



FIREFIIGHTERS RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES December 3, 2015

A meeting of the Board of Trustees was held on December 3, 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 Mr. Birdwell led the pledge of allegiance.

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

MEMBERS PRESENT

Mr. Charlie Fredieu
Mr. Afranie Adomako (designee of Commissioner Stafford Palmieri)
Mr. Stacy Birdwell
Mr. Perry Jeselink
Ms. Lori Pierce (designee of Treasurer John Kennedy)
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Jason Starns
Michael Becker
Brandi Brown
Rhett Humphries
David Barnes
Gary Curran
Paul Schmidt

MINUTES

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on November 12, 2015. 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. Jeselink moved to approve the new member applicants. Messrs. Birdwell and Tarleton jointly 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 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).

Marie Oddo Fox- Mr. Starns presented the application of Marie Oddo Fox, mother of Kenneth Ryan Fox. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Marie Oddo Fox. Mr. Birdwell seconded. The motion passed.

Owen L. Joiner, Jr.- Mr. Starns presented the application of Owen L. Joiner, Jr., father of Shannon Dale Joiner. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Owen L. Joiner, Jr. Mr. Tarleton seconded. The motion passed.

Avis Melerine Juan- Mr. Starns presented the application of Avis Melerine Juan, surviving former spouse of Robert James Juan. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Avis Melerine Juan. Mr. Tarleton seconded. The motion passed.

Sharon Matheny Mullings- Mr. Starns presented the application of Sharon Matheny Mullings, surviving spouse of Charles Kerrison Mullings, Jr. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Sharon Matheny Mullings. Mr. Tarleton seconded. The motion passed.

Shirley Jean Brown- Mr. Starns presented the application of Shirley Jean Brown, surviving spouse of Ronnie Louis Brown. He stated that the application was in order.

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

Martha Hollifield- Mr. Starns presented the application of Martha Hollifield, surviving spouse of David Hamilton Hollifield. He stated that the application was in order.

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MOTION: Mr. Jeselink moved to approve the application of Martha Hollifield. Mr. Tarleton seconded. The motion passed.

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 December 2, 2015, at the FRS office in Baton Rouge at 2:00 p.m. to discuss the following business set forth in its posted agenda- Discussion and action regarding (i) FRS Annual Financial Report for the fiscal year ending June 30, 2015, (ii) Proposed Annual 2015-16 Budget Adjustments, (iii) FY2015-16 Budget Amendment Request, (iv) Modified Budget for FY 2015-16, and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Tarleton, chairman; Mr. Birdwell, Mr. Jeselink, and Mr. Fredieu in his capacity as ex-officio member. Also present were Lori Pierce, Margaret Corley, Steven Stockstill, Layne McKinney, Jamie Grady, Brandi Brown, Michael Becker, and Michelle Cunningham.]

- FRS Agreed Upon Procedures - June 30, 2015

Mr. Tarleton gave the investment committee report. In doing so, he stated that the committee received a report from Michelle Cunningham, FRS Auditor (Duplantier, Hrapmann, Hogan and Maher) titled "Firefighters' Retirement System Agreed Upon Procedures June 30, 2015". (see attached Exhibit #3) That report included an Independent Accountant's Report regarding: Bayou Cane Fire Department, Covington Fire Department, Denham Springs Fire Department, St. Bernard Parish Fire Department, and St. George Fire Protection District.

Mr. Tarleton said the discussion of this report did not require any action by the full board.

- FRS Budget for FY 2015-16

Mr. Tarleton recalled that Jamie Grady, FRS Accountant, presented the committee with information contained in three reports titled- (1) Proposed Annual 2015-2016 Capital Item Budget Changes (see attached Exhibit #4), (2) Firefighters' Retirement System 2015-2016 Budget Amendment Request (see attached Exhibit #5) and (3) FRS Modified Budget for FY 15-16 (see attached Exhibit #6). Mr. Tarleton said that the committee unanimously recommended board approval of the three referenced reports and he moved that recommendation in the form of a motion. Mr. Birdwell seconded. The motion passed.

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

This concluded the Budget and Finance Committee report.

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Following its receipt of the committee report, the full board took action on the following item of business-

- FRS Financial Audit for FY Ending June 30, 2015

Michelle Cunningham presented information contained in two reports titled- (1) Presentation of the Results of the June 30, 2015 Financial Statement and Compliance Audit (see attached Exhibit #7), and (2) Firefighters' Retirement System 2015 and 2014 Financial Report (see attached Exhibit #8). Mr. Birdwell moved to accept the reports as presented. Mr. Tarleton seconded. The motion passed.

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

MONTHLY FLASH REPORT - NOVEMBER 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 November 2015. In lieu thereof, Mr. Barnes presented and explained a chart containing the composite returns for each major asset class. (see attached Exhibit #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 December 2, 2015, at the FRS office in Baton Rouge at 2:45 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 November 2015, (ii) Private Markets Growth Equity & Small/Middle-Market Buyout Strategy Market Survey - Notice was given that this agenda item may be applied as credit for trustee training pursuant to R.S. 11:185, (iii) Private Equity Screening Process, (iv) Greenspring Crossover Ventures I, request for extension of life of fund; and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Birdwell, chairman; Mr. Adomako, Mr. Jeselink, Ms. Pierce, and Mr. Tarleton. Also present were Mr. Fredieu, Margaret Corley, Steven Stockstill, Layne McKinney, Brandi Brown, Michael Becker, Rhett Humphries, David Barnes, and Jeff Roberts.]

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

- Private Markets Growth Equity & Small/Middle-Market Buyout Strategy

Mr. Barnes explained, for the record, that he had provided the committee with an educational presentation taken from a study by NEPC titled "Private Markets Growth Equity & Small/Middle-

Market Buyout Strategy Market Survey" (see attached Exhibit #10) which covered, in part: Growth equity strategy, strategy definition, characteristics of growth equity investments, comparison of venture capital, growth equity and buyout strategies, drivers of growth equity returns, macroeconomic conditions favorable to investing, macro conditions favorable to exiting investments, current market outlook, relative value in small/middle-market transactions, robust transaction volume of acquisitions, investing in growth equity funds, portfolio structure, portfolio construction, benefits and considerations, and potential risks.

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

- Private Markets Growth Equity & Small/Middle-Market Buyout Strategy Search

Mr. Barnes recalled that he presented the committee with results of an NEPC study titled "Private Equity Screening Process". (see attached Exhibit #11) In doing so, Mr. Barnes presented profile information regarding Growth Equity search participants, Small Buyout search participants, and Middle-Market Buyout search participants. Thereafter, NEPC "recommended" inviting representatives of the management companies for the following three funds to attend the January 2016 FRS board meeting to be interviewed for possible allocation of FRS assets: (1) HarbourVest Co-Investment IV, (2) JFL Equity Investment IV, and (3) Private Advisors Small Business Coinvestment Fund IV. Mr. Barnes said that, after a thorough discussion of the search participants, including several questions posed by the committee members, the committee voted to forward NEPC's recommendation to the full board.

Mr. Barnes recalled that a review of the NEPC survey had also been performed by Michael Becker, FRS CIO, and his analysis differed in that he concurred with regard to interviewing representatives of the Harbourvest' fund and Private Advisors' fund, but he recommended the Madison Dearborn Capital Partners VII fund instead of the JFL fund.

Mr. Tarleton confirmed that the committee unanimously voted to advance NEPC's recommendation to the full board and he moved NEPC'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.

- Greenspring Crossover Ventures I - Request for Extension of Term of Fund

At the committee meeting, Mr. Becker explained that the General Partner of the Greenspring fund asked for consent to extend the life of the partnership for two years, with an option for two additional one-year extensions, for a total maximum extension of four years. (see attached Exhibit #12) He said the original term of the fund was five years, plus three one-year extensions and they have already used their three one-year extensions.

Mr. Barnes said he informed the committee that FRS originally committed \$25 million to the Greenspring fund. The fund called all of the committed capital. The Greenspring fund has distributed \$36.5 million back to FRS. Mr. Barnes also indicated that the Greenspring fund would not be calling any additional funds from FRS and they would not charge a management fee on the assets remaining under management in the fund during the extended life of the partnership.

Based on NEPC's recommendation, the committee unanimously voted to recommend approval of the extension as requested by Greenspring and, at the full board meeting, Mr. Birdwell confirmed these facts and moved the committee's recommendation in the form of a motion. Mr. Tarleton seconded. The motion passed.

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

This concluded the Investment Committee report.

NEPC - CONTRACT FOR SERVICES

[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 entity identified in agenda item III(2); all pertinent notifications had been provided.]

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

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

Mr. Stockstill noted that he will attach to the minutes the contract as originally proposed by NEPC (see attached Exhibit #13), along with the revised proposal as discussed by the board in executive session. (see attached Exhibit #14)

MOTION: Mr. Tarleton moved to accept proposed NEPC contract, subject to certain modifications discussed in executive session, which will be included in the final version of the contract, and to authorize the FRS executive director to execute the contract on behalf of FRS. Mr. Birdwell seconded. The motion passed unanimously on a roll call vote as follows-

Mr. Fredieu-	Yes
Mr. Adomako-	Yes
Mr. Birdwell-	Yes
Mr. Jeselink-	Yes
Ms. Pierce-	Yes

Mr. Tarleton- Yes

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

FRS LEGISLATION - 2016 REGULAR SESSION

Mr. Stockstill explained the following 2016 legislative bill drafts to the board and addressed questions that arose relative thereto-

- Requires suspension of benefits if a retiree of the Firefighters' Retirement System (FRS) is rehired in any capacity by an employer covered by the system. This version added a provision clarifying that it does not matter whether the position of employment is or is not covered by FRS. (see attached Exhibit #15)
- Authorizes the FRS board of trustees to maintain the net direct employer contribution rate in effect at time that a decrease would otherwise occur. (see attached Exhibit #16)
- Provides that a member is not eligible for disability benefits where the disabling condition is directly or indirectly related to a condition that existed prior to the member's commencement of service in FRS. This version added clarification that the existence of a preexisting condition is deemed to be a question of fact for the board to make based on factual and medical information. (see attached Exhibit #17)
- Requires disability applicant to appeal denial of benefits within 30 days. This version creates a stand alone statute. (see attached Exhibit #18)
- Requires disability applicant to appeal denial of benefits within 30 days. This version meshes the appeal provision into the bill regarding preexisting disabilities. (see attached Exhibit #19)

MOTION: Mr. Birdwell moved to approve the bill drafts as presented and authorized the executive director to submit them to the appropriate legislative staff for introduction at the upcoming 2016 legislative session. Mr. Tarleton seconded. The motion passed.

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

LAFORCHE FIRE DISTRICT #3

Mr. Stockstill explained the facts surrounding the failure of LFD#3 to either enroll its employees in FRS or to provide affidavits of employees that choose to opt-out of participation in FRS, all in compliance with state law. (see attached Exhibit #20)

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

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ADJOURNMENT

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

FUTURE MEETINGS

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, January 13, 2016, at 1:00 p.m., and
Thursday, January 14, 2016 at 8:30 a.m.**

SUBMITTED BY:

APPROVED BY:



Steven S. Stockstill, Executive Director



Mr. Charles Fredieu, FRS Chairman