



## **FIREFIIGHTERS RETIREMENT SYSTEM**

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### **MEETING OF THE BOARD OF TRUSTEES April 9, 2015**

A meeting of the Board of Trustees was held on April 9, 2015 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 Mayor Amrhein led the pledge of allegiance.

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

#### **MEMBERS PRESENT**

Mr. Charlie Fredieu  
Mayor Amrhein  
Mr. Perry Jeselink  
Ms. Amy Mathews  
Mr. John McLean  
Mayor Ron Roberts  
Mr. Jerry Tarleton

#### **OTHERS PRESENT**

Steven Stockstill  
Layne McKinney  
Jason Starns  
Michael Becker  
David Barnes  
Greg Curran  
Paul Schmidt  
Stephanie Little  
Margaret Corley

#### **MINUTES**

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on March 12, 2015. Mr. Tarleton seconded. The motion passed.

#### **APPLICANTS**

- New Members

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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. Jeselink 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. Tarleton moved to approve the retiree applicants. Mr. Jeselink 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 Wilda Mae Hebert Pepper, surviving spouse of John Milton Pepper. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Wilda Mae Hebert Pepper. Mr. Jeselink seconded. The motion passed.

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

#### **CUSTODIAL BANK EDUCATIONAL PRESENTATION**

Mr. Paul Schmidt conducted an educational presentation regarding the role of the custodial bank, selecting sub-custodial banks, the life cycle of a trade (securities), class action processing and filing, global risk solutions-compliance monitoring, and daily cash sweep investment vehicles. (see attached Exhibit #3)

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

#### **MONTHLY FLASH REPORT - MARCH 2015**

Due to the date of the board meeting and the timing of investment data availability, or lack thereof, there was no flash report for the month of March 2015. In lieu thereof, Mr. Barnes presented and explained a chart containing the composite returns for each major asset class. (see attached Exhibit #4)

#### **COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on April 8, 2015, 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: (i) The FRS monthly investment performance results for March 2015, (ii) Update regarding Request for Proposal (RFP) for Unconstrained (Absolute Return) Fixed Income Strategy manager, (iii) Selection of Small/Mid Cap Growth equity manager finalists for interviews, (iv) NEPC Response to FRS Biennial Investment Consultant Questionnaire, and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Fredieu, acting chairman; Mr. Jeselink, Ms. Mathews, Mayor Roberts, and Mr. Tarleton. Also present were Mayor Amrhein, Steven Stockstill, Layne McKinney, Michael Becker, Sara Etheridge, David Barnes, and Margaret Corley.]

Mr. Fredieu gave the investment committee report. In doing so, he recognized Mr. Barnes who explained the following items-

- Unconstrained ("Absolute Return") Fixed Income Strategy Search

Mr. Barnes presented a draft copy of the Request for Proposal (RFP) relative to the Unconstrained ("Absolute Return") Fixed Income Strategy manager search. (see attached Exhibit #5) He said the FRS investment committee voted to recommend that the full board approve the RFP in the form submitted by NEPC, with the condition that NEPC be allowed to extend all of the events listed in the timeline by one month if it becomes necessary. He said that might become necessary to meet the publication dates of the print media in which the RFP will be advertised.

MOTION: Mr. Tarleton moved to approve the recommendation of the FRS investment committee, including the possible scheduling extension. Mr. Jeselink seconded. The motion passed.

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

- Small-Mid Cap Core/Growth Equity Manager Search

Mr. Barnes presented a report titled "SMID Core/Growth Search Screening", dated April 8-9, 2015. (see attached Exhibit #6) He recalled that he presented the report to the FRS investment committee and discussed the profiles of 8 separate managers/candidates whose biographical material is in the report. He said NEPC recommended that the board interview 3 of the candidates, those being Rothschild Asset Management, Westfield Capital Management, and Columbus Circle Investors, all ranked in that order of recommended preference. Mr. Barnes further recalled that the FRS chief investment officer, Michael Becker, recommended GW&K Investment Management as an interview candidate. Mr. Barnes said that the FRS investment committee recommended that the full board interview those 4 candidates.

MOTION: Mr. Tarleton moved the investment committee's recommendation, inclusive of Mr. Becker's recommendation, in the form of a motion. Messrs. Amrhein and Jeselink jointly seconded. The motion passed.

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

- Biennial Investment Consultant Questionnaire

Mr. Stockstill explained that, several years ago, the state treasurer's representative to the FRS board recommended that the FRS investment consultant submit a response to a questionnaire provided by the FRS board. He drew the board's attention to the questionnaire response as submitted by NEPC. (see attached Exhibit #7) Mr. Barnes explained some of the highlights of the report to the board members.

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

This concluded the investment committee report.

**ADJOURNMENT**

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

**FUTURE MEETINGS**

**FRS Board of Trustees  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, May 13, 2015 at 2:00 p.m.  
and  
Thursday, May 14, 2015 at 8:30 a.m.**

SUBMITTED BY:

APPROVED BY:

  
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Steven S. Stockstill, Executive Director

  
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Mr. Charles Fredieu, FRS Chairman