



FIREFIIGHTERS' RETIREMENT SYSTEM

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



MEETING OF THE BOARD OF TRUSTEES February 14, 2019

A meeting of the Board of Trustees was held on February 14, 2019 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)
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
Andrew Tufts
David Barnes
Elizabeth Thornton
Dawn Moeller
Paul Schmidt
Gary Curran
Phil Preis
Richard Williams
Nicole Edmonson
Lowell Good

MINUTES

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on January 10, 2019. 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. Stockstill 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. Stockstill presented the list of new retirees. (see attached Exhibit #2) He stated that all applications were in order.

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**FEBRUARY 14, 2019
PAGE 3**

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

Louretha McKee- Mr. Stockstill presented the application of Louretha McKee, surviving spouse of Willie Charles McKee. He stated that the application was in order.

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

Aimee Ann Olavarrieta - Mr. Stockstill presented the application of Aimee Ann Olavarrieta, surviving spouse of Ramon Michael Olavarrieta. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Aimee Ann Olavarrieta. Mayor Walker seconded. The motion passed.

ACTUARIAL REVIEW OF THE 2018 ACTUARIAL VALUATION

[EDITORIAL NOTE: Discussion of the subject matter noted in this minute entry consumed nearly 3 hours of time. Due to the extreme importance of the subject matter, a verbatim transcript is attached hereto and made a part of Exhibit #3.]

Mr. Stockstill recalled that, at the last PRSAC meeting, the Legislative Auditor asked FRS to host the Legislative Actuary when it came time to present the actuarial review of the Firefighters' Retirement System's Actuarial Valuation. Ms. Nicole Edmonson with the Louisiana Legislative Auditor's office, addressed the board and introduced the newly incoming Louisiana Legislative

Actuary, Mr. Lowell Good. She then proceeded to introduce Mr. Jim Rizzo, representing Gabriel, Roeder, Smith and Company (GRS), who was joining the meeting via Skype to present the "Actuarial Review Of The 2018 Actuarial Valuation Of The Firefighters' Retirement System". (see attached Exhibit #3)

After Mr. Rizzo completed his presentation, Mr. Stockstill observed that the actuarial review published by Mr. Rizzo will become part of the formal record at the upcoming PRSAC meeting. Mr. Stockstill recommended that the board likewise authorize a formal FRS management response to be submitted into the PRSAC record.

MOTION: Mr. Tarleton moved to authorize a management response to the actuarial review for submission to PRSAC. Mr. Jeselink seconded. The motion passed.

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

FRS, ET AL v. CITCO GROUP LIMITED, ET AL

FRS, et al. v. Citco 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. Jeselink seconded. The motion passed unanimously.

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

MOTION: Mr. Broussard moved to grant FRS legal counsel (Preis Gordon, APLC) the authority to file notice of appeal against the Citco defendants. 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.

MONTHLY FLASH REPORT - JANUARY 2019

Mr. Barnes presented the monthly flash report for January 2019. (see attached Exhibit #4) The overall fund was up/down as follows: 5.4% for the month of January as compared to the allocation

index of 5.2%; -1.0% for the fiscal year to date as compared to the allocation index of -0.1%; -5.4% for the trailing 12 months as compared to the allocation index of -3.7%; and 8.5% for the trailing 3 years as compared to the allocation index of 9.4%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on February 13, 2019, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda- (i) The FRS monthly investment performance results for January 2019, (ii) Report titled "2019 Asset Allocation Update" presented by NEPC, (iii) Report titled "Asset Allocation Trends in Institutional Asset Management-U.S." as prepared by Greenwich Associates, 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 Amrhein, Mayor Walker, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, 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 January 2019. (see minute entry captioned above as "Monthly Flash Report - January 2019")

- Asset Allocation Update

Mr. Jeselink reported that the "2019 Asset Allocation Update" report was presented by Mr. Barnes of NEPC, and that NEPC recommended Mix B as the FRS asset allocation target for 2019. (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.

- Asset Allocation Trends

Mr. Jeselink reported that the "Asset Allocation Trends in Institutional Asset Management-U.S." report was presented by Mr. Michael Becker. (see attached Exhibit #6) Mr. Jeselink said the report was presented for educational purposes and the investment committee took no action on this item.

The discussion of this matter was concluded with no 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, 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 #7) He explained each report on a line-by-line basis.

MOTION: Mr. Tarleton moved to accept the staff reports as presented. Mayor Walker and Mr. Jeselink jointly 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

Mr. Johnson, FRS Accountant, drew the board's attention to the Annual Budget to Actual Comparison. (see attached Exhibit #8) In explaining some of the line items of the report, he highlighted certain variances. Mr. Johnson indicated that, overall, FRS is on target for the year.

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

Mr. Johnson advised that there are two emergency items that need to be added to the budget and the subject matter of each item is reflected in the motions shown immediately below.

MOTION: Mr. Tarleton moved to increase the building maintenance budget by \$4,500.00 to replace the malfunctioning fire alarm system. Mr. Romero seconded. The motion passed.

MOTION: Mr. Romero moved to increase the office expense budget by \$1,500.00 to replace the malfunctioning computer used by the FRS CPA. Mr. Tarleton seconded. The motion passed.

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

FRS CODE OF CONDUCT POLICY

Mr. Stockstill explained that it had been brought to the board's attention at a previous meeting that FRS should consider adopting a policy similar to the NCPERS Code Of Conduct For Public Pension Service Providers. He then presented the board with proposed Policy No. 021419 - Firefighters Retirement System Code of Conduct For Service Providers. (see attached Exhibit #9)

MOTION: Mr. Broussard moved to adopt FRS Policy No. 021419 as presented. Mr. Tarleton seconded. The motion passed.

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

FRS LEGISLATION - 2019 REGULAR SESSION

Mr. Stockstill referenced the following 2019 legislative House Bills requested by FRS and identified the legislators who are sponsoring each bill-

- HB14 Carpenter Prohibits persons from rejoining the Firefighters' Retirement System if they also participate in the federal Social Security program and elect to opt out of membership in the Firefighters' Retirement System.

- HB15 Carpenter Repeals provision allowing a retiree to name a designated beneficiary if he becomes married after retirement.

- HB16 Abraham Provides that NFPA 1582 is the governing standard regarding physical examinations required for membership in the system.

- HB17 Abraham Reduces processing period for refund of employee contributions from 90 to 30 days and repeals refunds after 45 days based on hardship.

- HB21 Pearson Provides with respect to actuarial funding methods and amortization of unfunded accrued liabilities.

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 System's Recommendations Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, March 13, 2019 at 2:00 p.m.**

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**FEBRUARY 14, 2019
PAGE 8**

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, March 13, 2019 at 3:00 p.m.**

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, March 14, 2019 at 8:30 a.m.**

SUBMITTED BY:



Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman