwell moved the recommendation of the FRS Investment Committee in the form of a motion. Mr. Durbin seconded. After further discussion between board members, the motion passed.

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

- Global Tactical Asset Allocation - Request for Proposals

Mr. Barnes and Ms. Kelli Rogers advised the board that the next RFP search will be for a Global Tactical Asset Allocation manager. Mr. Barnes indicated that the RFP documentation was the same document previously approved for the Emerging Market Equity and Emerging Market Debt searches, with only the timeline revised. Mr. Birdwell said the FRS Investment Committee voted to recommend adoption of the Global Tactical Asset Allocation RFP, including the timeline set forth therein. (see attached Exhibit #7)

MOTION: Mr. Birdwell moved the recommendation of the FRS Investment Committee 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.

- Emerging Market Equity - RFP

Mr. Barnes updated the board of the status of the RFP for the emerging market equity manager search. Twenty-seven (27) candidate responses were received. The next step is to run NEPC's proprietary quantitative screen which looks for consistency of out performance over a long period of time. All data will be reviewed and a manageable list will be presented to the board next month, from which the board can choose those managers they wish to interview.

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

- Emerging Market Debt - RFP

Mr. Barnes updated the board of the status of the RFP for the emerging market debt manager search. He said the RFP advertisement was published last week and responses will begin to be received.

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

This concluded the committee report of the Investment Committee.

## **LEGISLATION**

Mr. Stockstill advised the board regarding the status of legislation submitted by FRS in the 2013 legislative session:

- Senate Bill No. 14

SB14 has been submitted to the Governor for executive action. It will allow all employees of St. George Fire Department to have the same benefit accrual rate and the cost of increasing any employees from their current rate up to 3⅓% will be paid to FRS by St. George Fire Department.

- House Bill No. 44 (Act 182)

HB44 is effective as of June 10, 2013. This bill allows FRS to provide the names and addresses of FRS members to a member of the legislature, an agency or employer reporting information to FRS or a recognized association of FRS members, if requested under the public records law.



**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**JUNE 13, 2013  
PAGE 9**

Mr. Stockstill said that, of the four bills requested by FRS, two passed, one was not heard, and one was requested by FRS to be withdrawn until next year's session.

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

**PROPOSED POLICY - NON-JOB RELATED DISABILITY RETIREE MAKING  
APPLICATION FOR JOB-RELATED DISABILITY**

Upon request by the executive director, Chairman Fredieu deferred this item until the July 2013 board meeting.

**ADJOURNMENT**

MOTION: Mr. Birdwell moved to adjourn. Mr. Durbin seconded. The motion passed.

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, July 10, 2013 at 3:00 p.m.**

**FRS Board of Trustees  
Public Safety Building  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, July 11, 2013 at 8:30 a.m.**

SUBMITTED BY:

  
\_\_\_\_\_  
Susan L. Waite, FRS Board Secretary

APPROVED BY:

  
\_\_\_\_\_  
Mr. Charles Fredieu, FRS Chairman