



FIREFIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES May 14, 2020

IN ADHERENCE TO JBE PROCLAMATION 2020-33, THE FRS CHAIRMAN RULED THAT ALL MANDATORY FRS BOARD MEETINGS WILL BE HELD BY TELECONFERENCE UNTIL FURTHER NOTICE. THE CHAIRMAN ALSO RULED THAT VOTING FOR EACH MOTION MUST BE ACCOMPLISHED BY A ROLL CALL VOTE. PUBLIC NOTICE OF THE TELEPHONIC BOARD MEETING WAS POSTED IN A TIMELY FASHION, INCLUDING THE DIAL-IN NUMBER AND ACCESS CODE, AT THE PRIMARY FRS OFFICE AND ON THE FRS WEBSITE.

A meeting of the Board of Trustees was held on May 14, 2020 via teleconference. Chairman Stacy Birdwell called the meeting to order at 8:45 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
State Treasurer John Schroder
Mr. Louis Romero
Mr. Jerry Tarleton
Mayor Ronny Walker

OTHERS PRESENT

Steven Stockstill	Dawn Moeller
Layne McKinney	John Broussard
Jason Starns	Stephen DiGirolamo
Michael Becker	LouAnn Eisenhut
Benjamin Johnson	Gregory Curran
Brandon Trahan	
Ashley Duhe'	
David Barnes	
Chris Kaufmann	
Mark Waniewski	

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**MAY 14, 2020
PAGE 2**

EDITORIAL NOTE: IN THE FOLLOWING MINUTE ENTRIES, ACTION REGARDING EACH VOTE WAS ACCOMPLISHED BY ROLL CALL VOTE. IN INSTANCES WHERE THE VOTE WAS UNANIMOUS, THE MINUTE ENTRY WILL SIMPLY MEMORIALIZE THE RESULT AS UNANIMOUS. IN ANY INSTANCE WHERE THE VOTE WAS NOT UNANIMOUS, THE MINUTE ENTRY WILL MEMORIALIZE THE ACTUAL ROLL CALL VOTE AND TALLY. ALL VOTING CAN BE VERIFIED BY AVAILABLE SOURCES.

MINUTES

MOTION: Mr. Romero moved to approve the minutes of the board meeting held on April 9, 2020. Mr. Tarleton seconded. The motion passed unanimously.

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 May 2020. (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 May 2020. Mr. Romero seconded. The motion passed unanimously.

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

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**MAY 14, 2020
PAGE 3**

- 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 May 2020. (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 May 2020. Mr. Romero seconded. The motion passed unanimously.

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)

Debra Jackson Gill- Mr. Starns presented the application of Debra Jackson Gill, surviving spouse of Sammy Morris Gill. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Debra Jackson Gill. Mayor Walker seconded. The motion passed.

Frankie Louise Miller- Mr. Starns presented the application of Frankie Louise Miller, surviving sister of Paula Jean Miller. He stated that the application was in order.

MOTION: Mayor Walker moved to approve the application of Frankie Louise Miller. Mr. Adomako seconded. The motion passed.

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**MAY 14, 2020
PAGE 4**

Tiffany Dunson Theriot- Mr. Starns presented the application of Tiffany Dunson Theriot, surviving spouse of Jason Andre' Theriot. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Tiffany Dunson Theriot. Mayor Walker seconded. The motion passed.

Tyler Andre' Theriot- Mr. Starns presented the application of Tyler Andre' Theriot, surviving child of Jason Andre' Theriot. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Tyler Andre' Theriot. Mayor Walker seconded. The motion passed.

Beau August Theriot- Mr. Starns presented the application of Beau August Theriot, surviving child of Jason Andre' Theriot. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Beau August Theriot. Mayor Walker 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-LB LLC, FRS-LB#1 LLC AND FRS-GA LLC JOINT
ADVISORY COMMITTEE MEETING**

[NOTE: The FRS-LB, FRS-LB#1 and FRS-GA Joint Advisory Committee met on May 14, 2020, via teleconference at 8:45 a.m. to discuss the following business set forth in its posted agenda- **(I)** Discussion and advice regarding professional services agreement between FRS-LB#1 and Montage Acquisitions, **(ii)** Discussion and advice regarding execution of Tenancy In Common Agreement and sale of property to City of Gainesville, GA, and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Stockstill, manager; Mr. Birdwell, Mr. Jeselink, Mr. Adomako, Mayor Amrhein, State Treasurer Schroder, Mr. Romero, Mr. Tarleton, and Mayor Walker. Also present were John Broussard, Layne McKinney, Michael Becker, Jason Starns, Benjamin Johnson, Brandon Trahan, Ashley Duhe, David Barnes, Lindsay Annie, Gregory Curran, Mark Waniewski, Chris Kaufmann, and Dawn Moeller.]

