



FIREFIIGHTERS' RETIREMENT SYSTEM

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



MEETING OF THE BOARD OF TRUSTEES October 11, 2018

A meeting of the Board of Trustees was held on October 11, 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.

Mr. McKinney 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
Jason Starns
Michael Becker
Ben Johnson
David Barnes
Paul Schmidt
Gary Curran
Margaret Corley

MINUTES

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on September 13, 2018. Mr. Romero 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. 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 #2) 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.

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- 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)

Bertha Bordelon- Mr. Starns presented the application of Bertha Bordelon, surviving spouse of Royland John Bordelon. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Bertha Bordelon. 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 ██████████, II. Mr. Starns stated that, based on the report by State Medical Disability Board doctor, Dr. Thad Broussard, the

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staff recommendation was for approval of Application for Disability Retirement (Job-Related) and suspending 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. Jeselink moved to resume public session. Mr. Tarleton seconded. The motion passed unanimously.

MOTION: Mr. Tarleton moved to deny the Application for Disability Retirement (Job-Related) for [REDACTED] and set into motion the appeal by FRS under the provisions for appeal in the law and simultaneously offer [REDACTED] the opportunity, if he so desires, to withdraw his application for a job-related disability and resubmit an application for a non-job-related disability retirement. Mayor Walker seconded. The motion passed.

- Disability Recertification

[REDACTED] - Mr. Starns presented the disability recertification of [REDACTED]. Mr. Starns stated that, based on the report by State Medical Disability Board doctor, Dr. Andrew Morson, the staff recommendation was for the approval of continuation of Disability Retirement and suspending the requirement of disability recertification.

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

MOTION: Mr. Romero moved to resume public session. Mayor Walker seconded. The motion passed unanimously.

MOTION: Mr. Tarleton moved to approve the continuation of disability retirement for [REDACTED] along with continuation of the required disability recertification. Mr. Romero 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 reserves 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

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the litigation position of FRS in the judicial matter cited in Agenda Item II(1); all pertinent notifications had been provided.]

Mr. Stockstill directed the board's attention to an Order considering the Motion for Leave to file Documents Under Seal filed by Citgo Group Limited, et al. (see attached Exhibit #3) The motion was denied by the court because the party failed to identify any reasons why their documents are deemed "confidential" or "highly confidential", as described by the *Stipulated Protective Order*, that outweigh the public interest in open access to the record.

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

FRS, ET AL v GRECO, ET AL

FRS, et al. v. Greco, et al., Suit No. 641387, 19th Judicial District Court, East Baton Rouge Parish, 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 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. Romero 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.

STACEY ATWELL WESTBROOK v WAYNE BOYD WESTBROOK

Stacey Atwell Westbrook v. Wayne Boyd Westbrook, Suit No. F150636641387, 19th Judicial District Family Court, East Baton Rouge Parish, 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(3); all pertinent notifications had been provided.]

MOTION: Mr. Romero 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. Tarleton seconded. The motion passed unanimously.

MOTION: Mr. Tarleton moved to authorize the FRS Executive Director to retain and supervise Olinde and Mercer, LLC in the prosecution of the judicial matter styled Westbrook v. Westbrook and authorized incurring the costs associated therewith. Mr. Romero seconded. The motion passed.

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

COMMITTEE REPORT - POLICY, BYLAWS & PROCEDURE COMMITTEE

[NOTE: The Policy, Bylaws & Procedure Committee met on October 10, 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) Sexual Harassment policy, (ii) Maternity Leave and Maternity Leave Without Pay policy, (iii) Comprehensive Travel Policy and Procedures, (iv) Employee Annual and Sick Leave policy, and (v) Procurement policy, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mayor Amrhein, chairman; Mr. Broussard, Mr. Jeselink, and Mr. Romero. Also present were Mr. Birdwell, Mr. Tarleton, Mayor Walker, Steven Stockstill, Layne McKinney, Ben Johnson, Michael Becker, Elizabeth Thornton, Dawn Moeller and Andrew Tufts.]

Mayor Amrhein gave the FRS Policy, By-Laws & Procedure Committee report. He reported the following action items for consideration by the full board.

- Sexual Harassment Policy

Sexual Harassment Policy, Policy No. 06102013. (see attached Exhibit #4)

MOTION: The Policy, Bylaws & Procedure Committee voted to recommend that the FRS board amend and reenact Policy No. 06102013, titled "Sexual Harassment Policy". Mayor Amrhein moved the committee's 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.

- Maternity Leave and Maternity Leave Without Pay Policy

Maternity Leave and Maternity Leave Without Pay Policy, Policy No. 01142016. (see attached Exhibit #5)

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MOTION: The Policy, Bylaws & Procedure Committee voted to recommend that the FRS board amend and reenact Policy No. 01142016, newly titled "Family Leave and Family Leave Without Pay Policy". Mayor Amrhein moved the committee's recommendation in the form of a motion. Mr. Jeselink seconded. The motion passed.

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

- Comprehensive Travel Policy and Procedures Policy

Comprehensive Travel Policy and Procedures Policy, Policy No. 10112018. (see attached Exhibit #6)

MOTION: The Policy, Bylaws & Procedure Committee voted to recommend that the FRS board enact Policy No. 10112018, titled "Comprehensive Travel Policy and Procedures" with the addition of Addendum A. (see attached Exhibit #7) Mr. Broussard moved the committee's recommendation in the form of a motion. Mayor Walker seconded. The motion passed.

[NOTE: The following amendments to Addendum A were made by the committee and were already engrossed into Addendum A when presented to the full board-

- "Public Ground Transportation

* * *

If utilizing Lyft or Uber type services, only standard size vehicles are reimbursable with an itemized receipt. In utilizing any such services, if the transportation company upgrades the type of vehicle to a premium or large vehicle, at no additional cost to the system, then such transportation is authorized pursuant to this policy, provided documentation of the upgrade is provided for the system's records. Premium or large vehicle sizes are not reimbursable, unless a savings to the system results from the use thereof and documentation of the savings is provided for the system's records.

* * *"]

MOTION: Mr. Romero then moved to further amend the Comprehensive Travel Policy and Procedures with Addendum A as follows -

- Increase the tip allowance for valet parking from \$2.00 to \$5.00 per day.
- Increase the "Baggage Tips" hotel allowances from the rate of \$3.00 tip per hotel check-in and \$3.00 tip per hotel checkout to \$5.00 tip per hotel check-in and \$5.00 tip per hotel checkout.
- Increase airport allowances from the rate of \$3.00 tip for airport outbound departure trip and \$4.00 tip for inbound departure trip (maximum total for entire trip not to exceed \$6.00) to

\$5.00 tip for airport outbound departure trip and \$5.00 tip for inbound departure trip (maximum total for entire trip not to exceed \$10.00).

- VII. Waivers

The Chairman of the Board or the Executive Director may waive in writing any provision of this policy when the best interest of the system will be served. All waivers of this policy must receive prior approvals from either the Chairman of the Board or the Executive Director, except in exigent circumstances. If either such officer elects to waive any provision of this policy, the officer shall provide sufficient documentation for the system's accounting records explaining the circumstances of such waiver.

Mr. Jeselink seconded. The motion passed.

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

- Employee Annual and Sick Leave Policy

Employee Annual and Sick Leave Policy, Policy No. 09281983(b). (see attached Exhibit #8)

MOTION: The Policy, Bylaws & Procedure Committee voted to recommend that the FRS board amend and reenact Policy No. 09281983(b), titled "Employee Annual and Sick Leave Policy". Mayor Amrhein moved the committee's 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.

- Procurement Policy

Procurement Policy, Policy No. 07012004. (see attached Exhibit #9)

MOTION: The Policy, Bylaws & Procedure Committee voted to recommend that the FRS board amend and reenact Policy No. 07012004, titled "Procurement Policy" with changes. Mr. Jeselink moved the committee's 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 Policy, By-Laws & Procedure Committee report.

MONTHLY FLASH REPORT - SEPTEMBER 2018

Mr. Barnes presented the monthly flash report for September 2018. (see attached Exhibit #10) The overall fund was up/down as follows: 0.2% for the month of September as compared to the allocation index of 0.1%; 2.2% for the fiscal year to date as compared to the allocation index of 2.4%; 5.2% for the trailing 12 months as compared to the allocation index of 6.5%; and 9.2% for the trailing 3 years as compared to the allocation index of 10.1%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on October 10, 2018, at the FRS office in Baton Rouge upon adjournment of the Policy, Bylaws & Procedure Committee meeting to discuss the following business set forth in its posted agenda- (i) Asset allocation mixes previously submitted by NEPC, (ii) Feasibility of allocation to Mesirow Financial Private Equity Fund VII-A, (iii) Comparison of 2018 Private Equity Fund of Funds Manager Search Finalists, (iv) SEC fine of Putnam Investments, (v) Recommendation for Stone Harbor Emerging Markets Local Currency Debt to be placed on FRS Watch List, (vi) Recommendation for Thornburg Global Opportunities fund to be placed on FRS Watch List, (vii) Request by General Partner of Louisiana Fund I to extend term of the fund for an additional two year period, (viii) FRS Total Plan Composite investment returns, 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, and Mr. Tarleton, and Mr. Romero. Also present were Mr. Birdwell, Mayor Amrhein, Mayor Walker, Steven Stockstill, Layne McKinney, Michael Becker, Andrew Tufts, Elizabeth Thornton, Margaret Corley, and David Barnes.]

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

- Private Equity Manager Search

Mr. Jeselink recalled that Mr. Barnes had presented the Investment Committee with the "Asset Allocation Modeling Report" detailing the different allocation mixes. (see attached Exhibit #11)

Mr. Stockstill addressed the board to discuss the feasibility of an investment allocation to Mesirow Financial Private Equity Fund VII-A. He advised that FRS was able to reach an agreement with Mesirow Financial regarding terms of a side letter.

Mr. Jeselink also recalled that Mr. Barnes had also presented the Investment Committee with the "Comparison of 2018 Private Equity Fund of Funds Search Finalists Report". (see attached Exhibit #12)

MOTION: The Investment Committee voted to recommend that the FRS board commit \$35 million to HarbourVest Partners Fund XI and commit \$35 million to Mesriow Financial Private Equity Fund VII-A. Mr. Jeselink moved the committee's recommendation in the form of a motion. Mr. Romero seconded. The motion passed.

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

- Putnam Investments

Mr. Jeselink reported that Mr. Barnes advised the Investment Committee that Putnam notified NEPC that Putnam had been fined by the SEC in the amount of \$1 million. The fine is related to a series of MBS trades that occurred in 2011 to 2015. A Putnam securities trader made a series of pre-arranged MBS trades over the course of 2011-2015. There were approximately 60 trades involving a total of \$300 million in capital over this time. These were odd lot MBS trades, which can be difficult to coordinate. The trader would pre-arrange with a broker to sell the securities and buy them back a few days later in a different account with limited spread. However, there was a spread and broker fees, and because the transaction was across Putnam accounts, it should have been treated as a cross trade with no fees and at the mid-point of several independent bids. The trader reported these trades to Putnam in 2016. He was terminated within 3 days. Putnam self reported the violation to the SEC. NEPC believes that Putnam handled the situation in an appropriate and transparent manner and NEPC was recommending no action at this time. (see attached Exhibit #13)

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

- Stone Harbor

Mr. Jeselink recalled that Mr. Barnes informed the Investment Committee that NEPC and FRS investment staff previously conducted a teleconference meeting to receive an update from representatives of the Stone Harbor Local Markets Fund on August 21, 2018. Their discussion included an update regarding the organizational structure of Stone Harbor Investment Partners, the fund's investment team and process, current portfolio positioning, and a review of performance history. NEPC's research team also conducted a review of Stone Harbor's Emerging Markets Debt platform on September 25, 2018. Mr. Jeselink stated that based on NEPC's advice, the Investment Committee voted to recommend to the full board to place Stone Harbor Local Markets Fund on "watch status" until further notice. (see attached Exhibit #14)

MOTION: Mr. Jeselink moved the Investment Committee's recommendation in the form of a motion. Mr. Broussard seconded. The motion passed.

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

- Thornburg Global Opportunities

Mr. Jeselink recalled that Mr. Barnes informed the Investment Committee that NEPC and FRS investment staff previously conducted a teleconference meeting to receive an update from representatives of the Thornburg Global Opportunities fund on September 24, 2018. Their discussion included an update regarding the organizational structure of Thornburg Investment Management, the fund's investment team and process, current portfolio positioning, and a review of performance history and attribution over the past three year period. Mr. Jeselink stated that based on NEPC's advice, the Investment Committee voted to recommend to the full board to place Thornburg Global Opportunities fund on "watch status" until further notice. (see attached Exhibit #15)

MOTION: Mr. Jeselink moved the Investment Committee's recommendation in the form of a motion. Mr. Adomako seconded. The motion passed.

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

- Louisiana Fund I

Mr. Jeselink recalled that Mr. Becker informed the Investment Committee that FRS received a written request from the General Partner of Louisiana Fund I seeking consent to approve an additional two-year extension of the fund. (see attached Exhibit #16) Mr. Jeselink stated the Investment Committee voted to recommend to the full board to approve the two year fund extension.

MOTION: Mr. Adomako moved the Investment Committee's recommendation in the form of a motion. Mr. Jeselink seconded. The motion passed.

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

- FRS Total Plan Composite Investment Returns

Mr. Jeselink recalled that Mr. Becker had also presented the Investment Committee with the "Firefighters' Retirement System of Louisiana Total Plan Composite" report. (see attached Exhibit #17)

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

That concluded the Investment Committee report.

