



FIREFIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES November 14, 2019

A meeting of the Board of Trustees was held on November 14, 2019 at the Firefighters' Retirement System building in Baton Rouge, Louisiana. Chairman Stacy Birdwell called the meeting to order at 8:30 a.m.

Mr. Jeselink gave the invocation and Mr. Romero led the pledge of allegiance.

Ms. Duhe 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
Treasurer John Schroder (replaced during meeting by designee Amy Mathews)
Mr. Louis Romero
Mr. Jerry Tarleton
Mayor Ronny Walker

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Michael Becker
Jason Starns
Ben Johnson
Brandon Trahan
Ashley Duhe
David Barnes
Elizabeth Thornton
Dawn Moeller
Gary Curran
Lowell Good
Renee Free
Margaret Corley
Amy Mathews
Roman Knysh
Aaron Anderson
Leon Stamps

MINUTES

MOTION: Mr. Jeselink moved to approve the minutes of the board meeting held on October 10, 2019. Mayor Walker 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 for the month of November 2019. (see attached Exhibit #1) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the new member applicants for the month of November 2019. Mr. Romero 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 for the month of November 2019. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the retiree applicants for the month of November 2019. Mayor Walker 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)

Sue Davis- Mr. Starns presented the application of Sue Davis, surviving spouse of Robert Michael Davis Sr. He stated that the application was in order.

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

Stephanie Murphy- Mr. Starns presented the application of Stephanie Murphy, surviving former spouse of Allan Joseph Murphy . He stated that the application was in order.

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

Katie Parker Riley- Mr. Starns presented the application of Katie Parker Riley, surviving spouse of John Riley. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Katie Parker Riley. Mayor Walker seconded. The motion passed.

Cebelle Williams - Mr. Starns presented the application of Cebelle Williams, surviving former spouse of James Andy Williams. He stated that the application was in order.

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MOTION: Mr. Jeselink moved to approve the application of Cebelle Williams. Mr. Adomako seconded. The motion passed.

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

FRS POLICY

Mr. Starns presented to the board FRS Policy No. 11142019, titled "Un-Annuitized Employee Contributions Policy". (see attached Exhibit #3) He stated the policy was made regarding a situation where married spouses become deceased nearly simultaneously with each spouse having named the other spouse as the sole beneficiary.

MOTION: Mr. Jeselink moved to adopt the Un-Annuitized Employee Contributions Policy No. 11142019. Mr. Adomako 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 ██████████. 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. Jeselink moved to accept the staff recommendation regarding ██████████. Mr. Tarleton seconded. The motion passed.

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

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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

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

RECESS FRS BOARD MEETING

CONVENE FRS-LLC JOINT ADVISORY COMMITTEE

[NOTE: The FRS-LB#1 LLC Advisory Committee met on November 14, 2019, at the FRS office in Baton Rouge at 8:30 a.m. to discuss the following business set forth in its posted agenda- (I) Discussion and advice regarding possible collaboration with real estate broker and contiguous landowners to negotiate concessions from the City of Surprise, Arizona (or any other local county or municipality) regarding a certain tract of land owned by FRS-LB#1, and all related matters. The minutes of that meeting are embedded herein. Advisory committee members present were Mr. Stockstill, manager; Mr. Birdwell, Mr. Jeselink, Mr. Adomako, Mayor Amrhein, Treasurer Schroder, Mr. Romero, Mr. Tarleton, and Mayor Walker. Also present were Layne McKinney, Michael Becker, Ben Johnson, Jason Starns, Brandon Trahan, Ashley Duhe, Amy Mathews, Renee Free, Margaret Corley, David Barnes, Elizabeth Thornton, Dawn Moeller, Gary Curran and Lowell Good.]

- City of Surprise

Treasurer Schroder noted that he had been asked by Mr. Stockstill to travel to the city of Surprise AZ to view the property owned by FRS-LB#1 LLC. He will analyze the property and meet with governmental officials to develop relationships that will help in selling the property. Mr. Stockstill stated that this is the best opportunity that he has seen where there is direct communication with an adjacent landowner who has means, resources, and similar objectives. Mr. Stockstill stated that Treasurer Schroder and CIO, Michael Becker would analyze the potential of selling the property in Arizona. He also stated that a motion was made during the FRS-GA LLC meeting held on June 6, 2019 before Treasurer Schroder and Mr. Becker traveled to Gainesville. (see attached Exhibit # 4) That motion was made to advise expenditures up to \$65,000 to work with counter-party representatives in Georgia to advance the cause of the property sale which ultimately did come to fruition. Since there was unexpended money from the Georgia allocation, he recommended reallocating the funds in a way that the money could be used for the similar project in Arizona.

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

ADJOURN FRS-LB#1 LLC ADVISORY COMMITTEE MEETING

RECONVENE FRS BOARD MEETING

REALLOCATION OF FUNDS FROM FRS-GA LLC TO FRS-LB LLC

Mr. Stockstill stated that a motion was made during the FRS-GA LLC Advisory Committee meeting held on June 6, 2019 before Treasurer Schroder and Mr. Becker traveled to Gainesville. The motion was made to advise expenditures up to \$65,000 to work with counter-party representatives in Georgia to advance the cause of the property sale which ultimately did occur. Since there was unexpended money from the Georgia allocation, he recommended reallocating that money to FRS-LB for use in the similar project in Arizona.

MOTION: Mr. Tarleton moved to expand the jurisdiction of the subcommittee previously created during the June 6, 2019 advisory committee meeting to now cover all real estate properties that are held by subsidiaries of FRS-LB LLC and to reallocate to FRS-LB#1 such amounts of the unexpended money from the previously authorized \$65,000 appropriation to now be used for the purpose of advancing the sale of the property held by FRS-LB#1 as those expenditures arise; and to hold any unexpended funds in FRS-LB LLC for future allocation to its subsidiaries. Mr. Romero seconded. The motion passed.

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

MONTHLY FLASH REPORT - OCTOBER 2019

Mr. Barnes presented the monthly flash report for the month of October 2019. (see attached Exhibit #5) The overall fund was up/down as follows: 1.6% for the month of October as compared to the allocation index of 1.6%; 2.4% for the fiscal year to date as compared to the allocation index of 2.3%; 10.0% for the trailing 12 months as compared to the allocation index of 11.5%; and 8.0% for the trailing 3 years as compared to the allocation index of 8.8%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on November 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 October 2019, (ii) FRS portfolio management company known as Fisher Investments, (iii) FRS RFP, Emerging Markets Debt - Blended, Search Candidate Screening, (iv) FRS Investment Manager Fee Analysis, and all related matters.. The minutes of that meeting are embedded herein. Committee members present were Mr. Jeselink, chairman; Mr. Adomako, Ms. Mathews, Mr. Romero, and Mr. Tarleton. Also present were Mr. Birdwell, Mayor

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Amrhein, Steven Stockstill, Layne McKinney, Michael Becker, Ashley Duhe, Griffin Guzan, David Barnes, Elizabeth Thornton and Phillip Qualls.]

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 October 2019. (see minute entry above captioned as "Monthly Flash Report - October 2019")

- FRS portfolio management company known as Fisher Investments

MOTION: Mr. Romero moved to enter executive session. Mr. Tarleton seconded. The motion passed.

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

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

- FRS RFP, Emerging Markets Debt - Blended, Search Candidate Screening

Mr. Jeselink advised the board that Mr. Barnes presented the Emerging Markets Debt report to the Investment Committee. (see attached Exhibit #6)

MOTION: Mr. Jeselink moved to accept the Investment Committee's recommendation to write a letter to NEPC asking for a managing partner to sign off confirming that no one on the candidate screening list was either included or excluded pursuant to the NEPC manager diversity policy. Mr. Tarleton seconded. The motion passed.

MOTION: Mr. Jeselink moved to accept the Investment Committee's recommendation to approve the managers recommended by NEPC in NEPC's report titled "Emerging Markets Debt - Blended, Search Candidate Screening" for interview in furtherance of the Emerging Market Debt search. Mr. Romero seconded. The motion passed.

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

- FRS Investment Manager Fee Analysis

Mr. Jeselink advised the board that Mr. Becker had presented the Investment Manager Fee Analysis report to the Investment Committee. (see attached Exhibit #7)

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

That concluded the Investment Committee report.

ACTUARIAL VALUATION - FY 2018-19

Mr. Curran, FRS Actuary, addressed the board. He drew the board's attention to the FRS Annual Valuation for FY 2018-19. (see attached Exhibit #8) Mr. Curran then highlighted certain portions of the valuation, including the schedules. He explained the Summary Results by indicating that, since last year, FRS has - (I) Decreased its funding percentage from 76.40% to 75.72%, (ii) Increased its UAL by \$46.3 million, and (iii) Increased the employer contribution rate by 4.5% beginning July 1, 2020.

After receiving questions from the board members, and discussing subjects related thereto, Mr. Curran concluded his presentation.

MOTION: Mr. Adomako moved to adopt the Valuation report as presented by Mr. Curran. Ms. Mathews seconded. The motion passed.

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRELIMINARY AND
STATEMENT OF FIDUCIARY NET POSITION - PRELIMINARY FOR FIRST QUARTER
OF 4Q FY2019-20**

Mr. Layne McKinney, FRS CPA, addressed the board. He drew the board's attention to two reports titled "Statement of Changes in Fiduciary Net Position-Preliminary " (see attached Exhibit #9) and "Statement of Fiduciary Net Position-Preliminary" (see attached Exhibit #10), both for first quarter of FY2019-20. He explained each report on a line-by-line basis.

MOTION: Mr. Jeselink moved to accept the Statement of Changes in Fiduciary Net Position - Preliminary for first quarter of FY2019-20 as presented by Mr. McKinney. Mayor Walker seconded. The motion passed.

MOTION: Mr. Jeselink moved to accept the Statement of Fiduciary Net Position-Preliminary for first quarter of FY2019-20 as presented by Mr. McKinney. Mayor Walker seconded. The motion passed.

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

FRS BUDGET TO ACTUAL COMPARISON FY2019-20

Mr. Johnson, FRS Accountant, addressed the board. He drew the board's attention to the FRS FY2019-20 Annual/Quarterly Budget to Actual Comparison. (see attached Exhibit #11) In explaining some of the line items of the report, he highlighted certain variances.

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MOTION: Mr. Jeselink moved to accept the FRS FY2019-20 Annual/Quarterly Budget to Actual Comparison report as presented by Mr. Johnson. Mr. Tarleton 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. Garrett Whitley. (see attached Exhibit #12) Mr. Whitley stated that he was requesting an accelerated refund of his contributions due 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. Garrett Whitley. Mr. Jeselink seconded. The motion passed.

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

ADJOURNMENT

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

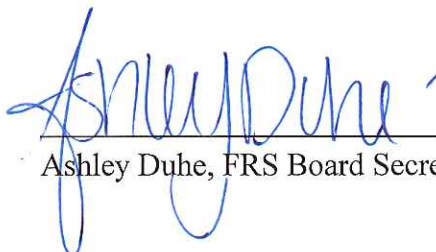
FUTURE MEETINGS

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Tuesday, December 10, 2019 at 3:00 p.m.**

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

SUBMITTED BY:

APPROVED BY:



Ashley Duhe, FRS Board Secretary



Stacy Birdwell, FRS Chairman