



## **FIREFIGHTERS RETIREMENT SYSTEM**

3100 Brentwood Drive  
Baton Rouge, Louisiana 70809  
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### **MEETING OF THE BOARD OF TRUSTEES**

**July 10, 2018 and  
July 11, 2018**

A meeting of the board of trustees was held over a two-day period, beginning on July 10, 2018 (the first day) at the Louisiana Municipal Association (LMA) building in Baton Rouge, Louisiana, and July 11, 2018 (the second day) at the Firefighters' Retirement System building also in Baton Rouge, Louisiana.

On the first day, the boards of trustees of the following three retirement systems met separately, but all the boards held their meetings at the same time (1:30 p.m.) and in the same room of the LMA building- Firefighters' Retirement System, Municipal Employee's Retirement System, and the Municipal Police Employees' Retirement System. The three boards met in the same room for the purpose of receiving a presentation made by representatives of the Louisiana Legislative Auditor's office regarding actuarial assumptions, valuations, and other actuarial matters. Mr. Stacy Birdwell, Chairman, called the meeting of the board of trustees of the Firefighters' Retirement System to order at 1:30 p.m.

Representative Pearson gave the invocation and Mr. Warren Ponder led the pledge of allegiance on behalf of all three boards of trustees.

Ms. Poche called the roll for the board of trustees of the Firefighters' Retirement System. A quorum was present.

#### **MEMBERS PRESENT**

Mr. Stacy Birdwell  
Mr. Perry Jeselink  
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)  
Mayor David Amrhein (arrived after roll call)  
Mr. John Broussard (designee of Treasurer John Schroder)  
Representative Kevin Pearson  
Mr. Louis Romero  
Mr. Jerry Tarleton  
Mayor Ronny Walker

#### **OTHERS PRESENT**

Steven Stockstill  
Layne McKinney  
Denise Poche  
Debbie Charleville

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**JULY 11, 2018  
PAGE 2**

Michael Becker  
Ben Johnson  
Jason Tufts  
Paul Richmond  
Jim Rizzo  
Nicole Edmonson  
David Barnes  
Gary Curran  
Greg Curran  
David Barnes

**July 10, 2018**

Chairman Birdwell began by explaining that the meeting would be held over a two-day period, with the first day primarily involving a presentation being made by representatives of the Louisiana Legislative Auditor's office and the second day being reserved for the regular monthly business to come before the board.

Even though this meeting was being conducted jointly with the Firefighters' Retirement System, Municipal Employees' Retirement System, and the Municipal Police Employees' Retirement System, the minute entries set forth herein will only reflect the portion of the meeting pertaining to the Firefighters' Retirement System (FRS).

**LOUISIANA LEGISLATIVE AUDITOR**

Mr. Paul Richmond, Manager of Actuarial Services for the Louisiana Legislative Auditor, addressed the board. He explained that over the past few years, the Louisiana Legislative Auditor's office has been trying to develop a process for selecting the actuarially assumed interest rate of return. He stated that the goal has been to increase the extent to which his office relies on objective criteria based on mathematics and the predications made by certain prognosticators regarding investment returns and inflation. He stated that the Louisiana Legislative Auditor had engaged Mr. Jim Rizzo to assist in achieving that goal by providing services as a consulting actuary. Mr. Rizzo is a senior consultant (actuary) with the firm of GRS Consultants, located in Fort Lauderdale, Florida.

Mr. Rizzo presented the board with a report titled "Investment Return Assumptions" dated July 10, 2018. (see attached Exhibit #1) Mr. Rizzo read the report in detail on a line by line basis and answered questions that arose relative thereto.

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

**RECESS**

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**JULY 11, 2018  
PAGE 3**

Mr. Tarleton moved to recess the FRS board meeting. Mr. Jeselink seconded. The motion passed.

**July 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 present.

**MEMBERS PRESENT**

Mr. Stacy Birdwell  
Mr. Perry Jeselink  
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)  
Mayor David Amrhein  
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  
Ben Johnson  
Jason Starns  
Andrew Tufts  
David Barnes  
Margaret Corley  
Gary Curran  
Paul Schmidt  
Elizabeth Thornton

**MINUTES**

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on June 14, 2018. 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 #2) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the new member applicants. Mayor Walker 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 #3) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the retiree applicants. Mr. Adomako 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)

**Marlo Lastrapes** - Mr. Starns presented the application of Marlo Lastrapes, surviving son of Lumus James Lastrapes Sr. He stated that the application was in order.

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

**Rhonda Lynn Mann**- Mr. Starns presented the application of Rhonda Lynn Mann, surviving daughter of Charles Lynn McGough. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Rhonda Lynn Mann. Mayor Walker seconded. The motion passed.

**Lori Ann Tindall**- Mr. Starns presented the application of Lori Ann Tindall, surviving daughter of Charles Lynn McGough. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Lori Ann Tindall. Mr. Tarleton seconded. The motion passed.

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

#### **MONTHLY FLASH REPORT - JUNE 2018**

Mr. Barnes presented the monthly flash report for June 2018. (see attached Exhibit #4) The overall fund was up/down as follows: -0.8% for the month of June as compared to the allocation index of -0.4%; 6.5% for the fiscal year to date as compared to the allocation index of 8.0%; 6.5% for the trailing 12 months as compared to the allocation index of 8.0%; and 5.8% for the trailing 3 years as compared to the allocation index of 7.1%.

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

#### **JP MORGAN INDIA**

Mr. Michael Becker, FRS CIO, advised the board that FRS had received notice from J.P. Morgan Asset Management, in regards to the India Property Fund, that they had received an offer to transfer such interests to Apollo Asia Real Estate Management, LLC, part of Apollo Global Management. (see attached Exhibit #5) According to J.P. Morgan, Apollo is a leading global alternative investment manager with approximately \$247 billion of assets under management (AUM) and 1,030 employees, primarily based in New York, Los Angeles, Houston, London, Hong Kong, Singapore and Mumbai. As such, they have entered into an agreement to transfer J.P. Morgan's general partner and investment advisor interests to Apollo, subject to approval of investors of the IPF Funds. J.P. Morgan is seeking consent from the investors regarding the proposed assignment to Apollo.

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

#### **FRS OPERATING BUDGET FOR FY2018-19**

Mr. McKinney, FRS System CPA, addressed the board. He drew the board's attention to the State Contract Proposal regarding audio-video equipment being proposed for the FRS boardroom. (see attached Exhibit #6) He explained each line item of the report. Mr. McKinney indicated that, if the board is so inclined, the operating budget for the current fiscal year would need to be amended to include the additional cost of the audio-video equipment.

MOTION: Mr. Tarleton moved to accept the proposed budget amendment for the audio-video equipment as presented by staff. Mr. Romero and Mr. Adomako jointly seconded. The motion passed.

Mr. McKinney also presented information and a cost estimate regarding the replacement of flooring throughout the FRS office building. He indicated that, if the board is so inclined, the operating budget for the current fiscal year would need to be amended to include the additional cost of new flooring in the FRS office building.

MOTION: Mr. Tarleton moved to accept the proposed budget amendment for the office flooring as presented by staff. Mr. Tarleton and Mr. Romero jointly 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 hardship request from Mr. DePaul Ceaser. (see attached Exhibit #7) Mr. Ceaser stated that he was requesting an accelerated refund of his contributions due

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**JULY 11, 2018  
PAGE 7**

to financial hardships his 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 Mr. DePaul Ceaser. Mayor Amrhein, Mr. Adomako and Mr. Romero jointly seconded. The motion passed.

Mr. Starns presented the board with a hardship request from Mr. Trevor Cassard. (see attached Exhibit #8) Mr. Cassard stated that he was requesting an accelerated refund of his contributions due to financial hardships his family was experiencing.

MOTION: Mr. Tarleton moved to approve the hardship request for Mr. Trevor Cassard. Mr. Jeselink seconded. The motion passed.

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

**DECEMBER BOARD MEETING**

Mr. Birdwell stated he had spoken to a few board members who had a conflict with the December 12-13, 2018 meeting.

MOTION: Mr. Romero moved to reschedule the December board meeting to December 19-20, 2018. Mr. Tarleton seconded. The motion passed.

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 Investment Committee  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, August 15, 2018 at 3:00 p.m.**

**FRS Board of Trustees  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, August 16, 2018 at 8:30 a.m.**

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**JULY 11, 2018  
PAGE 8**

SUBMITTED BY:



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Denise Poche, FRS Board Secretary

APPROVED BY:



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Stacy Birdwell, FRS Chairman