TRUSTEE EDUCATION - ACTUARIAL FUNDING/PROPOSED LEGISLATION

[NOTE: By giving notice on its duly posted agenda, the board of trustees reserved its right to apply the discussion of this Agenda Item as credit for trustee training pursuant to R.S. 11:185. This Agenda Item involved but was not limited to the types of funding methods used by private and public pension plans, normal costs, gains and losses, benefit and assumption changes, contributions and contribution volatility, amortization and schedules related thereto.]

In addressing the board of trustees, Mr. Gary Curran, FRS Actuary, explained that the Firefighters' Retirement System is currently funded using the Entry Age Normal funding method. This is one of several funding methods used by actuaries for both private and public pension plans. This method has been used by FRS since the inception of actuarial funding in 1990. The method provides for funding by developing Normal Costs which are designed to be level as a percentage of payroll. Plan costs will in fact be level absent any gains or losses, benefit changes, or assumption changes. However, it is almost inevitable that the plan will incur gains or losses from either assets or liabilities. When these occur, the additional liability generated will need to be funded typically by amortization payments over some fixed period. If the experiences are somewhat symmetric and there are both gains and losses which are relatively small, the method works very well. However, large amortizations which are either gains or losses can result in problematic contribution volatility.

Mr. Curran continued by observing that, for the last several years, his office has been evaluating the possibility of reducing contribution volatility by re-amortizing the existing unfunded accrued liability or changing the current funding method or both. The re-amortization could be accomplished by combining all current amortization bases and back solving for a single amortization period which would produce a payment close to the existing scheduled payment. Thus, payments on the existing amortization would be level until the entire existing unfunded liability is eliminated at which time payments would go to zero. One complication in this regard is that certain payments for previous mergers are funded by dedicated insurance premium taxes.

To address this issue, G. S. Curran proposes splitting the exiting amortization bases into two components; thus, the merger and non-merger bases would be separately combined and re-amortized. Mr. Curran explained his office's belief that it may be prudent to construct the re-amortization payments for the non-merger bases so that payments actually decline by some small amount (1% to 2%) rather than remain level. This will provide employers with a cost structure that is slightly biased to decrease and give some limited offset against future adverse experience.

Mr. Curran said he believes that all of the above steps will reduce the current contribution volatility problem, but over a period of time as new gain/loss bases accrue, the system would face the same situation. To address the issue, Mr. Curran recommends that the system's funding method be changed from the Entry Age Normal method to the Frozen Initial Liability method. With the Frozen Initial Liability method all future gains and losses, changes in benefits, and changes in assumptions would be dealt with in the normal cost and would not produce any additional unfunded accrued liability.

The advantage of this funding method is that all of the above changes in expected experience are funded over the future working lifetime of current active members with no fixed amortization period. The result is a much smoother evolution of costs for the plan.

Mr. Curran emphasized the importance of understanding that the ultimate cost to employers for the plan is a function of the benefit levels and investment earnings. The funding method only affects the timing of employer contributions not the level of those contributions. It also only affects the ultimate costs to the extent that one method accumulates assets more rapidly than another and thus generates a higher level of investment income.

Mr. Curran noted that any of the proposed changes in funding would require legislation and if possible, G.S. Curran would recommend adoption with the June 30, 2019 valuation. (see attached Exhibit #18)

MOTION: Mr. Broussard moved to have the FRS Executive Director draft a bill for the upcoming legislative session to change to a new amortization method for FRS' UAL. Mr. Jeselink seconded. The motion passed.

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

TRUSTEE EDUCATION - BoNY/ROLE OF CUSTODIAL BANK

[NOTE: By giving notice on its duly posted agenda, the board of trustees reserved its right to apply the discussion of this Agenda Item as credit for trustee training pursuant to R.S. 11:185. This Agenda Item involved but was not limited to the role of a custodial bank, selecting subcustodians, the life cycle of a securities trade transaction, global institutional accounting, class action processing and filing, compliance monitoring, daily cash sweep investing, technology and how BoNY delivers information.]

Mr. Schmidt with the Bank of New York presented the board with an hour long educational session related to the role of a custodial bank, selecting subcustodians, the life cycle of a securities trade transaction, global institutional accounting, class action processing and filing, compliance monitoring, daily cash sweep investing, technology and how BoNY delivers information, and all related matters.

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

ADJOURNMENT

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

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FUTURE MEETINGS

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, November 7, 2018 at 3:00 p.m.**

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

SUBMITTED BY:



Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman