



FIREFIIGHTERS RETIREMENT SYSTEM

3100 Brentwood Drive
Baton Rouge, Louisiana 70809
Telephone (225) 925-4060 • Fax (225) 925-4062



MEETING OF THE BOARD OF TRUSTEES
January 10, 2018 and
January 11, 2018

A two-day meeting of the Board of Trustees was held on January 10, 2018, and January 11, 2018 at the Firefighters' Retirement System building in Baton Rouge, Louisiana. Mr. Stacy Birdwell, Chairman, called the meeting to order at 2:00 p.m on January 10, 2018.

Mr. Jeselink gave the invocation and Mayor Amrhein led the pledge of allegiance.

Ms. Poche called the roll. A quorum was not present.

MEMBERS PRESENT

Mr. Stacy Birdwell, Chairman
Mr. Perry Jeselink, Vice Chairman
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)
Mayor David Amrhein
Mr. John Broussard (designee of Treasurer John Schroder) (arrived after roll call)
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Denise Poche
David Barnes
Kristin Shofner
James Carroll
Chandler Willett
Kelly Weller
Jon Quigley
Kevin O'Rourke
Gavin Smith

January 10, 2018

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

OATH OF OFFICE-RETIREE REPRESENTATIVE

Mr. Stockstill recalled that Mr. Birdwell had been elected as the Retiree Representative to the board of trustees during last month's meeting. Mr. Stockstill administered the statutory and constitutional oaths to Mr. Birdwell.

INTERVIEWS - SMALL-MID CAP EQUITY MANAGER INTERVIEWS

The board of trustees interviewed managers of three Small-Mid Cap Equity funds that were previously selected by the board of trustees at their meeting held on November 9, 2017. The managers are as follows:

Fidelity Institutional Asset Management

James Carroll, Head of Institutional Portfolio Managers
Kristin v. Shofner, Senior Vice President, Business Development
Chandler Willett, Portfolio Manager

Great Lakes Advisors

Jon Quigley, Chief Investment Officer
Kelly Weller, Managing Director

Quantitative Management Associates

Kevin O'Rourke, Managing Director
Gavin Smith, Portfolio Manager/Strategist

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 45 minutes for its 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 Small-Mid Cap Equity funds. During the course thereof, he answered several questions posed by board members. Mr. Barnes concluded by identifying Quantitative Management Associates as the manager/fund that NEPC recommends for selection.

MOTION: Mr. Broussard moved to tentatively select Quantitative Management Associates as the Small-Mid Cap Equity manager finalist with a \$53 million allocation conditioned upon there being no problems noted upon review of the governing documents by FRS counsel. Mr. Tarleton seconded. The motion passed.

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

RECESS

Mr. Broussard moved to recess the FRS board meeting. Mayor Amrhein seconded. The motion passed.

January 11, 2018

RECONVENE

Chairman Birdwell reconvened the FRS board meeting which had previously stood in recess.

Mr. Jeselink gave the invocation and Mayor Amrhein led the pledge of allegiance.

Ms. Poche called the roll. A quorum was not present.

MEMBERS PRESENT

Mr. Stacy Birdwell
Mr. Perry Jeselink
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)
Mayor David Amrhein
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Denise Poche
Jason Starns
Jamie Grady
David Barnes
Gary Curran
Kirk Reasonover
Paul Schmidt
Phil Preis
Chuck Gordon

[NOTE: In recognition that a quorum of the board of trustees was not present upon reconvening the meeting, the chairman asked its staff counsel whether the board could go forward with its planned meeting. Staff counsel cited AG Opinion No. 02-058, which he suggested could be applied by analogy. He read the following summary therefrom- "It takes eleven members to make a quorum of the Board of Commissioners of the Louisiana Airport

Authority and for it to conduct business, but generally decisions and actions of the board taken without a quorum can be ratified at a subsequent board meeting at which there is a quorum present." (emphasis added) In addition, Staff counsel also referenced FRS Policy No. 030110 which provides as follows- "During any month when a meeting of the board of trustees is not held, or in any month in which a quorum of the board is unattainable, there is hereby established an 'Interim Committee' comprised of any five members of the board that is hereby delegated the authority to discuss and take action regarding items set forth in Section I(4) of the duly posted agenda. The authority conferred by this policy shall be limited in nature and shall only encompass the business described as applications for membership, retirement, survivor benefits, and disability benefits, recertifications or conversions." (emphasis added) Based on the foregoing, and in answer to the chairman's inquiry, staff counsel recommended that the board proceed with its duly posted agenda. He said that, because there are five board members present, any action taken pursuant to FRS Policy No. 030110 will be legally binding; however, any further decisions and actions taken without a quorum must be ratified at a subsequent board meeting at which there is a quorum present and will not be legally binding unless or until such ratification occurs.]

MINUTES

MOTION: Mr. Tarleton moved to approve the minutes of the board meeting held on December 14, 2017 pending amendments and exhibit additions. Mr. Jeselink seconded. The motion passed.
[Requires ratification]

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. Tarleton moved to approve the new member applicants. Mr. Adomako seconded. The motion passed. [Action authorized in absence of quorum pursuant to FRS Policy No. 030110]

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 #3) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the retiree applicants. Mr. Adomako seconded. The motion passed. [Action authorized in absence of quorum pursuant to FRS Policy No. 030110]

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)

Kathryn Benjai Thompson - Mr. Starns presented the application of Kathryn Benjai Thompson, surviving former spouse of Edgar Eugene Thompson. He stated that the application was in order.

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MOTION: Mr. Jeselink moved to approve the application of Kathryn Benjai Thompson. Mr. Tarleton seconded. The motion passed. [Action authorized in absence of quorum pursuant to FRS Policy No. 030110]

Rodney Eugene Thompson - Mr. Starns presented the application of Rodney Eugene Thompson, surviving son of Edgar Eugene Thompson. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Rodney Eugene Thompson. Mr. Tarleton seconded. The motion passed. [Action authorized in absence of quorum pursuant to FRS Policy No. 030110]

Sharon Rozanne Shemwell - Mr. Starns presented the application of Sharon Rozanne Shemwell, surviving significant other of Edgar Eugene Thompson. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Sharon Rozanne Shemwell. Mr. Tarleton seconded. The motion passed. [Action authorized in absence of quorum pursuant to FRS Policy No. 030110]

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

JOSEPH N. BRYLES v. CANTOR FITZGERALD & CO., ET AL

Joseph N. Bryles v. Cantor Fitzgerald & Co., et al., Civil Action No. 3:10-854-JJB-SCR, United States District Court, Middle District of Louisiana consolidated with *Joseph N. Broyles, et al. versus Cantor Fitzgerald & Co. et al.*, Civil Action No. 3:10-857-JJB-SCR, United States District Court, Middle District of Louisiana; and *In re Sand Spring Capital III*, Case No. 11-13393, US Bankruptcy Court, District of Delaware - A consolidation of five funds managed by Commonwealth Advisors.

[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)(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 in the matters referenced in agenda item II(1) (see litigation cited above); all pertinent notifications had been provided.]

MOTION: Mr. Tarleton moved to enter executive session to discuss the agenda item shown above. Mr. Adomako seconded. The motion passed unanimously.

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

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

FRS, ET AL v CITGO GROUP LIMITED, ET AL

FRS, et al. v. Citgo Group Limited, et al., Suit No. 3:13-cv-00373-SDD-EWD, U.S. District Court, Middle District, Louisiana

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

MOTION: Mr. Tarleton moved to enter executive session to discuss the agenda item shown above. Mr. Adomako seconded. The motion passed unanimously.

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

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

MONTHLY FLASH REPORT - DECEMBER 2017

Mr. Barnes presented the monthly flash report for December 2017. (see attached Exhibit #4) The overall fund was up/down as follows: 1.3% for the month of December as compared to the allocation index of 1.3%; 7.3% for the fiscal year to date as compared to the allocation index of 8.0%; 15.7% for the trailing 12 months as compared to the allocation index of 16.5%; and 6.7% for the trailing 3 years as compared to the allocation index of 7.6%.

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

ABSOLUTE RETURN FIXED INCOME - REQUEST FOR PROPOSAL

Mr. Barnes recalled to the board that the Absolute Return Fixed Income-Request for Proposal had been previously approved. Mr. Barnes presented the results of NEPC's Unconstrained "Absolute Return" Fixed Income manager search screening process included in NEPC's report titled "Unconstrained "Absolute Return" Fixed Income Search". The report contained a list of managers being proposed for further consideration in the search. (see attached Exhibit #5) Mr. Barnes recommended to the board that representatives of the below listed funds be invited to appear for finalist-interviews at the FRS board meeting to be held in March 2018.

- GAM
- Loomis, Sayles & Company
- Payden & Rygel

Mr. Stockstill confirmed that, if the board accepts NEPC's recommendation, then the staff will automatically implement the previously approved procedure of conducting "staff pre-interviews" of the candidates prior to the candidates appearances before the board of trustees.

MOTION: Mayor Amrhein moved to accept NEPC's recommendation in the form of a motion. Mr. Tarleton seconded. The motion passed. [Requires ratification]

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-

- Provides with respect to the Deferred Retirement Option (DROP) Plan and the subaccount to which individuals' benefits are deposited.

Mr. Stockstill explained that there is currently language in R.S. 11:2257 that does not apply to FRS and this language should be removed in the newly proposed bill. (see attached Exhibit #6)

MOTION: Mayor Amrhein moved to amend the bill to remove the un-needed language. Mr. Tarleton seconded. The motion passed. [Requires ratification]

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

HARDSHIP DISTRIBUTION

Mr. Stockstill presented the board with a hardship request from Ms. Kimberly Brooks. (see attached Exhibit #7) Ms. Brooks had stated that she was requesting her refund of contributions early due to multiple financial hardships her family was experiencing. Mr. Stockstill advised the board that the law allows an employee, who is no longer working, to receive a refund of their employee contributions in 90 days. In the event of a hardship, a refund may be received in 45 days if approved by the full board.

MOTION: Mr. Tarleton moved to approve the hardship request for Ms. Kimberly Brooks. Mayor Amrhein seconded. The motion passed. [Requires ratification]

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

ADJOURNMENT

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

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FUTURE MEETINGS

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Monday, February 5, 2018 at 3:00 p.m.**

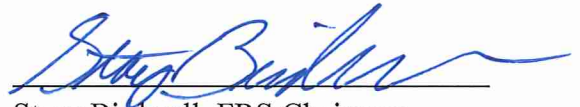
**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Tuesday, February 6, 2018 at 8:30 a.m.**

SUBMITTED BY:



Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman