



FIREFIIGHTERS RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES May 10, 2018

A meeting of the Board of Trustees was held on May 10, 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. John Broussard (designee of Treasurer John Schroder)
Ms. Marsha Guedry (designee of Commissioner Jay Dardenne)
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
Andrew Tufts
Maxwell Eysink
Trevor Cassard
David Barnes
Greg Curran
Chuck Gordon
Phil Preis
Elizabeth Thornton

MINUTES

MOTION: Mr. Tarleton moved to approve the minutes of the board meeting held on April 12, 2018. 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 #1) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the new member applicants. Mr. Romero and Mayor Walker 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. Tarleton moved to approve the retiree applicants. Mr. Jeselink 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)

Traci Ann Castro Achord- Mr. Starns presented the application of Traci Ann Castro Achord, surviving spouse of Russell Arlen Achord, which also included the applications of Lindsey Nicole Achord and Chandler Thomas Achord, surviving children of Russell Arlen Achord. He stated that the joint application was in order.

MOTION: Mr. Jeselink moved to approve the joint application of Traci Ann Castro Achord, Lindsey Nicole Achord, and Chandler Thomas Achord. Mr. Tarleton seconded. The motion passed.

The discussion of this matter was concluded with no further 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(1); all pertinent notifications had been provided.]

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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. Mayor Walker seconded. The motion passed unanimously.

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

MURPHREE VENTURE PARTNERS, VI, L.P.

[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) and (4) 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. Jeselink moved to enter executive session to discuss the agenda item shown above. Mr. Tarleton seconded. The motion passed unanimously.

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

MOTION: Mr. Broussard moved to accept the recommendation of FRS legal council, Klausner, Kaufman, Jensen and Levinson, in the matters referenced in Agenda Item II(2). Mayor Walker seconded. The motion passed

MOTION: Mr. Broussard moved to approve the Prudential proposal. Mayor Walker 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 May 9, 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. Birdwell, acting chairman; Mr. Broussard, Mr. Tarleton, and Mayor Walker. Also present were Mr. Jeselink, Mr. Romero, Steven Stockstill, Layne McKinney, Denise Poche, Ben Johnson, Elizabeth Thornton, and Andrew Tufts.]

Mr. Birdwell gave the System's Recommendations Committee report. He reported the following action item for consideration by the full board.

- Discussion and action regarding retention of consultant relative to FRS computer operating system and hardware

Mr. Birdwell recalled that, last month, the System's Recommendations Committee met to discuss the feasibility of retaining an IT consultant regarding the FRS computer operating system and hardware and the committee requested additional information from the FRS staff. Mr. Birdwell informed the board that, this month, as a follow-up, Mr. Layne McKinney presented the committee with a report titled "FRS Retention of Computer Software Expert". (see attached Exhibit #3) Mr. Birdwell said the committee voted to recommend retaining an IT consultant and forwarded that recommendation to the full board of trustees.

MOTION: Mr. Tarleton moved the foregoing recommendation of the System's Recommendations Committee in the form of a motion. Mayor Walker seconded. The motion passed.

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

That concluded the System's Recommendations Committee report.

MONTHLY FLASH REPORT - APRIL 2018

Mr. Barnes presented the monthly flash report for April 2018. (see attached Exhibit #4) The overall fund was up/down as follows: 0.2% for the month of April as compared to the allocation index of 0.3%; 7.4% for the fiscal year to date as compared to the allocation index of 8.2%; 9.5% for the trailing 12 months as compared to the allocation index of 10.4%; and 5.5% for the trailing 3 years as compared to the allocation index of 6.5%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on May 9, 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 April 2018, (ii) 2018 Portfolio Rebalancing Proposals for the recently adopted 2018 FRS policy target asset allocation, (iii) Private Equity Fund of Funds Manager Summary and due diligence presentation, (iv) 2018 FRS Investment Policy Statement review and update, (v) AEW Partners VILP.-Partnership Extension Proposal, (vi) Proposed amendments to Guideline and Fee Agreement existing between FRS and Blackrock Global Allocation Collective Fund, (vii) Formation of HarbourVest Partners Co-Investment Fund IV AIV L.P., and all matters related to the foregoing items. The minutes of that meeting are embedded

herein. Committee members present were Mr. Jeselink, chairman; Mr. Birdwell, Mr. Broussard, Mr. Romero, and Mr. Tarleton. Also present were Mayor Walker, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, Ben Johnson, Andrew Tufts, David Barnes, Josh Ko, 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 April 2018. (see minute entry captioned above as "Monthly Flash Report - April 2018")

- 2018 Portfolio Rebalancing Proposals

Mr. Jeselink reported that the 2018 Portfolio Rebalancing Proposals were presented by Mr. Barnes and Mr. Josh Ko of NEPC. (see attached Exhibit #5) Mr. Jeselink said the committee voted to adopt Portfolio Rebalancing Proposal B and also to invite representatives of the Orleans Energy Opportunities Fund to appear before the board next month for a review and to forward those recommendations 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.

- Private Equity Fund of Funds Manager Summary and due diligence presentation

Mr. Jeselink reported that the Private Equity Fund of Funds Manager Summary was also presented by Mr. Barnes. (see attached Exhibit #6) Mr. Jeselink said the committee took no action on this item.

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

- FRS Investment Policy Statement

Mr. Becker explained the highlights of his prior presentation to the FRS investment committee regarding the proposed revisions of the FRS Investment Policy Statement. (see attached Exhibit #7) Mr. Jeselink said the committee voted to accept the revisions to the FRS Investment Policy Statement and to forward that action as a recommendation to the full board of trustees.

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

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

- AEW Partners VI L.P.-Partnership Extension Proposal

Mr. Becker also recalled his presentation of the AEW Partners VI, L.P. Partnership Extension Proposal that the FRS staff previously received. (see attached Exhibit #8) Mr. Jeselink said the committee voted to take no action regarding the AEW extension proposal and recommended the same to the full board of trustees.

MOTION: Mr. Jeselink moved the foregoing Investment Committee recommendation in the form of a motion. Mayor Walker seconded. The motion passed.

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

- Blackrock Global Allocation Collective Fund

Mr. Becker reported that the Blackrock Global Allocation Collective Fund Guideline and Fee Agreement was discussed by the investment committee. (see attached Exhibit #9) Mr. Jeselink said the committee voted to accept Blackrock's Guideline and Fee Agreement with a counteroffer by FRS regarding the securities lending component thereof and recommended the same action to the full board of trustees.

MOTION: Mr. Jeselink moved the foregoing Investment Committee recommendation in the form of a motion. Mayor Walker seconded. The motion passed.

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

- HarbourVest Partners Co-Investment Fund IV AIV L.P.

Mr. Jeselink reported that the HarbourVest Partners Co-Investment Fund IV AIV L.P. 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 same action as a recommendation 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.

**FRS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION-PRELIMINARY AND
STATEMENT OF FIDUCIARY NET POSITION-PRELIMINARY**

Mr. McKinney, FRS CPA, addressed the board. He drew the board's attention to the Statement of Changes in Fiduciary Net Position-Preliminary and the Statement of Fiduciary Net Position-Preliminary. (see attached Exhibit #10) He explained each report on a line-by-line basis.

MOTION: Mr. Jeselink moved to accept the staff reports as presented. Mr. Tarleton seconded. The motion passed.

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

FRS ACTUAL TO BUDGET EXPENDITURE COMPARISON

Ms. Grady, FRS Accountant, addressed the board. She drew the board's attention to the Annual Budget to Actual Comparison. (see attached Exhibit #11) In explaining some of the line items of the report, she highlighted certain variances. Ms. Grady indicated that, overall, FRS is on target for the year.

MOTION: Mr. Tarleton moved to accept the staff report as presented. Mayor Walker seconded. The motion passed.

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

G.S. CURRAN & COMPANY, LTD

Mr. Greg Curran, FRS Actuary, with G.S. Curran & Company, LTD presented his proposed annual contract (see attached Exhibit #12) for actuarial services for fiscal year 2019. He noted there were no significant changes from the prior year.

MOTION: Mr. Tarleton moved to approve G.S. Curran's annual contract. Mr. Broussard seconded. The motion passed.

MOTION: Mr. Tarleton also moved to authorize G.S. Curran up to 30 billable hours to work with the legislative auditor with regard to the ongoing discussion concerning the actuarially assumed interest rate used in the FRS Valuation. Mr. Romero seconded. The motion passed.

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

ACCESS OF LOUISIANA FEDERAL CREDIT UNION

Mr. Starns explained to the board that FRS had received notice that the Lake Charles Municipal Federal Credit Union had recently merged into Access of Louisiana Federal Credit Union. Lake Charles Municipal Federal Credit Union had been previously designated as a "firefighters' credit union", meaning by law, it could authorize any credit union member who is a firefighter to assign his or her FRS employee contributions as collateral for a credit union loan. Access of Louisiana Federal Credit Union was now seeking that same designation in order to continue serving its firefighter members.

MOTION: Mr. Tarleton moved to recognize Access of Louisiana Federal Credit Union as a "firefighters' credit union". Mr. Broussard seconded. The motion passed.

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

HARDSHIP DISTRIBUTION

Mr. Starns presented the board with a written hardship request from Mr. Mason Denux. (see attached Exhibit #13) Mr. Denux stated that he was requesting his refund of contributions early due to re-enlisting into the military and he would be experiencing a lapse in time between pay. Mr. Starns advised the board that the law allows an employee, who is no longer working, to receive a refund of his or her employee contributions after 90 days have lapsed since separation of service. In the event of a hardship, a refund may be received after 45 days if approved by the full board.

MOTION: Mr. Tarleton moved to approve the hardship request for Mr. Mason Denux. Mayor Walker 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 definitions relative to rollovers of sums to the Firefighters' Retirement System from other qualified plans under the provisions of the Internal Revenue Code (EN NO IMPACT APV) Signed by the Governor - Act 109

HB40 Ivey RETIREMENT/FIREFIGHTERS: Allows members of the Firefighters' Retirement System to allocate Deferred Retirement Option Plan funds

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between two separate interest bearing accounts (EN NO IMPACT APV)
Signed by the Governor - Act 114

HB41 Ivey RETIREMENT/FIREFIGHTERS: Provides relative to the fiduciary relationship between the Firefighters' Retirement System and its investment advisors (EN NO IMPACT APV) Signed by the Governor - Act 115

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

ADJOURNMENT

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

FUTURE MEETINGS

**FRS Budget and Finance Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, June 13, 2018 at 2:00 p.m.**

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, June 13, 2018 at 3:00 p.m.**

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, June 14, 2018 at 8:30 a.m.**

SUBMITTED BY:



Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman