



FIREFIGHTERS RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES August 14, 2014

A meeting of the Board of Trustees was held on August 14, 2014 at the Public Safety Building in Baton Rouge, Louisiana. Mr. Charlie Fredieu, Chairman, called the meeting to order at 8:30 a.m.

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

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

MEMBERS PRESENT

Mr. Charlie Fredieu
Mr. Stacy Birdwell
Mr. Afranie Adomako
Mayor Jimmy Durbin
Mr. Perry Jeselink
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Jason Starns
Sara Etheridge
David Barnes
Paul Schmidt
Greg Curran
Margaret Corley
Paul Richmond

MINUTES

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on July 8, 2014. 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 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. Messrs. Jeselink and Tarleton jointly 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. Birdwell moved to approve the new retiree applicants. Mr. Tarleton 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

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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 Vivian Clarice Raney, surviving spouse of Edward Lee Raney. He stated that the application was in order and recommended approval.

MOTION: Mr. Jeselink moved to approve the staff recommendation. Messrs. Birdwell and Tarleton jointly seconded. The motion passed.

Mr. Starns presented the application of Peggy Trammel, former spouse of Jerry Clark Trammel. He stated that the application was in order and recommended approval.

MOTION: Mr. Birdwell moved to approve the staff recommendation. Messrs. Tarleton and Jeselink jointly seconded. The motion passed.

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

- Disability Recertification Application

PROCEDURE: Once each year during the first five years following the initial board of trustees approval for disability retirement, and once every three year period thereafter, all disability retirement members must undergo a medical examination by a State Medical Disability Board doctor who must recertify that the disability retiree continues to be disabled from performing his duties, unless the board waives the recertification procedure. This recertification is required for the continuation of a disability member's benefits. The State Medical Disability Board doctor's report has been provided to the FRS board trustees.

[NOTE: By providing advance 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 any privacy protected physical or mental health information related to the disability applicants.]

██████████ Mr. Starns presented the application for disability recertification of ██████████
██████████ Mr. Starns stated that the applicant was seen by Dr. Thad Broussard, the State Medical Disability Board doctor.

Based upon the report by State Medical Disability Board doctor, Dr. Thad Broussard, the staff recommended approval of continuation of disability retirement and approval of continuing disability recertification.

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

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

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

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

CCMP CAPITAL ADVISORS FUND III

[NOTE: By providing advance 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 entity identified in agenda item II(1); all pertinent notifications have been provided.]

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

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

MOTION: Mr. Birdwell moved to affirm its commitment to invest in CCMP Fund III, but subject to a reduction in the sum of the original commitment from \$25 million to \$15 million. Mr. Jeselink seconded. The motion passed.

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

LANGSFORD V. FRS

This item involved discussion and action regarding the lawsuit styled as *Langsford v. FRS*, Suit No. 632154, 19th Judicial District Court, East Baton Rouge Parish; and all related matters.

[NOTE: By providing 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 litigation, and where an open meeting would have a detrimental effect on the litigating position of FRS in the judicial matter cited in its agenda; all pertinent notifications had been provided.]

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

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

MOTION: Mr. Birdwell moved to authorize payment of the expenses incurred to date by the law firm known as Klausner Kaufmann regarding the Langsford lawsuit and to authorize retention of the same law firm to act as co-counsel in the matter along with the legal fees related thereto. Messrs. Tarleton and Jeselink jointly seconded. The motion passed.

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

CONVERSION OF UNUSED EARNED LEAVE

The board discussed the provisions of Act 403 of the 2014 legislative session regarding the conversion of unused earned leave to retirement credit. The board discussed the overall provisions of the Act, including those regarding: (1) Each employer's option to allow or disallow its employees to convert unused leave, (2) Each employee's right to determine how much leave will be converted, if any, (3) Each employer's decision for the conversion to occur at the time of the employee's entry into DROP or upon separation of service, and (4) Each employer's obligation to pay the cost of such conversion within 30 days of receiving an invoice from FRS.

In furtherance, the board reviewed a draft resolution that would be submitted to employers as guidance for their own use. (see attached Exhibit #3) After discussing the draft and recommended certain technical corrections, the following motion was made-

MOTION: Mr. Jeselink moved to adopt the draft resolution for distribution to employers, subject to certain technical corrections. Mr. Tarleton seconded. The motion passed.

MOTION: Mayor Durbin moved to establish an FRS policy of recognizing any adoptive resolution submitted by an employer regarding authorizing the conversion of leave as only becoming effective upon approval by the FRS board of trustees. Mr. Birdwell seconded. The motion passed.

The board then discussed the actuarial factors developed by the FRS actuary to be used when calculating the cost of converting unused leave to retirement credit. (see attached Exhibit #4) Mr. Greg Curran explained the factors and addressed the questions posed by the board members. After discussing the actuarial factors, the following motion was made-

MOTION: Mr. Jeselink moved to adopt the actuarial factors submitted by the system actuary for use in calculating the cost of converting unused earned leave to retirement credit, including the actuarial assumptions used in conjunction therewith. Mayor Durbin seconded. The motion passed.

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

MONTHLY FLASH REPORT - JULY 2014

Mr. Barnes presented the monthly flash report for July 2014. (see attached Exhibit #5) The overall fund was up/down as follows: -1.4% for the month of July as compared to the allocation index of -1.1%; -1.4% for the fiscal year to date as compared to the allocation index of -1.1%; 8.3% for the trailing 12 months as compared to the allocation index of 11.3%; and N/A% for the trailing 3 years as compared to the allocation index of N/A%.

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on June 11, 2014, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda- Discussion and action regarding FRS investments, including but not limited to Real Estate as an investment class, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Birdwell, chairman; Mr. Adomako, Mr. Broussard, Mr. Jeselink and Mr. Fredieu. Also present were Rhett Humphries, David Barnes, Steven Stockstill, Layne McKinney, and Sara Etheridge.]

- Trustee Training

[NOTE- Trustee Training. By giving notice on its duly posted agenda, it was noted that discussions of the subject of Real Estate as an investment class may be applied as credit for trustee training pursuant to R.S. 11:185.]

Mr. Barnes presented educational information related to the Real Estate asset class for the purpose of trustee training. He covered subjects such as- (1) The description and definition of real estate as an investment class, (2) How real estate managers help diversify and add value to a portfolio, (3) Real estate investment strategies and vehicle structures, (4) NEPC's philosophy on real estate portfolio structure, (5) A comparison and contrast of the advantages of direct investments and commingled funds, (6) Performance vs. concentrated risk, (7) NEPC's tactical recommendations, (8) Real estate historical returns and future expectations, and an (9) Analysis of the FRS real estate portfolio. (see attached Exhibit #6)

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

ADJOURNMENT

The board meeting dissolved due to lack of a quorum.

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FUTURE MEETINGS

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, September 10, 2014 at 03:00 p.m.**

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, September 11, 2014 at 08:30 a.m.**

SUBMITTED BY:

APPROVED BY:



Steven S. Stockstill, Executive Director



Mr. Charles Fredieu, FRS Chairman