



FIREFIIGHTERS RETIREMENT SYSTEM

3100 Brentwood Drive
Baton Rouge, Louisiana 70809
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MEETING OF THE BOARD OF TRUSTEES October 08, 2015

A meeting of the Board of Trustees was held on October 8, 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
Mayor David Amrhein
Mr. Stacy Birdwell
Mr. Perry Jeselink
Mr. John McLean
Mayor Ron Roberts
Ms. Kelli Rogers (designee of Treasurer John Kennedy)
Mr. Jerry Tarleton

OTHERS PRESENT

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

MINUTES

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on September 10, 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. 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. Jeselink 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.

- Disability Applications

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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 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 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. 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).

Mr. Starns presented the application of Kiera Russell, Chris Russell Jr., Aniya Russell, and Donn'Cheri Russell, surviving spouse and children of Chris Russell, Sr. He stated that the application was in order.

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MOTION: Mr. Jeselink moved to approve the application of Kiera Russell, Chris Russell, Jr., Aniya Russell, and Donn'Cheri Russell. Mr. Birdwell seconded. The motion passed.

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

FRS v. GRECO, ET AL., SUIT NO. 641,387, 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. Birdwell moved to enter executive session. Mr. Tarleton seconded. The motion passed unanimously.

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

MOTION: Mr. Birdwell moved to authorize the firm of Olinde and Mercer to enroll as co-counsel in the lawsuit captioned herein above and for FRS' to incur all reasonable legal fees related thereto. Mr. Tarleton seconded. The motion passed.

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

MONTHLY FLASH REPORT - SEPTEMBER 2015

Mr. Barnes presented the monthly flash report for September 2015. (see attached Exhibit #3) The overall fund was up/down as follows: -2.5% for the month of September as compared to the allocation index of -2.1%; -6.7% for the fiscal year to date as compared to the allocation index of -6.2%; -4.8% for the trailing 12 months as compared to the allocation index of -3.9%; and 2.8% for the trailing 3 years as compared to the allocation index of 5.7%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on October 7, 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 September 2015, (ii) 2015 Non-Core Real Estate Discussion, (iii) Fisher Investments IMA Guideline amendment request, (iv) Securities and Exchange Commission - In the

Matter of Timbervest LLC, et al. - Administrative Procedure File No. 3-15519, Washington DC; and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Birdwell, chairman; Mr. Jeselink, Mayor Roberts, Ms. Rogers, and Mr. Tarleton. Also present were Mayor Amrhein, Mr. Fredieu, Mr. McLean, Steven Stockstill, Layne McKinney, Brandi Brown, Michael Becker, David Barnes, Rhett Humphries, and Sean Ruhmann.]

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

- Non-Core Real Estate Fund Search

Mr. Barnes provided an educational presentation regarding the Non-Core Real Estate asset class which covered, in part: Asset Class Assumptions and Forecasts, The Spectrum of Real Estate Investment Strategies, Liquid and Semi-Liquid Investment Vehicle Structures, Closed-End Fund Strategies, The Typical Closed-End Fund Lifecycle, The J-Curve Impact, and A Historical Comparison of Performance Relative to Core and Non-Core Real Estate.

Following the educational component of Mr. Barnes presentation, he then directed the presentation toward NEPC's philosophy on real estate portfolio structure and FRS' target real estate allocations. Mr. Barnes recalled that, at the September 2015 FRS board meeting, the board reviewed a list of five non-core real estate managers for possible selection to invest FRS assets. However, instead, the board asked NEPC to bring a list of at least 4 different non-core real estate managers to be considered in conjunction with the original 5 managers. The list of Original Managers and New Managers presented by NEPC is shown below (see attached Exhibit #4)-

Original Managers (09/09/15)

Sigular Guff & Company
Cerberus Capital Management
Brookfield Asset Management
Crow Holdings Capital
Westport Capital Partners

New Managers (10/07/15)

StepStone Group
The Townsend Group
Westbrook Partners
Mariner Real Estate Management
Angelo, Gordon & Company
The Davis Companies
Oaktree Capital Management
Equus Capital Partners
Invesco Real Estate (Value Fund IV)
Invesco Real Estate (Mortgage Recovery Fund II)

After a thorough discussion of the asset class and each manager in the lists above, Mr. Barnes stated that the investment committee voted to recommend to the full board that any further discussion of

the subject be postponed for approximately 6 months when it can be addressed as part of the system's overall asset allocation review.

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

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

- Fisher Investments- IMA Guideline Amendment Request

Mr. Barnes addressed a memorandum written by NEPC to the FRS board of trustees regarding Fishers' request to amend the existing Investment Management Guidelines. (see existing Exhibit #5) After a discussion of Fishers' request, NEPC recommended that the FRS board not approve the investment guideline changes that Fisher requested for the FRS separately managed All Foreign Equity account.

MOTION: Mayor Roberts moved to approve NEPC's recommendation. Mr. Tarleton seconded. The motion passed.

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

- Timbervest- SEC Administrative Procedure

Securities and Exchange Commission - In the Matter of Timbervest LLC, et al. - Administrative Procedure File No. 3-15519, Washington DC. (see existing Exhibit #6)

[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)(1) for discussion of character or professional competence of the juridical entity identified in agenda item III(1)(iv); 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 the litigating position of FRS in the matter referenced in agenda item III(1)(iv); all pertinent notifications had been provided.]

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

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

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

This concluded the Investment Committee report.

**MOITY V. FRS, SUIT NO. C642220, 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 in agenda item III(2); all pertinent notifications had been provided.]

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

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

MOTION: Mr. Birdwell moved to authorize the firm of Olinde and Mercer to enroll as counsel in the lawsuit captioned herein above and for FRS' to incur all reasonable legal fees related thereto. Mr. Tarleton seconded. The motion passed.

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

ADJOURNMENT

Mr. Birdwell moved to adjourn the meeting. Messrs. Jeselink and Tarleton jointly seconded. The motion passed.

FUTURE MEETINGS

**FRS Budget and Finance Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, November 11, 2015 at 1:00 p.m.**

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, November 11, 2015
Upon Adjournment of Budget and Finance Committee
or 3:00 p.m., Whichever Comes First**

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**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, November 12, 2015 at 8:30 a.m.**

SUBMITTED BY:

APPROVED BY:



Steven S. Stockstill, Executive Director



Mr. Charles Fredieu, FRS Chairman