



## **FIREFIIGHTERS RETIREMENT SYSTEM**

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### **MEETING OF THE BOARD OF TRUSTEES July 13, 2017**

A meeting of the Board of Trustees was held on July 13, 2017 at the Firefighters' Retirement System building in Baton Rouge, Louisiana. Mr. Stacy Birdwell, Chairman, called the meeting to order at 8:30 a.m.

Mr. Jeselink gave the invocation and Mayor Amrhein led the pledge of allegiance.

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

#### **MEMBERS PRESENT**

Mr. Stacy Birdwell  
Mr. Perry Jeselink  
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)  
Mayor David Amrhein  
Mr. Charlie Fredieu  
Mayor Ron Roberts  
Mr. Jerry Tarleton

#### **OTHERS PRESENT**

Steven Stockstill	Jim Swanson
Layne McKinney	Jason Burge
Denise Poche	Kirk Reasonover
Michael Becker	Nick Berg
Jason Starns	Henry Olinde
Gary Curran	Dawn Mueller
Maxwell Eysink	Warren Ponder
Annie Smith	
David Barnes	
Paul Schmidt	
Joseph Chapman	
Ronald Craig Mulford	
Robin Mulford	

#### **MINUTES**

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on June 15, 2017. Mr. Tarleton 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. Tarleton 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. Adomako seconded. The motion passed.

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

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- 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.

[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)

**Rita Cage Franklin-** Mr. Starns presented the application of Rita Cage Franklin, surviving mother of Marcus Jarmel Franklin. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Rita Cage Franklin. Mr. Tarleton seconded. The motion passed.

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

- 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 reserved 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 on the report by State Medical Disability Board doctor, Dr. Amy Rabalais, the staff recommendation was no recommendation.

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MOTION: Mr. Fredieu moved to approve the job-related disability application of [REDACTED] Mayor Amrhein seconded. The motion passed.

[REDACTED] - Starns presented the disability recertification of [REDACTED] He advised the board that based upon the report by State Medical Disability Board doctor, Dr. Carl Goodman, the staff recommendation was for the approval of continuation of disability retirement and the approval of suspending the disability recertification.

MOTION: Mr. Jeselink moved to the accept the staff recommendation regarding [REDACTED] 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. Broyles 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)(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. Jeselink moved to enter executive session to discuss the agenda item shown above. Mr. Tarleton seconded. The motion passed unanimously.

MOTION: Mr. Jeselink moved to resume public session. Mr. Adomako and Mayor Roberts jointly seconded. The motion passed unanimously.

MOTION: Mayor Roberts moved to accept the recommendation of FRS legal council, Fishman Haygood, in the matters referenced in agenda item II(1). Mr. Tarleton seconded. The motion passed.

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

**FRS v. WARREN REED HOLLOWAY**

*FRS v. Warren Reed Holloway*, Suit No. C642,604, 19<sup>th</sup> Judicial District Court, East Baton Rouge Parish, State of 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 litigation position of FRS in the matters referenced in agenda item II(2) (see litigation cited above); all pertinent notifications had been provided.]

MOTION: Mr. Jeselink 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. Jeselink seconded. The motion passed unanimously.

MOTION: Mayor Roberts moved to accept the recommendation of FRS legal council, Olinde & Mercer, in the matter referenced in agenda item II(2). Mr. Tarleton seconded. The motion passed.

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

**MONTHLY FLASH REPORT - JUNE 2017**

Mr. Barnes presented the monthly flash report for June 2017. (see attached Exhibit #3) The overall fund was up/down as follows: 0.3 for the month of June as compared to the allocation index of 0.4%; 13.4% for the fiscal year to date as compared to the allocation index of 12.2%; 13.4% for the trailing 12 months as compared to the allocation index of 12.2%; and 3.3% for the trailing 3 years as compared to the allocation index of 4.4%.

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

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on July 12, 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) The FRS monthly investment performance results for June 2017, (ii) Advisory Research Small-Mid Capitalization Value manager review (iii) FRS annual private equity strategic plan update, (iv) Blackrock Global Allocation update memo; and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Jeselink, chairman; Mr. Adomako, Mr. Broussard, Mayor Roberts and Mr. Tarleton. Also present were Mr. Birdwell, Mr. Fredieu, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, David Barnes, Maxwell Eysink and Elizabeth Thornton.]

Mr. Jeselink gave the investment committee report. In doing so he recognized Mr. Barnes who recalled his presentation of the investment performance results to the Investment Committee for the month of June 2017. (see minute entry captioned above as "Monthly Flash Report - June 2017")

- Advisory Research Small-Mid Capitalization Value Manager Review

Mr. Barnes recalled to the board that NEPC had recently removed Advisory Research SMID Value from their Focused Placement List and downgraded the strategy from a Preferred rating to a Neutral rating. In addition, NEPC had conducted a joint on-site due diligence meeting with FRS staff on May 4, 2017 in which a thorough review of the Advisory Research business organization, investment team, and investment process were conducted. Mr. Barnes recalled that, based on NEPC's advice, the Investment Committee voted to recommend to the full board to begin seeking an investment manager to replace Advisory Research SMID Value in the FRS investment portfolio. (see attached Exhibit #4)

MOTION: Mr. Jeselink 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.

- FRS Annual Private Equity Strategic Plan Update

Mr. Barnes recalled that the Private Equity Program Review and 2017 Strategic Investment Plan published by NEPC was presented to the Investment Committee. (see attached Exhibit #5) He further recalled that, based on NEPC's advice, the Investment Committee voted to recommend to the full board to commit \$25 million to Private Equity during the current fiscal year, contingent upon the FRS Board of Trustees reaching an acceptable level of comfort with the side letter agreement proposed for Private Equity General Partner.

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

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

- BlackRock Global Allocation Update Memo

Mr. Barnes recalled to the board that BlackRock had recently announced that the long-standing lead portfolio manager for the Global Allocation Fund, Dennis Stattman, would be retiring in August 2017. Mr. Stattman has been the portfolio manager for the strategy for 28 years. Mr. Barnes further recalled that, based on NEPC's advice, the Investment Committee voted to recommend to the full board to place Blackrock Global Allocation strategy on "watch status" at this time. (see attached Exhibit #6)

MOTION: Mr. Jeselink moved the Investment Committee's recommendation in the form of a motion. Mr. Adomako seconded. The motion passed.

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

That concluded the Investment Committee report.

**IN THE MATTER OF RONALD MULFORD**

This matter pertained to a proceeding involving Mr. Ronald Mulford which is currently pending before the Shreveport Fire and Police Civil Service Board relative to a claim for wrongful termination of employment. Mr. Mulford was represented by legal counsel, Eron Brainard, by teleconference.

[NOTE: The board of trustees entered executive session pursuant to R.S. 42:17(A)(2) for discussion of strategy or negotiations with respect to actual or prospective litigation, and where an open meeting would have a detrimental effect on litigating position of FRS in the matters referenced in agenda item III(2); 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.

MOTION: In the matter regarding Mr. Ronald Mulford, Mayor Roberts moved to allow Mr. Mulford to repay the retiree benefits paid and create a DROP account as it would have been if not for the City of Shreveport's error, subject to verification of proposed figures by the board's actuary. Mr. Tarleton seconded. The motion passed.

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

**LOUISIANA LEGISLATIVE AUDITOR - NSAA PEER REVIEW REPORT**

Mr. Stockstill presented the board with a report titled "Louisiana Legislative Auditor NSAA Peer Review July 1, 2015 - June 30, 2016". He referenced the section of the report containing the following statements- "In our opinion the system of quality control of the Louisiana Legislative Auditor in effect for the period July 1, 2015 through June 30, 2016 has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. **The Louisiana Legislative Auditor has received a peer review rating of pass.**" (emphasis original) (see attached Exhibit #7)

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

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**ADJOURNMENT**

The meeting was adjourned due to a loss of a quorum.

**FUTURE MEETINGS**

**FRS Investment Committee  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, August 10, 2017 at 3:00 p.m.**

**FRS Board of Trustees  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, August 11, 2017 at 8:30 a.m.**

SUBMITTED BY:



Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman