



## **FIREFIIGHTERS' RETIREMENT SYSTEM**

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



### **MEETING OF THE BOARD OF TRUSTEES December 20, 2018**

A meeting of the Board of Trustees was held on December 20, 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. 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  
Jason Starns  
Michael Becker  
Andrew Tufts  
David Barnes  
Paul Schmidt  
Gary Curran  
Dawn Moeller  
Phil Preis  
Chuck Gordon  
Henry Olinde  
Tommy Meagher  
Warren Ponder  
Paul Mitchell

**MINUTES**

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on November 8, 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. Stockstill presented the list of new member applicants. (see attached Exhibit #1) He stated that all applications were in order.

MOTION: Mr. Jeselink moved to approve the new member applicants. Mr. Tarleton 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.

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)

**Genelle Amy** - Mr. Starns presented the application of Genelle Amy, surviving spouse of Henry Lee Amy. He stated that the application was in order.

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

**Carleen Zaidle** - Mr. Starns presented the application of Carleen Zaidle, surviving fiancé of Steven Lee Johnson, Jr. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Carleen Zaidle. 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

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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 ██████████. Mr. Starns stated that, based on the report by State Medical Disability Board doctor, Dr. Thad Broussard, the staff recommendation was for approval of the Application for Disability Retirement (Non-Job-Related) and suspending the requirement of disability recertification.

MOTION: Mr. Tarleton moved to accept the staff recommendation regarding ██████████. Mr. Adomako seconded. The motion passed.

- Disability Conversion Applicant

PROCEDURE: Retirees who apply for conversion from regular retirement to a disability retirement are required to submit detailed medical information as part of the application in support of their claim that the disability was job-related and occurred during active employment as a firefighter, even though the actual physical disability may not have become manifest until after the effective date in DROP or after commencement of service retirement. Once received, the application is reviewed by staff and medical records are forwarded to a State Medical Disability Board doctor to determine if sufficient documentation is present to certify that the retiree's disability occurred during active employment and was a direct result of working as a firefighter. If the medical information submitted is not sufficient for the doctor to determine the date and cause of the disability, then an appointment is scheduled for the applicant to undergo a physical examination. For the applicant to become eligible for conversion, the State Medical Disability Board doctor must furnish a medical report certifying the retiree's disability and that the disability was a direct result of employment as a firefighter. (R.S. 11:2258(B) and Administrative Rule)

[NOTE: By giving advance notice on its posted agenda, the board of trustees reserved its 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 conversion applicant.]

██████████ - Mr. Starns presented the disability conversion application of ██████████. He advised the board that based upon the report by State Medical Disability Board doctor, Dr. Indira Sastry, the staff recommendation was for the approval of disability conversion and suspending the requirement of disability recertification.

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MOTION: Mr. Jeselink moved to accept the staff recommendation regarding [REDACTED]. Mr. Tarleton seconded. The motion passed.

[REDACTED] - Mr. Starns presented the disability conversion application of [REDACTED]. He advised the board that based upon the report by State Medical Disability Board doctor, Dr. Stephen Adjei, the staff recommendation was for the denial of disability conversion.

MOTION: Mr. Tarleton moved to appeal the staff recommendation regarding [REDACTED] and to refer Mr. Kernan to a second State Medical Disability Board doctor for evaluation all pursuant to the statutory appellate procedures. Mr. Jeselink seconded. The motion passed.

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

**DUTY v. FRS, ET AL**

*Duty v. FRS et al.*, Suit No. 81,283A, 10<sup>th</sup> Judicial District Court, Parish of Natchitoches

[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 based on FRS' receipt of formal demand, 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.]

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 accept the recommendation of FRS legal counsel, Olinde and Mercer, in the matter of *Duty v. FRS et al.* 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 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. Tarleton moved to resume public session. Mr. Romero seconded. The motion passed unanimously.

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

#### **MONTHLY FLASH REPORT - NOVEMBER 2018**

Mr. Barnes presented the monthly flash report for November 2018. (see attached Exhibit #3) The overall fund was up/down as follows: 0.7% for the month of November as compared to the allocation index of 1.2%; -2.6% for the fiscal year to date as compared to the allocation index of -1.7%; -1.8% for the trailing 12 months as compared to the allocation index of -0.3%; and 5.9% 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.

#### **COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on December 19, 2018, 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 November 2018, (ii) Report titled "Active vs. Passive" presented by NEPC, (iii) Report titled "Index Fund Manager Summary" presented by NEPC, (iv) Greenspring General Partner Consent to one-year extension of term, 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 Steven Stockstill, Layne McKinney, Denise Poche, Michael Becker, Andrew Tufts, 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 November 2018. (see minute entry captioned above as "Monthly Flash Report - November 2018")

- Active vs. Passive

Mr. Jeselink reported that the "Active vs. Passive" report was presented by Mr. Barnes with NEPC. (see attached Exhibit #4) 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.

- Index Fund Manager Summary

Mr. Jeselink reported that the "Index Fund Manager Summary" report was presented by Mr. Barnes with NEPC. (see attached Exhibit #5) 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.

- Greenspring General Partner

Mr. Jeselink reported that Mr. Becker presented the Greenspring General Partner Extension Proposal that the FRS staff previously received. (see attached Exhibit #6) Mr. Jeselink said the committee took no action.

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

That concluded the Investment Committee report.

#### **FY 2017-18 FRS FINANCIAL STATEMENTS**

Mr. Layne McKinney, FRS System CPA addressed the FRS 2018 and 2017 Firefighters' Retirement System Financial Report. While a hard copy of the report was distributed, Mr. McKinney stated that this was the same report that had been emailed to the board trustees earlier in the week. (see attached Exhibit # 7). Mr. McKinney noted that FRS received a clean opinion on the audit, in other words, this was an unmodified opinion.

Mr. McKinney directed the board's attention to the Statement of Changes in Fiduciary Net Position in the FRS 2018-2017 Financial Statements (p13), where he discussed each section of the statement and concluded his remarks by noting that the Net Increase in Fiduciary Net Position for 2018 was \$110.9 million as compared to a Net Increase of \$193.8 million in 2017.

MOTION: Mr. Jeselink moved to accept the Firefighters' Retirement System 2018 and 2017 Financial Report. Mr. Tarleton seconded. The motion passed.

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

#### **FY2018-2019 FRS BUDGET AMENDMENT**

Mr. McKinney further addressed the board. He drew the board's attention to the FRS Proposed Annual 2018-2019 Budget Changes. (see attached Exhibit #8) He explained the report on a line-by-line basis.

MOTION: Mr. Broussard moved to approve the Proposed Annual Budget Changes Request. Mr. Tarleton seconded. The motion passed.

Mr. Stockstill requested that the board award a 5% salary increase for an employee pursuant to FRS' employee-education policy. He said the increase will not require a budget adjustment for the current fiscal year since FRS payroll is already under budget due to a vacancy in the benefit analyst position.

MOTION: Mr. Tarleton moved to approve the salary increase. Mr. Jeselink seconded. The motion passed.

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

#### **POLICY - DROP INVESTMENT ALLOCATION SELECTION**

Mr. Stockstill presented the board with a proposed policy regarding DROP investment allocation selections. (see attached Exhibit #9) The policy memorializes the period prescribed by the FRS board for a person to allocate the balance of his individual DROP account into either the portfolio or the money market subaccounts, or both.

MOTION: Mr. Broussard moved to approve the DROP Investment Allocation Selection policy (Policy No. 12202018). Mr. Jeselink 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. Adomako seconded. The motion passed.

#### **FUTURE MEETINGS**

**FRS Investment Committee  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, January 9, 2019 at 3:00 p.m.**

**FRS Board of Trustees  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, January 10, 2019 at 8:30 a.m.**



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SUBMITTED BY:



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Denise Poche, FRS Board Secretary

APPROVED BY:



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Stacy Birdwell, FRS Chairman