- FRS-LB#1 and Montage Acquisitions LLC

Treasurer Schroder updated the Joint Advisory Committee regarding the status of the FRS-LB#1 Arizona property. He explained that he asked the developers of the property to consider two different scenarios. The first, frames an agreement where

FRS-LB#1 continues to own the property and receives a specified amount of money as the developer arranges sales of the property in whole or in part. The second, FRS-LB#1 would sell the entire tract of land to the developer (Montage Acquisitions LLC) and receive payment at closing as the developer sells off the property. The Treasurer stated that the developers in AZ are open to both scenarios. The Treasurer provided more details about each scenario and asked the advisory committee to express their views relative thereto. He closed by answering questions from the joint committee and audience. Mr. Stockstill stated that a motion was needed to authorize Treasurer Schroder to express the interest of the advisory committee to explore the options with the Arizona developers.

MOTION: Treasurer Schroder moved for the advisory committee to express its interest in him exploring the concept where the Arizona developers are engaged as an agent for FRS-LB#1, with authority for the developers to invest up to \$3 million in entitlements and infrastructure and, upon sale of the property in whole or in part, the proceeds of the sale would first go to reimburse the agent the capital they expended, up to \$3 million dollars. All additional proceeds would enure to FRS-LB#1 until it receives 80% of its cost basis and 20% would enure to the agent and, once FRS-LB#1 reaches 80% of its initial cost basis, then the proceeds of any additional sale or sales would be earned exclusively by the agent up to a certain as yet undetermined cap, and if the proceeds exceed that cap, then additional proceeds enure to FRS-LB#1 until FRS-LB#1 receives 100% of its initial investment, and any additional proceeds would be split based on an as yet undetermined percentage. Mr. Tarleton seconded. The motion passed unanimously.

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

- Tenancy In Common Agreement and Exploratory Expedition, FRS-GA LLC

Treasurer Schroder then updated the Joint Advisory Committee regarding the status of the property partially owned by FRS-GA LLC. Thereafter, the following three motions were made:

MOTION: After thorough discussions, Mr. Jeselink moved to amend the 60-day period provided in the original Joint Tenancy Agreement authorizing Treasurer Schroder to accomplish his objective of finding an agent or buyer for the property owned by FRS-GA LLC. Mr. Romero seconded. The motion passed unanimously.

MOTION: Mr. Jeselink moved to explore the financial feasibility of buying the ownership interest of the Austin Police Retirement System and come back to the advisory committee with more information. Mr. Romero seconded. The motion passed unanimously.

MOTION: Mr. Romero moved to authorize an expedition by Treasurer Schroder and the FRS CIO, to Gainesville, GA to find a local agent and for the Treasurer's expenses to be paid by one-third portions by FRS, MERS, and Austin Retirement and for FRS to cover all expenses for Michael Becker.

Mr. Stockstill informed Mr. Romero that presently, when FRS-GA LLC shares costs, the costs are typically paid in the same proportion of ownership interest that each LLC jointly owns the property.

AMENDED MOTION: Mr. Romero amended his motion to include proportional sharing of costs instead of one-third portions. Mr. Jeselink seconded. The motion passed unanimously.

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

**ADJOURN FRS-LB LLC, FRS-LB#1 LLC AND FRS-GA LLC JOINT
ADVISORY COMMITTEE MEETING**

RECONVENE FRS BOARD MEETING

MONTHLY FLASH REPORT - APRIL 2020

Mr. Barnes presented the monthly flash report for the month of April 2020. (see attached Exhibit #3) The overall fund was up/down as follows: 6.0% for the month of April as compared to the allocation index of 6.1%; -1.3% for the fiscal year to date as compared to the allocation index of -0.3%; -0.2% for the trailing 12 months as compared to the allocation index of 1.2%; and 3.8% for the trailing 3 years as compared to the allocation index of 5.3%.

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

FRS INVESTMENT REPORT

- 2020 Asset Allocation Implementation Update

David Barnes, with NEPC, presented the "2020 Asset Allocation Update" and said that NEPC recommends Alternative Policy C as the FRS asset allocation target for 2020. (see attached Exhibit #4) Mr. Barnes then answered questions from the board.

MOTION: Mr. Jeselink moved to accept NEPC's recommendation of moving forward with Alternative Policy C. Mr. Romero seconded. The motion passed.

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

- NEPC Annual Fee Report

Mr. Barnes then presented NEPC's Annual Fee Report (see attached Exhibit #5). He informed the board that this report was for informational purposes only and did not need any action.

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

- Wilshire Associates - Independent Portfolio Review

By way of update, Mr. Stockstill stated that FRS did successfully engage Wilshire Associates and Wilshire collected the documents needed from FRS to perform their portfolio analysis. He stated that the Wilshire office had been impacted by the COVID-19 pandemic and some employees are working from home, so this caused a little bit of a delay for the project completion date and Wilshire asked for an extension. He then stated that FRS is expecting Wilshire's report probably in June but, as far as the details of working with the financial mechanics, Mr. Stockstill has remained remote from that process, as to not influence it. Mr. Becker explained that he has been in contact with the Managing Director at Wilshire (Stephen DiGirolamo), and has provided all requested documents, which most of them were already on the FRS website. He also stated that he introduced Mr. DiGirolamo to the FRS actuary, Greg Curran through email, in case Wilshire needs any liability or benefit information. Mr. Becker then explained that this is a work in progress and May 29th is the probable delivery date. He further explained that Wilshire has provided him with a copy of their Capital Markets Assumptions, which was helpful in the Asset Allocation work that FRS has been doing. Mr. Stockstill and Mr. Becker then answered questions from the board.

