



FIREFIIGHTERS RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES November 10, 2016

A meeting of the Board of Trustees was held on November 10, 2016 at the Firefighters' Retirement System 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. Afranie Adomako (designee of Commissioner Jay Dardenne)
Mr. Stacy Birdwell
Mr. John Broussard (designee of Treasurer John Kennedy; arrived after roll call)
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
Annie Smith
Robert Atkinson

MINUTES

MOTION: Mr. Tarleton moved to approve the minutes of the board meeting held on October 13, 2016. Mayor Roberts 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.

- 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)

Karen Boss - Mr. Starns presented the application of Karen Boss, surviving sibling of Raymond Michael Boss, Jr. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Karen Boss. Mr. Tarleton seconded. The motion passed.

Frances Fookes - Mr. Starns presented the application of Frances Fookes, surviving spouse of Karl Fookes. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Frances Fookes. Mr. Tarleton seconded. The motion passed.

Shirley Graci - Mr. Starns presented the application of Shirley Graci, surviving spouse of Benjamin Graci, Jr. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Shirley Graci. Mr. Tarleton seconded. The motion passed.

Sally Jean Mahaffey Jackson - Mr. Starns presented the application of Sally Jean Mahaffey Jackson, surviving spouse of Troy Clifton Jackson. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Sally Jean Mahaffey Jackson. Mr. Tarleton seconded. The motion passed.

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

MONTHLY FLASH REPORT - OCTOBER 2016

Mr. Barnes presented the monthly flash report for October 2016. (see attached Exhibit #3) The overall fund was up/down as follows: -1.1% for the month of October as compared to the allocation index of -1.4%; 2.7% for the fiscal year to date as compared to the allocation index of 2.2%; 2.6% for the trailing 12 months as compared to the allocation index of 4.4%; and 1.7% for the trailing 3 years as compared to the allocation index of 3.9%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on November 9, 2016, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda- (i) Monthly flash report for October 2016, (ii) Discussion and action regarding professional service contract for investment consulting services provided by New England Pension Consultants (NEPC), 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 was Mr. Fredieu, Mr. Adomako, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, Rhett Humphries and David Barnes.]

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

- New England Pension Consultants (NEPC) Service Contract

Mr. Birdwell reported that the NEPC agenda item was discussed by the committee and resulted in an action item being approved for recommendation to the full board.

MOTION: Mr. Birdwell moved to accept NEPC's proposed contract amendment. (see attached Exhibit #4) Mr. Tarleton seconded. The motion passed.

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

FRS STATEMENT OF PLAN NET ASSETS AND STATEMENT OF CHANGES IN PLAN NET ASSETS, Q1 FY2016-17

Mr. Layne McKinney, FRS CPA, addressed the board. He drew the board's attention to the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. (see attached Exhibit #5) He explained each report on a line-by-line basis.

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MOTION: Mr. Birdwell moved to accept the staff reports as presented by Mr. McKinney. Mr. Tarleton seconded. The motion passed.

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

AEW CAPITAL MANAGEMENT

[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)(1) for discussion of character or professional competence of the juridical entities identified in Agenda Item II(1); 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 litigation position of FRS; all pertinent notifications had been provided.]

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

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

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

FRS ANNUAL/QUARTERLY BUDGET TO ACTUAL COMPARISONS

Mr. Layne McKinney addressed the board. He drew the board's attention to the Annual Budget to YTD Actual Comparison. (see attached Exhibit #6) In explaining each line item of the report, he highlighted some of the variances.

MOTION: Mr. Birdwell moved to accept the staff report as presented by Mr. McKinney. Mr. Tarleton seconded. The motion passed.

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

ACTUARIAL VALUATION - FY 2015-16

Mr. Curran, FRS Actuary, addressed the board. He drew the board's attention to the FRS Annual Valuation for FY 2015-16. (see attached Exhibit #7) Mr. Curran then explained the pertinent portion's of the valuation, including the schedules. He highlighted the Summary Results by indicating that, since last year, FRS has - (1) Decreased its funding percentage from 76.09% to 75.48%; (2) Increased its UAL by \$35.2 million; and (3) Increased the employer contribution rate by 1.25% beginning July 1, 2017.

After receiving several questions from the board members, and discussing subjects related thereto, Mr. Curran concluded his presentation.

MOTION: Mr. Broussard moved to adopt the Valuation report as presented by Mr. Curran. Mr. Birdwell seconded. The motion passed.

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

DISABILITY BENEFITS

Mr. Stockstill addressed the board. He recalled the prior discussion of an audit the staff performed of disability retirees receiving who are receiving a benefit from FRS while simultaneously receiving a benefit from Workers' Compensation or a like carrier. Through the conducted audit, it was determined that some disability retirees had been underpaid.

MOTION: Mr. Tarleton moved to authorize payment of the disability corrections with interest. Mr. Broussard seconded. The motion passed.

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

FRS LEGISLATION - 2017 REGULAR SESSION

Mr. Stockstill explained the following 2017 legislative bill drafts to the board and addressed questions that arose relative thereto-

- Prohibits dual enrollment of any person who is employed by more than one participating employer. Mr. Jeselink moved to approve submission of the bill draft to the legislature with authority to make necessary changes. Mr. Tarleton seconded. The motion passed. (see attached Exhibit 8)
- Clarifies that selection of optional beneficiary is irrevocable. Mr. Birdwell moved to approve submission of the bill draft to the legislature. Mr. Tarleton seconded. The motion passed. (see attached Exhibit 9)
- Permanently authorizes the option for a member to convert from regular to disability benefits. Mayor Roberts moved to approve submission of the bill draft to the legislature. Mr. Tarleton seconded. The motion passed. (see attached Exhibit 10)

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

ADJOURNMENT

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

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FUTURE MEETINGS

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, December 7, 2016 at 3:00 p.m.**

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

SUBMITTED BY:

APPROVED BY:



Steven S. Stockstill, Executive Director



Mr. Charlie Fredieu, FRS Chairman