



## **FIREFIGHTERS RETIREMENT SYSTEM**

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



### **MEETING OF THE BOARD OF TRUSTEES April 12, 2018**

A meeting of the Board of Trustees was held on April 12, 2018 at the Firefighters' Retirement System building in Baton Rouge, Louisiana. Mr. Stacy Birdwell, Chairman, called the meeting to order at 8:30 a.m.

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

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

#### **MEMBERS PRESENT**

Mr. Stacy Birdwell  
Mr. Perry Jeselink  
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)  
Mr. John Broussard (designee of Treasurer John Schroder)  
Mr. Louis Romero  
Mr. Jerry Tarleton  
Mayor Ronny Walker

#### **OTHERS PRESENT**

Steven Stockstill  
Layne McKinney  
Denise Poche  
Michael Becker  
Jason Starns  
Jamie Grady  
Ben Johnson  
Gary Curran  
David Barnes  
Paul Schmidt  
Elizabeth Thornton  
Todd Jacobsen  
Jim Hall

#### **TRUSTEE-OATH OF OFFICE**

Mr. Stockstill advised the board that Mayor Ronny Walker of Ruston had been appointed as the LMA representative on the FRS board of trustees. Mr. Stockstill administered the statutory and constitutional oaths to Mayor Walker.

**CHANGES TO UPCOMING BOARD MEETINGS**

MOTION: Mr. Tarleton moved to reschedule the July board meeting to July 10-11, 2018. Mr. Broussard seconded. The motion passed.

MOTION: Mr. Tarleton moved to reschedule the August board meeting to August 15-16, 2018. Mayor Walker seconded. The motion passed.

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

**MINUTES**

Mr. Broussard asked for the minutes to be corrected by striking the name of former State Treasurer John Kennedy and inserting current State Treasurer John Schroder's name in lieu thereof.

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on March 7-8, 2018, including the above referenced correction. 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. Tarleton moved to approve the new member applicants. Mr. Adomako 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. Tarleton moved to approve the retiree applicants. Mayor Walker 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 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)

**Judy Hargrove Broussard-** Mr. Starns presented the application of Judy Hargrove Broussard, surviving spouse of Michael Broussard. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Judy Hargrove Broussard. Mr. Tarleton seconded. The motion passed.

**Shannon Kaiser Lawton-** Mr. Starns presented the application of Shannon Kaiser Lawton, surviving spouse of Christopher Michael Lawton, which also included the applications of Marshall

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Cole Lawton and Claire Marie Lawton, surviving children of Christopher Michael Lawton. He stated that the joint application was in order.

MOTION: Mr. Tarleton moved to approve the joint application of Shannon Kaiser Lawton, Marshall Cole Lawton and Claire Marie Lawton. Mr. Jeselink seconded. The motion passed.

**Mary David Peck-** Mr. Starns presented the application of Mary David Peck, surviving spouse of Stephen Dean Peck. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Mary David Peck. Mr. Jeselink seconded. The motion passed.

**Melissa Meeks Sanford-** Mr. Starns presented the application of Melissa Meeks Sanford, surviving spouse of Bobby Laray Sanford, which also included the applications of Morgan Renee Sanford, Kylie Marie Sanford and Kingston James Fowler, surviving children of Bobby Laray Sanford. He stated that the joint application was in order.

MOTION: Mr. Tarleton moved to approve the joint application of Melissa Meeks Sanford, Morgan Renee Sanford, Kylie Marie Sanford, and Kingston James Fowler. Mr. Jeselink seconded. The motion passed.

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

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

[NOTE: By giving advance notice on its duly posted agenda, the board of trustees reserved the 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. Thad Broussard, the

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staff recommendation was for the approval of job-related disability retirement and suspension of the requirement of disability recertification.

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

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

MOTION: Mr. Tarleton moved to accept the staff recommendation regarding [REDACTED]. Mr. Jeselink seconded. The motion passed.

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

**COMMITTEE REPORT - SYSTEM'S RECOMMENDATIONS COMMITTEE**

[NOTE: The System's Recommendations Committee met on April 11, 2018, at the FRS office in Baton Rouge at 2:00 p.m. to discuss the following business set forth in its posted agenda- (I) Discussion and action regarding retention of consultant relative to FRS computer operating system and hardware, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Adomako, chairman; Mr. Broussard, Mr. Tarleton, and Mayor Walker. Also present were Mr. Birdwell, Mr. Jeselink, Mr. Romero, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, Jamie Grady, Jason Starns, Ben Johnson, Elizabeth Thornton, and Ben Huxon.]

Mr. Adomako gave the System's Recommendations Committee report. He reported while there was no action item for consideration by the full board, the Recommendations Committee had requested additional information from the FRS staff detailing justification why the FRS computer operating system and hardware should be replaced.

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

**MONTHLY FLASH REPORT - MARCH 2018**

Mr. Barnes presented the monthly flash report for March 2018. (see attached Exhibit #3) The overall fund was up/down as follows: -1.1% for the month of March as compared to the allocation index of -1.0%; 6.5% for the fiscal year to date as compared to the allocation index of 7.6%; 9.7% for the trailing 12 months as compared to the allocation index of 10.9%; and 5.7% for the trailing 3 years as compared to the allocation index of 6.9%.

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

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on April 11, 2018, at the FRS office in Baton Rouge upon adjournment of the System's Recommendations Committee meeting to discuss the following business set forth in its posted agenda- (i) Monthly flash report for February and March 2018, (ii) 2018 Asset Allocation Update, (iii) Private Markets Strategic Investment Plan Update, (iv) NEPC Annual Fee Report, (v) Murphree Venture Partners VI, LP liquidation, and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Jeselink, chairman; Mr. Adomako, Mr. Broussard, Mr. Romero, and Mr. Tarleton. Also present were Mr. Birdwell, Mayor Walker, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, Ben Johnson, David Barnes, and Elizabeth Thornton.]

Mr. Jeselink gave the Investment Committee report. In doing so he recognized Mr. Barnes who recalled his presentation of the monthly flash report to the Investment Committee for the month of March 2018. (see minute entry captioned above as "Monthly Flash Report - March 2018")

- 2018 Asset Allocation Update

Mr. Jeselink reported that the 2018 Asset Allocation Update was presented by Mr. Barnes of NEPC, and that NEPC recommended Mix E as the new asset allocation target for 2018. (see attached Exhibit #4) Mr. Jeselink said the committee voted to accept NEPC's recommendation and to forward that recommendation on to the full board of trustees.

MOTION: Mr. Jeselink moved the foregoing Investment Committee recommendation in the form of a motion. Mr. Broussard and Mr. Tarleton jointly seconded. The motion passed.

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

- Private Markets Strategic Investment Plan Update

Mr. Jeselink reported that the Private Markets Strategic Investment Plan Update was also presented by Mr. Barnes, and that NEPC recommended a \$68 million allocation for vintage year 2018 to private equity fund-of-funds. (see attached Exhibit #5) Mr. Jeselink said the committee voted to accept NEPC's recommendation and to forward that recommendation on to the full board of trustees.

MOTION: Mr. Jeselink moved the foregoing Investment Committee 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.

- NEPC Annual Fee Report

Mr. Jeselink reported that the NEPC agenda item was discussed by the committee but did not result in any action item as this was for informational purposes only. (see attached Exhibit #6)

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

- Murphree Venture Partners VI, LP Liquidation

Mr. Jeselink reported that the Murphree Venture Partners VI, LP Liquidation agenda item was discussed by the committee. Mr. Jeselink said the committee voted to hire Klausner, Kaufman, Jensen & Levinson to address the above mentioned agenda item and to forward that recommendation on to the full board of trustees.

MOTION: Mr. Jeselink moved the foregoing Investment Committee 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.

That concluded the Investment Committee report.

### **HARDSHIP DISTRIBUTION**

Mr. Stockstill presented the board with a hardship request from Ms. Tammy Sneed. (see attached Exhibit #7) Ms. Sneed 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. Broussard moved to approve the hardship request for Ms. Tammy Sneed. Mr. Tarleton seconded. The motion passed.

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

### **FRS LEGISLATION - 2018 REGULAR SESSION**

Mr. Stockstill explained the following 2018 legislative bills to the board and addressed questions that arose relative thereto-

HB9 Ivey RETIREMENT/FIREFIGHTERS: Provides for the payment of refunded contributions to member of the Firefighters' Retirement System

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Mr. Stockstill advised that HB10 had been amended to enhance the benefit applicable to a surviving spouse in certain limited situations. The board then discussed the \$1.6 million fiscal impact of the bill to FRS, as amended. (see attached Exhibit #8)

MOTION: Mr. Broussard moved to oppose HB10 unless an independent source is found to fund the fiscal impact of the amendment or unless the amendment is removed and the bill is returned to its original version. Mr. Tarleton seconded. The motion passed.

SB533 Milkovich RETIREMENT/FIREFIGHTERS: Provides for a five year DROP period (6/30/18) (OR INCREASE APV)

MOTION: Mr. Jeselink moved to support SB533. Mayor Walker seconded. The motion passed.

Chairman Birdwell stated he would like FRS to start working on legislation for 2019's regular session that would address the actuarial impact of the situation where a person opts out of participation in FRS due to mandatory participation in the federal social security program and then joins FRS sometime later, particularly as it relates to eligibility for regular and disability benefits.

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

**ADJOURNMENT**

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

**FUTURE MEETINGS**

**FRS Recommendations Committee  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, May 9, 2018 at 2:00 p.m.**

**FRS Investment Committee  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, May 9, 2018 at 3:00 p.m.**



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**FRS Board of Trustees  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, May 10, 2018 at 8:30 a.m.**

SUBMITTED BY:



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Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman