



FIREFIIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES March 14, 2019

A meeting of the Board of Trustees was held on March 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)
Mr. John Broussard (designee of Treasurer John Schroder)
Mr. Louis Romero
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Denise Poche
Michael Becker
Jason Starns
Andrew Tufts
John Schroder
Margaret Corley
David Barnes
Dawn Moeller
Greg Curran
Chuck Gordon
Wendy Sanchez
Bob Solheim

COMMITTEE ASSIGNMENTS

Chairman Birdwell distributed the current FRS committee member assignments. (see attached Exhibit #1)

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

MINUTES

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on January 16, 2019. Mr. Tarleton seconded. The motion passed.

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on February 14, 2019. Mr. Tarleton seconded. The motion passed.

MOTION: Mr. Broussard moved to approve reconsider the motion to approve the minutes of the board meeting held on January 16, 2019. Mr. Jeselink seconded. The motion passed.

Mr. Stockstill indicated that the minutes needed to be amended to change the name "Citgo" to "Citco" in two places.

MOTION: Mr. Broussard moved to approve the minutes of the board meeting held on January 16, 2019 as amended. Mr. Jeselink seconded. The motion passed.

MAY BOARD MEETING

Mr. Birdwell stated he had spoken to a few board members who had a conflict with the May 8-9, 2019 meeting.

MOTION: Mr. Jeselink moved to reschedule the May board meeting to May 1-2, 2019. Mr. Romero seconded. The motion passed.

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

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. Mr. Jeselink 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.

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. Romero seconded. The motion passed unanimously.

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

MOTION: Mr. Tarleton moved to grant FRS legal counsel (Preis Gordon, APLC) the authority to begin their discussion with Mr. David Frederick's law firm to establish a relationship for the appeal of the Citco case. If everything is successful from Preis Gordon's perspective, their firm will bring Mr. Frederick back in and for the FRS board to have the final approval to retain his firm as the appellate counsel. This is subject to FRS' counsel interviewing Mr. Frederick prior to Preis Gordon bringing Mr. Frederick to the board. FRS counsel will also have the authority to approve or disapprove all expenditures for the appeal of the Citco case, including the retention of the appellate attorney. The appeal is subject to the other two retirement systems being fully involved in the case and should either of the other two systems pull out, FRS reserves the right to reconsider their continuance in the case. Mr. Romero seconded. The motion passed.

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

RECESS FRS BOARD MEETING

CONVENE FRS-GA LLC ADVISORY COMMITTEE MEETING

[NOTE: The FRS-GA LLC Joint Advisory Committee met on March 14, 2019, at the FRS office in Baton Rouge at 8:30 a.m. to discuss the following business set forth in its duly posted agenda- Discussion and advice regarding interest expressed by the City of Gainesville to purchase a certain tract of land from FRS-GA LLC. The minutes of that meeting are embedded herein. Committee members present were Mr. Stockstill, manager; Mr. Birdwell, Mr. Jeselink, Mr. Adomako, Mr. Romero, Mr. Schroder, and Mr. Tarleton. Also present were John Broussard, Margaret Corley, Layne McKinney, Denise Poche, Michael Becker, Andrew Tufts, David Barnes, and Greg Curran.

City of Gainesville

Mr. Michael Becker, FRS CIO, recalled to the board that FRS had previously received an offer from the City of Gainesville, GA to purchase an 89.9 acre tract of land within the Gainesville Vision property for development as a youth sports complex for the sum of \$777,875.00. (see attached Exhibit #4) Mr. Becker further recalled that, at a prior meeting, the advisory committee had tasked the FRS staff with finding an expert to help determine what would happen to the value of the remaining property if the sale was completed. He stated that he had spoken with numerous real estate consultants in the Atlanta area and each wanted to apply their own costly, overly complicated analytical methodology to the question

FRS was asking. So, FRS did not move forward with any of those consultants. Mr. Becker stated that at some point the board would need to respond to the City of Gainesville's offer.

Treasurer Schroder stated that he had contacts in that area and would be agreeable to reach out to discuss the offer that was presented and possibly negotiate a higher selling price.

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

ADJOURN FRS-GA LLC ADVISORY COMMITTEE MEETING

RECONVENE FRS BOARD MEETING

COMMITTEE REPORT - SYSTEM'S RECOMMENDATIONS COMMITTEE

[NOTE: The System's Recommendations Committee met on March 13, 2019, 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 the distribution of computer tablets to board members for use in conjunction with the FRS audio-video system, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Adomako, chairman; Mr. Birdwell, Mr. Broussard, and Mr. Tarleton. Also present were Mr. Jeselink, Mr. Romero, Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, and Margaret Corley.]

Mr. Adomako 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. Adomako recalled that the System's Recommendations Committee met to discuss the feasibility of issuing Microsoft Surface Pro 6 tablets with Office 365 installed to all board members for direct access to the monthly FRS board books, training videos, board meetings, Skype, and other pertinent information. Mr. Adomako said the committee voted to recommend the issuance of tablets installed with Office 365 to all board members and forwarded that recommendation to the full board of trustees.

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

Mr. Adomako advised that the Recommendations Committee requested the presence of Benecom, Inc. personnel at the next month's meeting to present and discuss the security aspects of the tablets and the newly installed NAS unit.

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 - FEBRUARY 2019

Mr. Barnes presented the monthly flash report for February 2019. (see attached Exhibit #5) The overall fund was up/down as follows: 1.3% for the month of February as compared to the allocation index of 1.4%; 0.3% for the fiscal year to date as compared to the allocation index of 1.3%; -1.2% for the trailing 12 months as compared to the allocation index of 0.7%; and 9.0% for the trailing 3 years as compared to the allocation index of 9.9%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on March 13, 2019, 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) The FRS monthly investment performance results for February 2019, (ii) Report titled "2019 Rebalancing Proposals" presented by NEPC, (iii) Portfolio manager Pablo Cisilino's termination of employment with Stone Harbor, 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, 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 February 2019. (see minute entry captioned above as "Monthly Flash Report - February 2019")

- 2019 Portfolio Rebalancing Proposals

Mr. Jeselink reported that the 2019 Portfolio Rebalancing Proposals were presented by Mr. Barnes of NEPC. (see attached Exhibit #6) Mr. Jeselink said the committee voted to adopt Portfolio Rebalancing Proposal A with the caveat that any overage or underage would come directly from the \$50 million cash flow to Blackrock.

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

Mr. Jeselink also said the committee voted to invest \$35 million in the State Street MSCI ACWI Index Fund (Non Lending).

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.

- Stone Harbor Emerging Markets Local Currency Debt Fund (Stone Harbor)

Mr. Barnes advised the board that NEPC was recently notified of portfolio manager Pablo Cisilino's departure from Stone Harbor. The fund manager (Stone Harbor) has decided to promote Stuart Sclater-Booth and Kumaran Damodaran to the role of portfolio manager and mutually agreed with Pablo Cisilino that he would leave Stone Harbor in order to pursue new interests. Mr. Cisilino's last day was March 1st. No other personnel changes are expected. Mr. Barnes further stated that NEPC recommends that FRS maintains the Watch status at this time and take no further action. NEPC will continue to monitor the situation and provide updates as necessary.

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

- Oppenheimer Funds

Mr. Becker advised the board that Oppenheimer Fund had sent out a proxy questionnaire stating that each shareholder will need to approve each Oppenheimer Fund to reorganize into a corresponding, newly formed Invesco fund with the same (or, with respect to ETFs, substantially similar) investment objective and substantially similar principal investment strategies and risks as the corresponding Oppenheimer Fund, which will be managed by the current Oppenheimer Fund portfolio management team or, in the case of Invesco ETF, by the Invesco portfolio management team. Mr. Becker further recommended that no action be taken by FRS.

MOTION: Mr. Jeselink moved to take no action regarding OFI. 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.

PROVALIANT RETIREMENT

Mr. Bob Solheim and Ms. Wendy Sanchez of Provaliant Retirement presented the board with a power point presentation of their offerings and solutions as a retirement software consultant and answered all questions that arose. (see attached Exhibit #7)

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

FRS LEGISLATION - 2019 REGULAR SESSION

Mr. Stockstill referenced the following 2019 legislative Senate Bill that would have an impact on FRS-

- SB14 Peacock Provides term limits for retirement system boards of trustees

MOTION: Mr. Tarleton moved to oppose SB14. Mr. Jeselink seconded. A roll call vote was taken and the motion failed pursuant to the 5-vote rule by the following tally-

[NOTE: R.S. 11:2260(A)(6), known as the 5-vote rule, provides as follows- "Each trustee shall be entitled to one vote on the board. An affirmative vote by at least five members of the board of trustees shall be necessary for a decision by the trustees at any meeting of the board. The phrase 'affirmative vote' shall mean that the vote shall be cast in favor of approving any motion."]

Birdwell	Yes	
Jeselink	Yes	
Adomako		Abstain
Amrhein		Absent
Broussard	No	
Ivey		Absent
Peacock		Absent
Romero	Yes	
Tarleton	Yes	
Walker		Absent
(4-1)		

MOTION: Mr. Romero then moved to support SB14. The motion failed by lack of a second.

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

ADJOURNMENT

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

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FUTURE MEETINGS

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, April 11, 2019 at 8:30 a.m.**

SUBMITTED BY:



Denise Poche, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman