



FIREFIIGHTERS RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES August 12, 2015, and August 13, 2015

A meeting of the Board of Trustees was held on August 12, 2015, and August 13, 2015, at the Public Safety Building in Baton Rouge. Mr. Charlie Fredieu, Chairman, called the meeting to order at 2:00 p.m. on August 12, 2015.

Mr. Jeselink gave the invocation and Mr. Birdwell led the pledge of allegiance.

Ms. Brandi Brown called the roll. A quorum was present.

MEMBERS PRESENT

Mr. Charlie Fredieu
Mayor David Amrhein
Mr. Stacy Birdwell
Mr. Perry Jeselink
Mr. John McLean
Mayor Ron Roberts
Ms. Kelli Rogers
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Michael Becker
Brandi Brown
David Barnes
Douglas McNeely
Kelly Campbell
Alex McKnight
Joseph Gieger
Kristin Hovencamp
Daniel Lass
David Horsfall

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August 12, 2015

Chairman Fredieu began by explaining that the meeting would be held over a two-day period, with the first day primarily involving RFP respondent interviews and the second day being reserved for the regular monthly business to come before the board.

**INTERVIEWS - UNCONSTRAINED (ABSOLUTE RETURN) FIXED INCOME
STRATEGY MANAGER INTERVIEWS**

The board of trustees interviewed three Unconstrained (Absolute Return) Fixed Income Strategy RFP respondents that were previously selected by the board of trustees at their meeting held on July 9, 2015. The candidates and applicable representatives are as follows:

BlackRock Strategic Income Opportunities Bond Fund

Douglas McNeely, Managing Director
Kelly Campbell, Managing Director

Global Asset Management (GAM) Unconstrained Bond Fund

Joseph Gieger, Managing Director
Kristin Hovencamp, Director
Alex McKnight, Investment Manager

Bank of New York Mellon Employee Benefit Opportunistic Fixed Income Fund

Daniel Lass, Senior Vice President
David Horsfall, Deputy Chief Investment Officer

Each candidate firm made a presentation to the board based on information contained in the firm's respective RFP response. Each candidate firm was allocated a total of one-hour, with the format being 45 minutes for the presentation and 15 minutes for questions by the board.

Upon conclusion of the final presentation, the board members discussed various related items with NEPC representative David Barnes. (see attached Exhibit #1) Mr. Barnes gave a summary comparing and contrasting the three Unconstrained (Absolute Return) Fixed Income Strategy management companies. During the course thereof, he answered several questions posed by board members. Following a thorough discussion, Mr. Barnes stated that NEPC's recommendation was to redeem \$50 million from the BlackRock US Equity Index Fund and to invest that same amount in the Bank of New York Mellon Employee Benefit Opportunistic Fixed Income Fund.

MOTION: Mr. Birdwell moved NEPC's recommendation in the form of a motion. Mayor Roberts seconded. The motion passed.

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

RECESS

Mayor Roberts moved that the board stand in recess until August 13, 2015, at 8:30 am CST. Mr. Birdwell seconded. The motion passed.

August 13, 2015

Mr. Jeselink gave the invocation and Mr. Birdwell led the pledge of allegiance.

Ms. Brandi Brown called the roll. A quorum was present.

MEMBERS PRESENT

Mr. Charlie Fredieu
Mayor David Amrhein
Mr. Stacy Birdwell
Mr. Perry Jeselink
Mr. John McLean
Mayor Ron Roberts
Ms. Kelli Rogers
Mr. Jerry Tarleton

OTHERS PRESENT

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

MOTION: Mr. Birdwell moved to reconvene the FRS board meeting. Mr. Tarleton seconded. The motion passed.

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MINUTES

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on July 9, 2015. Mayor Roberts seconded. The motion passed.

MOTION: Mr. Birdwell moved to approve the minutes of the special board meeting held on July 16, 2015. Mr. Jeselink 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 #2) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new member applicants. Mr. Tarleton 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.

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Mr. Starns presented the list of new retirees. (see attached Exhibit #3) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new retiree applicants. Mr. Tarleton seconded. The motion passed.

- 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 advance review. (R.S. 11:215, 216, 218, & 2258)

[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 disability application of ██████████ He advised the board that based upon the report by State Medical Disability Board doctor, Dr. Charles Thompson, the staff recommendation was for the approval of job-related disability retirement and discontinuation of disability recertification.

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

██████████ Mr. Starns presented the disability application of ██████████ He advised the board that based upon the report by State Medical Disability Board doctor, Dr. Thad Broussard, the staff recommendation was for the approval of non-job-related disability retirement and discontinuation of disability recertification.

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

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

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**FRS, ET AL. v. CITCO GROUP LIMITED, ET AL., SUIT NO. 619601, 19TH JUDICIAL
DISTRICT COURT, EAST BATON ROUGE PARISH, LOUISIANA**

[By giving 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)(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 above; all pertinent notifications had been provided.]

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

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

MOTION: Mr. Tarleton moved to authorize Preis & Gordon to pursue the Firefighters' litigation, including but not limited to filing a writ application with the US supreme court, and pursue the RBS claim in federal court, and attempt to maintain all actions against all parties in Louisiana federal court by opposing any motion to transfer to any other state; and it is further resolved that the monthly retainer agreement is terminated and Preis Gordon will provide its services for one-third of the hourly rate for the time that is incurred. Mr. Birdwell seconded. A roll call vote was taken with the following results-

Mr. Fredieu - yes
Mayor Amrhein - yes
Mr. Birdwell - yes
Mr. Jeselink - yes
Mr. McLean - yes
Mayor Roberts - yes
Ms. Rogers - yes
Mr. Tarleton - yes

The motion passed unanimously.

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

COMMITTEE REPORT - BUDGET AND FINANCE COMMITTEE

[NOTE: The Budget and Finance Committee met on August 12, 2015, at the FRS office in Baton Rouge at 1:30 p.m. to discuss the following business set forth in its posted agenda- Discussion and action regarding the Entrance Conference with the FRS Auditor relative to the FY 2014-15 Annual Audit, and all related matters. The minutes of that meeting are embedded herein. Committee

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members present were Mr. Tarleton, chairman; Mr. Birdwell and Mr. Jeselink. In the absence of Mayor Amrhein, Mr. Fredieu participated as a committee member in his ex-officio capacity. Also present were Mayor Roberts, Steven Stockstill, Layne McKinney, Jamie Grady, Brandi Brown, and Michelle Cunningham.]

Mr. Tarleton gave the budget and finance committee report. In doing so, he recalled that the committee held an Entrance Conference with Ms. Michelle Cunningham (FRS Auditor) regarding the 2014-15 FRS Annual Audit. He explained the nature of the committee's discussions. There was no committee action taken to report.

This concluded the FRS Budget and Finance Committee report.

- Louisiana Compliance Questionnaire

Thereafter, as a related matter, Mr. Stockstill presented the board with a copy of the Louisiana Compliance Questionnaire (see attached Exhibit #4), which is required to be submitted to the Legislative Auditor each year as part of the annual audit.

MOTION: Mr. Jeselink moved to approve the Louisiana Compliance Questionnaire for submission as part to the 2014-15 annual audit. Mr. Tarleton seconded. The motion passed.

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

- FRS Travel Policy

As an additional related matter, Mr. Stockstill mentioned that, as part of the annual audit, the auditor is performing a review of all FRS travel and credit card expenses. He presented the board with a copy of the current travel expense reimbursement policy and explained certain changes that had been made since the original adoption of the policy in 2003 and certain changes that he was recommending in order to make the policy easier to understand. (see attached Exhibit #5) He recalled that FRS had adopted PPM 49 as its travel policy in 2003, but it was never clarified that, as the state increased the amount allowed as unreceipted reimbursements, the system would increase the amount to the same level allowed by the state's travel policy. He said that keeping the system amount equal to the state amount has been the longstanding practice of the system, but it would be better to have that practice expressly written into the existing policy. Likewise, he recommended that the board ratify all the prior reimbursements that had been made according to the longstanding practice as a precautionary measure.

MOTION: Mr. Jeselink moved to approve the updated FRS travel policy, including the ratification of all prior reimbursements that had been paid under the longstanding practice of the system. Mr. McLean seconded. The motion passed.

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

FRS v. WARREN W. HOLLOWAY, SUIT NO. (Unfiled), 19TH JUDICIAL DISTRICT COURT, EAST BATON ROUGE PARISH, LOUISIANA

[By giving 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)(2) for discussion of strategy or negotiations with respect to prospective or actual litigation, and where an open meeting would have a detrimental effect on the litigating position of FRS in the judicial matter cited above; all pertinent notifications had been provided.]

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

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

MOTION: Mayor Amrhein moved to retain the law firm of Olinde and Mercer to represent FRS with regard to any litigation that becomes necessary regarding the benefit offset provisions applicable to Warren Holloway. Mr. Tarleton seconded. The motion passed.

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

MONTHLY FLASH REPORT - JULY 2015

Mr. Barnes presented the monthly flash report for July 2015. (see attached Exhibit #6) The overall fund was up/down as follows: 0.0% for the month of July as compared to the allocation index of 0.1%; 0.0% for the fiscal year to date as compared to the allocation index of 0.1%; 0.6% for the trailing 12 months as compared to the allocation index of 1.7%; and 6.2% for the trailing 3 years as compared to the allocation index of N/A%.

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

AQR - SEC INVESTIGATION

Mr. Barnes notified the board that the head of trading for the AQR Global Risk Premium fund, Hitesh Mittal, one of FRS' existing investment managers is being investigated by the SEC for conduct that preceded his employment with AQR. (see attached Exhibit #7) Mr. Barnes said NEPC recommends "no action" at this point, but he will keep the board apprised as events develop.

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

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ADJOURNMENT

MOTION: Mr. Tarleton moved to adjourn. Mr. Birdwell seconded. The motion passed. There being no further business, the meeting of the FRS board of trustees was adjourned.

FUTURE MEETINGS

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, September 9, 2015 at 3:00 p.m.**

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, September 10, 2015 at 8:30 a.m.**

SUBMITTED BY:

APPROVED BY:



Steven S. Stockstill, Executive Director



Mr. Charles Fredieu, FRS Chairman