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

That concluded the Investment Committee report.

STATEMENT OF FIDUCIARY NET POSITION - PRELIMINARY - 3Q FY2019-20

- Statement of Changes in Fiduciary Net Position - Preliminary - 3Q FY2019-20; Statement of Fiduciary Net Position - Preliminary - 3Q FY2019-20

Mr. McKinney presented the Statement of Changes in Fiduciary Net Position - Preliminary for the third quarter of FY2019-20. (see Exhibit #6) He then presented the Statement of Fiduciary Net Position - Preliminary for the third quarter of FY2019-20. (see attached Exhibit #7) He explained each report on a line-by-line basis.

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

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

FRS BUDGET TO ACTUAL COMPARISON - 3Q FY 2019-20

Ben Johnson, FRS Accountant, drew the board's attention to a report titled FRS "Budget to Actual Comparison" for the 3rd Quarter of FY 2019-20. (see attached Exhibit #8) He highlighted pertinent line items of the report and explained certain variances related thereto. Mr. Johnson summarized by saying that, overall, FRS is on target for the year.

MOTION: Mayor Walker moved to adopt the staff report as presented. Mr. Adomako seconded. The motion passed.

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

FRS LEGISLATION - 2020 REGULAR SESSION

Mr. Stockstill explained the following 2020 legislative bills to the board and addressed questions that arose relative thereto-

- HB12 Carpenter Provides relative to the suspension of benefits of members of the Firefighters' Retirement System upon reemployment

Mr. Stockstill mentioned that the Louisiana Fire Chiefs' Association and the Professional Fire Fighters Association both unexpectedly took a position in opposition to HB12. He said the bill passed out of the House Retirement Committee but members of the committee suggested that a compromise be reached by all interested parties to assure the successful passage of the bill. Mr. Stockstill said he drafted a proposed House Floor Amendment that addresses the concerns of the opponents. He said he furnished a copy of the proposed amendment to the president of the PFFA and the fire chief representative on the FRS board of trustees. He said the proposed amendment deletes the present language of the bill and inserts the following language in lieu thereof-

“When a person who is retired from this system returns to work on a part-time basis for an employer covered by this system, employee and employer contributions shall be remitted to the system, but the retiree shall not accrue creditable service. Employee contributions shall be refunded, without interest, and the system shall retain the employer contributions.” (see attached Exhibit #9)

Mr. Stockstill referenced an email from Gregory Curran regarding the above amendment. (see attached Exhibit #10) Mr. Curran explained that the retention of employer contributions and an ending of any employer incentive to use reemployed retirees to lower their own costs, puts the system in a better posture than current law. Mr. Stockstill and Mr. Curran then proceeded to answer questions that arose from the board.

MOTION: Mr. Adomako moved to support the amendment as presented for House Bill No. 12. Mr. Tarleton seconded. A roll call vote was taken and the motion passed by the following tally-

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**MAY 14, 2020
PAGE 9**

Birdwell	Yes	
Jeselink	Yes	
Adomako	Yes	
Amrhein	Yes	
Broussard	Yes	
Ivey		Absent
Peacock		Absent
Romero	Yes	
Tarleton	Yes	
Walker	No	

(7-1)

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

Mr. Stockstill referenced the following amendment to House Bill No. 12-

- SB245 Smith Provides for the adjustment of ad valorem tax millages. (see attached Exhibit #11)

Mr. Stockstill introduced a discussion of SB45. Chief Chris Kaufmann and Mark Waniewski explained the negative financial impact SB245 could have on tax recipient agencies that rely on ad valorem tax millages. They indicated that, if tax recipient agencies are not allowed to roll forward the millages at the prior year's maximum authorized rate, then that will add financial stress to those agencies that are already being impacted by the COVID-19 shut down of state and local economies. Likewise, that will put at risk the ability of some agencies to remit their employer contributions to FRS. After the possible indirect negative impact to FRS was explained, Mr. Stockstill recommended that the board grant him authority to testify on behalf of FRS regarding that negative impact if SB245 is heard in this session.

MOTION: Mr. Tarleton moved that recommendation in the form of a motion. Mayor Walker seconded. The motion passed unanimously.

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 unanimously.

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

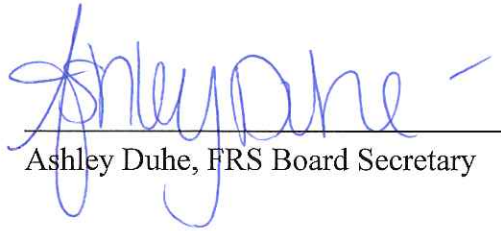
**MAY 14, 2020
PAGE 10**

FUTURE MEETINGS

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, June 11, 2020 at 10:00 a.m.**

SUBMITTED BY:

APPROVED BY:



Ashley Duhe, FRS Board Secretary



Stacy Birdwell, FRS Chairman