



## **FIREFIIGHTERS' RETIREMENT SYSTEM**

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### **MEETING OF THE BOARD OF TRUSTEES January 14, 2021**

**IN ADHERENCE TO PROCLAMATION 7 JBE 2021, 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 January 14, 2021 via teleconference. 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.

#### **FIRE CHIEF TRUSTEE ELECTION - OPENING OF BALLOTS**

An election was held for the position of Fire Chief representative on the FRS Board of Trustees. The election was held according to board approved election rules. A two-person system was used for the election; meaning at least two people had to be involved anytime a ballot was mailed out, received in, or counted. The election was conducted under the supervision of the FRS accounting department. All returned ballots were logged on a master list and verified to assure that the postmark was no later than Monday, 01/11/2021. Only those ballots were counted in the election. All ballots were kept under lock and key from the date they were received at FRS until the date of opening. Ballots were opened on Thursday, 01/14/2021 during the open public meeting of the board of trustees as noted on the duly posted agenda. The results for the election are as follows-

Tarleton	43
Self	09

There were no challenges to the election results or the election procedures.

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

#### **OATH OF OFFICE - FIRE CHIEF TRUSTEE**

Mr. Stockstill administered the oath of office to Gerard "Jerry" Tarleton as the duly elected Fire Chief representative on the FRS board of trustees. The board then congratulated Mr. Tarleton.

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

Ms. Duhe called the roll. A quorum was present.

**MEMBERS PRESENT**

Stacy Birdwell  
Perry Jeselink  
\*Lindsay Schexnayder (designee of Commissioner Jay Dardenne)  
\*John Broussard (designee of Treasurer John Schroder)  
Louis Romero  
Jerry Tarleton  
Mayor Ronny Walker

\* Attended by teleconference.

**OTHERS PRESENT**

Steven Stockstill	Mark Waniewski	Terry Stuard
Layne McKinney	Chris Kaufmann	John Perry
Michael Becker	Brennan LeBlanc	Randy Hess
Jason Starns	Dawn Moeller	Lindsay Saienni
Benjamin Johnson	Paul Schmidt	Brad Boogaerts
Ashley Duhe'	Chris Bourgeois	
Greg Curran	Joey David	
Attended by teleconference:	Jason Burge	
David Barnes	Scott Brewer	

**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.

**ELECTION OF BOARD OFFICERS**

Chairman. Mr. Birdwell conducted the election of board chairman. Upon call for nominations, Mr. Romero nominated Perry Jeselink for the position of FRS board chairman. Upon three calls for further nominations, no other nominees were submitted for consideration.

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MOTION: After three unanswered calls for further nominations, Mr. Tarleton moved that nominations be closed and Mr. Jeselink be deemed elected by acclamation to the position of FRS board chairman. Mr. Romero seconded. The motion passed unanimously.

Vice Chairman. Mr. Birdwell conducted the election of board vice-chairman. Upon call for nominations, Mr. Jeselink nominated Gerard Tarleton for the position of FRS board vice-chairman. Upon three calls for further nominations, no other nominees were submitted for consideration.

MOTION: After three unanswered calls for further nominations, Mr. Jeselink moved that nominations be closed and Mr. Tarleton be deemed elected by acclamation to the position of FRS board vice-chairman. Mr. Romero seconded. The motion passed unanimously.

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

**MINUTES**

MOTION: Mr. Tarleton moved to approve the minutes of the board meeting held on December 10, 2020 with the change of replacing the word “compiled” with the word “distributed” under Financial Statements. Mr. Romero 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 January 2021. (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 January 2021. Mayor Walker seconded. The motion passed unanimously.

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 January 2021. (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 January 2021. Mr. Romero and Mayor Walker jointly 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)

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**Sarah Lankford Liles-** Mr. Starns presented the application of Sarah Lankford Liles, surviving spouse of Arnold Ray Liles. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Sarah Lankford Liles. Mr. Romero and Mayor Walker jointly seconded. The motion passed unanimously.

**Geraldine Doucet Viator-** Mr. Starns presented the application of Geraldine Doucet Viator, surviving spouse of Gerald Joseph Viator. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Geraldine Doucet Viator. Mayor Walker seconded. The motion passed unanimously.

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

**JOSEPH N. BROYLES v. CANTOR FITZGERALD & CO., ET AL**

*Joseph N. Broyles v. Cantor Fitzgerald & Co., et al.*, Suit No. 3:10-854-JJB-SCR, 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(1); all pertinent notifications had been provided.]

MOTION: Mr. Birdwell moved to enter executive session to discuss the agenda item shown above. Mr. Tarleton seconded. The motion passed unanimously.

MOTION: Mayor Walker moved to resume public session. Mr. Tarleton seconded. The motion passed unanimously.

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

**RED RIVER FIRE PROTECTION DISTRICT**

[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(1); all pertinent notifications had been provided.]

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MOTION: Mr. Birdwell moved to enter executive session to discuss the agenda item shown above. Mr. Romero seconded. The motion passed unanimously.

MOTION: Mr. Birdwell moved to resume public session. Mr. Tarleton and Mayor Walker jointly seconded. The motion passed unanimously.

**PUBLIC COMMENT POLICY**

Due to the meeting being held by teleconference, the Chairman explained that there were protocols posted on the FRS website explaining how to submit public comments. These protocols were also included on the posted agenda. There were no public comments submitted to FRS by email. It was observed that public comment is currently only allowed at the beginning of the board meeting. The board discussed the benefit of allowing a public comment period for each agenda item. It was noted that, if per item comments are desired, then a motion would be necessary to change the existing policy.

MOTION: Mr. Tarleton moved to change the public comment policy to allow public comment prior to any vote being taken on each agenda item with all other existing public comment policies remaining as they currently exist. Mayor Walker seconded. The motion passed unanimously

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

**FRS EMPLOYER PENSION REPORT**

Ms. Moeller, presented the "Employer Pension Report for the Year Ended June 30, 2020." (see attached Exhibit #3) She explained the report on a line-by-line basis and answered all questions that arose.

MOTION: Mr. Tarleton moved to accept the report as presented. Mayor Walker seconded. The motion passed unanimously.

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

**RECESS FRS BOARD MEETING**

**CONVENE FRS-LLC'S FRS-LB, FRS-LB #1, FRS-LB #3, and FRS-GA  
JOINT ADVISORY COMMITTEES**

[NOTE: The FRS-LLC'S FRS-LB, FRS-LB #1, FRS-LB#3, and FRS-GA Joint Advisory Committees met on January 14, 2021, via teleconference at 8:30 a.m. to discuss the following business set forth in its posted agenda- (i) Discussion and

advice regarding Agreed Upon Procedures report produced by Office of Louisiana Legislative Auditor regarding Limited Liability Corporations identified as FRS-LB, FRS-LB#1, FRS-LB#3, and FRS-GA, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Stockstill, manager; Mr. Birdwell, Mr. Broussard, Mr. Jeselink, Mr. Romero, Ms. Schexnayder, Mr. Tarleton, and Mayor Walker. Also present were Layne McKinney, Michael Becker, Ben Johnson, Ashley Duhe, David Barnes, Paul Schmidt, Chris Bourgeois, Greg Curran, Dawn Moeller, Joey David, Brennan LeBlanc, Mark Waniewski, Chris Kaufmann, Scott Brewer, Terry Stuard, John Perry, Randy Hess, Brad Boogaerts, Jason Burge, and Lindsay Saienni .]

- Agreed Upon Procedures

Ms. Dawn Moeller, Audit Manager, Office of the Louisiana Legislative Auditor, presented the report compiled by the Louisiana Legislative Auditor titled "Agreed-Upon Procedures Report" and answered all questions that arose. (see attached Exhibit #4)

A discussion was held regarding each of the LLC's compliance with the terms of the Management Agreement requiring the manager to obtain insurance with a set value for the aggregate coverage amount and the per occurrence amount. It was noted that the manager obtained insurance sufficient to cover the total aggregate amount of coverage required, but not the per occurrence amount. Further discussions focused on avoiding additional premium costs by adjusting the required per occurrence amount to match the existing policies instead of cancelling and renewing the policies.

MOTION: Mayor Walker moved to adjust the management contracts to reflect the per occurrence amounts set forth in the existing policies owned by each one of the LLC's. Mr. Tarleton seconded. The motion passed unanimously.

MOTION: Mayor Walker moved to accept the report as presented by Ms. Moeller. Mr. Tarleton seconded. The motion passed unanimously.

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

**RECONVENE FRS BOARD MEETING**

### **FRS SURVEY**

Mr. Stockstill explained that the board-approved surveys were distributed to all Fire Chiefs regarding the employer contribution rate. He drew the boards attention to a report summarizing the survey results and copies of the respondents' surveys. (see attached Exhibit #5) Mr. Stockstill explained that this was for informational purposes and there was no action needed.

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

### **MONTHLY FLASH REPORT - DECEMBER 2020**

Mr. Barnes presented the monthly flash report for the month of December 2020. (see attached Exhibit #6) The overall fund was up/down as follows: 3.2% for the month of December as compared to the allocation index of 3.5%, 14.6% for the fiscal year to date as compared to the allocation index of 15.2%; 10.9% for the trailing 12 months as compared to the allocation index of 12.7%; and 6.9% for the trailing 3 years as compared to the allocation index of 8.1%.

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

### **INVESTMENTS**

- Request for extension of term for fund named Louisiana Fund I

Michael Becker, FRS CIO, drew the boards attention to a document titled "Second Amendment to Agreement of Limited Partnership of Louisiana Fund I, L.P." (see attached Exhibit #7) Mr. Becker explained that the original extension was through December 31, 2020 and an additional extension has been requested. He added that the new extension is for up to three, one year periods and must be approved by two thirds majority of the L.P. voting interests. In the extension period there will be no management fee and their goal is an orderly liquidation and winding up of the partnership. Mr. Becker then referred to language that is representative of what will be included in the agreed upon procedures engagement for financial reporting purposes. The extension has already been approved by a majority of the L.P.'s, so no action is required by FRS.

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

- Proposed fee reduction as submitted by existing FRS investment manager known as QMA

Mr. Becker drew the boards attention to a document titled "Amendment to Investment Management Agreement" (see attached Exhibit #8) Mr. Becker explained that this amendment was regarding a reduction in fees with QMA. After the December board meeting, Mr. Becker explained he reached out to QMA to request they reconsider their original fee structure. He added QMA was able to offer



a new structure of 50 basis points on the first \$50 million and 40 basis points thereafter. He recalled to the board that the original structure was 55 basis points on the first \$25 million, 50 basis points on the next \$75 million and 45 basis points thereafter. Mr. Becker recommended approval of the fee reduction.

MOTION: Mayor Walker moved to accept Mr. Becker's recommendation to sign the agreement regarding a fee reduction with QMA. Mr. Romero seconded. The motion passed unanimously.

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

- Update regarding offer to purchase Limited Partners' interests as tendered by CCMP Capital Investors III, L.P.

Mr. Becker drew the boards attention to a document titled "Second Amended and Restated Letter of Transmittal" (see attached Exhibit #9) He recalled that, at last month's investment committee meeting, he recommended to not participate in a similar but less favorable offer and he now recommends that the board likewise reject this similar but slightly more favorable revised offer. The board could reject the offer by simply taking no action relative thereto.

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

### **PROPOSED LEGISLATION**

Mr. Stockstill explained the following concepts identified throughout the prior year by various board members as possibly being the subject of legislation proposed by FRS in the upcoming regular legislative session of 2021 and addressed questions that arose relative thereto-

- Employee Contribution Rates Established. Under present law, employee contributions are set at a maximum of 10% for any member whose earnable compensation is more than the most recently issued poverty guidelines. The proposed law states that, if the minimum required employer contribution rate exceeds 33.75%, then the employee contribution rate will equal 10%, plus an additional amount equal to fifty-percent (50%) of the excess over 33.75%. (see attached Exhibit #10)

MOTION: Mayor Walker moved to approve submission of the bill draft to the legislature. Mr. Tarleton seconded. A roll call vote was taken and the motion failed by the following tally-

Birdwell	No	
Jeslink	No	
Schexnayder	Yes	
Amrhein		Absent

Broussard	Yes	
Ivey		Absent
Hensgens		Absent
Romero	No	
Tarleton	Yes	
Walker	Yes	

(4 - 3)

[EDITORIAL NOTE: The provisions of R.S. 11:2260(A)(6) provides, in pertinent part- "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." By law, a motion with a vote tally of 4-3 does not pass.]

- **Membership.** Under present law, no person who has attained age 50 or over can join FRS, unless the person becomes a member by reason of a merger or unless FRS received his application before he reached age 50; and, no person who has not yet reached age 18 can become a member of FRS. The proposed law removes the restriction from joining FRS if the person has already attained age 50. (see attached Exhibit #11) No action was taken relative to this matter.
- **Deferred Retirement Option Plan.** Under present law, the duration of participation in the DROP plan cannot exceed 3 years. The proposed law provides that the duration of participation is 3 years for any person who has less than 30 years of service; and can be up to 5 years for any person who has at least 30 years of service. The proposed law provides that any person with at least 30 years of service who is participating in the DROP plan on the date the law changes is allowed the extend his participation up to the 5-year period. Under present law upon commencement of participation in the DROP plan, membership in FRS terminates and neither employee nor employer contributions are payable. The proposed law requires employee and employer contributions to continue being paid while a person participates in the DROP plan. (see attached Exhibit #12)

MOTION: Mr. Tarleton moved to approve the submission of the bill draft to the legislature. Mayor Walker seconded.

SUBSTITUTE MOTION: Mr Tarleton moved to include in legislation only that part related to an extension of DROP from 3 years to 5 years; if a member chooses the 3 year DROP, then they have a 3 year final average compensation and if a member chooses the 5 year DROP, then they have a 5 year final average compensation. Mr. Romero seconded. The motion passed unanimously.

The board postponed taking any action regarding the continuation of employee and employer contributions during the DROP participation period until the staff can furnish the board with more information related to that concept.

- FRS Funding. Under present law, delinquent employer contributions can be recovered by FRS in court against a delinquent political subdivision or instrumentality, with interest. Also under present law, as an alternative to collecting in court, upon FRS' request, delinquent employer contributions must be deducted from any other monies payable to such delinquent political subdivision or instrumentality by any department or agency of the state. The proposed law provides that such deducted monies must be remitted directly to FRS. The proposed law also provides that attorneys fees and court costs are recoverable by FRS if any amount of delinquent employer contributions are recovered by action in court against a delinquent political subdivision or instrumentality. (see attached Exhibit #13)

MOTION: Mr. Birdwell moved to approve the portion of the bill draft that allows for FRS to be awarded attorney's fees if FRS recovers delinquent contributions through court action. Mr. Romero seconded. The motion passed unanimously.

- Legacy Unfunded Accrued Liability (UAL). The proposed law provides that, if any employer fully dissolves its fire department, the employer must remit to FRS beginning the July 1<sup>st</sup> immediately following the date of dissolution, that portion of the UAL existing on the June 30<sup>th</sup> immediately prior to the date of dissolution of the fire department, attributable to such employer and calculated using the allocation percentage included in the prior fiscal year's employer pension report produced according to GASB, including interest. (see attached Exhibit #14)

MOTION: Mr. Birdwell moved to submit the portion of the bill draft regarding the legacy UAL payment by the employer to the legislative staff and author of the bill with the note that this is a work in progress and the board will continue working on the draft. Mr. Tarleton seconded. A roll call vote was taken and the motion passed by the following tally-

Birdwell	Yes	
Jeslink	Yes	
Schexnayder	Yes	
Amrhein		Absent
Broussard	Yes	
Ivey		Absent
Hensgens		Absent
Romero	Yes	
Tarleton	Yes	
Walker	No	
(6-1)		

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

**ADJOURNMENT**


MOTION: Mr. Birdwell moved to adjourn. Mr. Tarleton seconded. The motion passed unanimously.

**FUTURE MEETINGS**

**FRS Board of Trustees  
Thursday, February 11, 2021 at 8:30 a.m.  
To be held by audio-video teleconference.**

SUBMITTED BY:

APPROVED BY:

  
\_\_\_\_\_  
Ashley Duhe, FRS Board Secretary

  
\_\_\_\_\_  
Perry Jeselink, FRS Chairman