



# **FIREFIIGHTERS' RETIREMENT SYSTEM**

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## **MEETING OF THE BOARD OF TRUSTEES December 9, 2021**

A meeting of the Board of Trustees was held on December 9, 2021 at the Firefighters' Retirement System building in Baton Rouge. Chairman Perry Jeselink called the meeting to order at 8:30 a.m.

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

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

### **MEMBERS PRESENT**

Mr. Perry Jeselink  
Mr. Jerry Tarleton  
Mr. Stacy Birdwell  
\*Ms. Lindsay Schexnayder (designee of Commissioner Jay Dardenne)  
Mr. Louis Romero  
Mayor Ronny Walker

\* Attended via Zoom

### **OTHERS PRESENT**

Steven Stockstill	Dawn Moeller	* Nate Bishop
Layne McKinney	Brennen LeBlanc	* Taylor (last name not provided)
Michael Becker	* Catherine Hull	
Jason Starns	* Matt Silverio	
Ben Johnson	* Chris Kaufmann	
Ashley Vicknair	* Chad Duffaut	
Caitlin Myers	* Paul Schmidt	
David Barnes	* Kevin Balaod	
Joey David	* Lindsay Saienni	
Greg Curran	* Monique Austin	
Kenneth Herbold	* Terry Stuard	

\* Attended via Zoom

**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. Birdwell moved to approve the minutes of the board meeting held on November 9, 2021. 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 December 2021. (see attached Exhibit #1) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new member applicants for the month of December 2021. Mr. Romero 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 December 2021. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the retiree applicants for the month of December 2021. 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)

**Patrician Ann Nugent-** Mr. Starns presented the application of Patricia Ann Nugent, surviving spouse of Bobby Eugene Nugent. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the survivor application for Patricia Ann Nugent. Mr. Romero seconded. The motion passed unanimously.

**Myra Broussard Olivier-** Mr. Starns presented the application of Myra Broussard Olivier, surviving spouse of Alvin Joseph Olivier, Jr. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the survivor application for Myra Broussard Olivier. Mr. Romero seconded. The motion passed unanimously.

**Wendi Reynaud Sonnier-** Mr. Starns presented the application of Wendi Reynaud Sonnier, surviving spouse of Keith Joseph Sonnier. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the survivor application for Wendi Reynaud Sonnier. Mr. Romero seconded. The motion passed unanimously.

In conclusion of Mr. Starns' presentation, Mr. Stockstill thanked Mr. Starns for his 20+ years of service as the Benefits Manager at Firefighters' Retirement System and, in turn, the board joined in a standing ovation congratulating Mr. Starns for his years of service and retirement.

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

### **FY 2020-21 FRS FINANCIAL STATEMENTS**

Dawn Moeller, Audit Manager with the Louisiana Legislative Auditor's office, addressed the board regarding a report titled "Financial Statement Audit For The Years Ended June 30, 2020, and 2021, Issued December 9, 2021." (see attached Exhibit # 3). Ms. Moeller noted that the annual audit had been conducted and the Office of the Legislative Auditor compiled the Financial Statements. She said that FRS received an unmodified opinion on the audit, in other words, this was a clean opinion.

MOTION: Following Ms. Moeller's presentation, Mr. Birdwell moved to accept the Financial Statement Audit for The Year Ending June 30, 2021. Mr. Romero seconded. The motion passed.

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

### **FY2021-22 FRS OPERATING BUDGET AMENDMENT**

Mr. Johnson drew the board's attention to the FY 2021-22 Budget Amendment Request (see attached Exhibit #4) and presented certain proposed amendments to the 2020-21 FRS Operating Budget. Mr. Johnson explained that there are two main amendments to the budget. He added that there are the adjustments regarding the staff salary scale compression approved by the board in August. There is also an adjustment regarding the Segal-study expense that was originally classified under the budget line item named "investment". Mr. Johnson explained that the expense item is now divided into three separate line items, i.e., investment, actuarial and operational. He added that this is simply a reclassification of an existing expense item.

MOTION: Mr. Birdwell moved to accept the budget amendments as presented by Mr. Johnson. Mr. Romero seconded. The motion passed.

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



**MONTHLY FLASH REPORT - NOVEMBER 2021**

Mr. Barnes presented the monthly flash report for the month of November 2021. (see attached Exhibit #5) The overall fund was up/down as follows: -1.8% for the month of November as compared to the allocation index of -1.6%; 10.0% for the calendar year to date as compared to the allocation index of 8.9%; 14.0% for the trailing 12 months as compared to the allocation index of 12.7%; and 11.6% for the trailing 3 years as compared to the allocation index of 11.9%.

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

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on December 8, 2020, at the Firefighters' Retirement System building in Baton Rouge at 1:00 p.m. to discuss the following business set forth in its posted agenda- (i) Presentation by representatives of Orleans Capital Management, regarding strategy and performance of FRS investment, (ii) The FRS monthly investment performance results for November 2021, (iii) Presentation by NEPC regarding Hamilton Lane Advisors Operational Due Diligence report, (iv) Presentation by NEPC regarding HarbourVest Partners Operational Due Diligence report, (v) Modification of investment vehicle structure for AEW Core Real Estate Fund, (vi) Change in auditor for Landmark IV Fund, (vii) CCMP's acquisition of Fund III's interest in certain portfolio companies, and all matters related to the foregoing. The minutes of that meeting are embedded herein. Committee members present were- Mr. Tarleton, chairman; Mr. Birdwell, Mr. Broussard, and Mr. Romero. Also present were Mr. Jeselink, Mayor Walker, Steven Stockstill, Layne McKinney, Michael Becker, Ashley Vicknair, Ben Johnson, Caitlin Myers, Joey David, David Barnes, and Emily Becker. The following persons attended by Zoom teleconference- Ms. Schexnayder, Catherine Hull, Kevin Balaod, Drew Fox, Samantha Jones, Nate Bishop, Monique Austin, and Matt Silverio.]

Mr. Tarleton 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 2021. (see minute entry above captioned as "Monthly Flash Report - November 2021")

- Orleans Capital Management

Mr. Tarleton explained that Emily Becker, President and CIO at Orleans Capital Management, gave an educational presentation regarding the firm's Fixed Income Management and Market Outlook. (see attached Exhibit #6).

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

- NEPC Operational Due Diligence Report - Hamilton Lane

Mr. Tarleton explained that Catherine Hull, Operational Due Diligence Consultant with NEPC, addressed the committee via Zoom teleconference. He said she explained NEPC's Operational Due Diligence Report regarding Hamilton Lane. (see attached Exhibit #7) Ms. Hull then addressed questions from the committee.

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

- NEPC Operational Due Diligence Report - HarbourVest Partners

Mr. Tarleton explained that Catherine Hull, Operational Due Diligence Consultant with NEPC, addressed the committee via Zoom teleconference. He said she explained NEPC's Operational Due Diligence Report regarding HarbourVest Partners. (see attached Exhibit #8) Ms. Hull then addressed questions from the committee.

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

- AEW Core Real Estate Fund - Modification of Fund Structure

Mr. Tarleton said that Mr. Becker presented the committee with information regarding the AEW Core Property Trust Fund. (see attached Exhibit #9) He further said that Mr. Becker explained that there is a change in AEW's legal structure to be more in line with current markets. He added that generally the terms of the fund will not change, but the original fund expiration date was June 30, 2022 and will now continue beyond that date.

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

- Landmark IV Fund - Change of Auditor

Mr. Tarleton said that Mr. Becker presented the committee with a document from Landmark Partners explaining a change of fund accountants. (see attached Exhibit #10) He further said that Mr. Becker explained that the General Partner of Landmark Equity Partners has appointed Ernst & Young LLP as the new independent auditor of the Partnership, effective immediately.

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

- CCMP Fund III - Acquisition of Portfolio Companies

Mr. Tarleton said that Mr. Barnes presented the committee with a memo from CCMP Fund III. (see attached Exhibit #11) He further said that Mr. Barnes explained that CCMP has created a



"continuation vehicle" that will allow the firm to hold and manage two portfolio companies. He added that the fund will essentially be acquiring the two portfolio companies from CCMP and transitioning the assets over to the continuation fund. Mr. Barnes explained that there are eight remaining investments in the portfolio and the two companies that CCMP is selling to the continuation fund are a facility management service company and a seller of after-market truck and jeep parts. Mr. Tarleton said that, as a recommendation to the full board, the investment committee voted to accept NEPC's recommendation that FRS should take the cash distribution option and not invest in the continuation vehicle.

MOTION: Mr. Tarleton then moved the Investment Committee's recommendation in the form of a motion. Mr. Romero seconded. The motion passed unanimously.

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

That concluded the Investment Committee report.

## **2022 LEGISLATION**

PFFA. Mr. Stockstill explained that he had a discussion with Craig Burkett and Greg Curran regarding certain legislative proposals that Mr. Burkett is considering presenting to the PFFA at its upcoming annual convention to determine whether the PFFA wants to sponsor the items. Mr. Stockstill said the positive aspect of discussing the legislative proposals is it gives FRS an opportunity to suggest language thereby making it easier to administer any proposals that pass into law. Giving the FRS actuary advance knowledge of the proposals also puts the actuary in a better position to analyze the bills. He said that if the PFFA approves any of the proposals, then the FRS board will eventually be asked to take a position on resulting legislation. (see attached Exhibit #12)

Reverse Transfer Law. Mr. Stockstill then explained that he received a call from Margaret Michel at the Louisiana State Police Retirement System. Their office is looking to repeal an existing law called a reverse transfer. He then gave an example of how the reverse transfer law operates. Mr. Birdwell clarified that the regular transfer law would still be left in place and then recommended that FRS support the bill to take the reverse transfer out. He asked Mr. Stockstill if he could receive a list of members in FRS that are doing this reverse transfer now. Mr. Curran explained that there can't be many reverse transfers, but he could look into the valuation. Mayor Walker asked whether repealing the law would be good for the system. Mr. Curran answered that the existing law puts financial risk into the system. Mr. Romero explained that as a firefighter, he does not think it is right to get out of FRS and then transfer back into the system without returning to work as a firefighter.

Mr. Stockstill explained if the board is inclined to support the repealer legislation, once the bill comes out in its final form, if the board does not feel the same way, then the board can ask to be amended out of the bill.

MOTION: Mr. Romero moved for FRS to be included in the bill that repeals the reverse transfer law. Mr. Birdwell seconded. The motion passed unanimously.

House Retirement Chairman. Mr. Stockstill informed the board that there has been a change of chairman at the House Retirement Committee. He added that Representative Lance Harris was the chairman and now Representative Phillip DeVillier is the chairman.

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

### **HR166 STUDY COMMITTEE**

[The HR166 Study Committee met on December 8, 2021 in Baton Rouge at 3:00 p.m. to discuss the following business set forth on its posted agenda - (i) Discussion and action regarding HR166 requiring the formation of a FRS study committee to submit a report to the House of Representatives prior to the beginning of the 2022 regular session of the legislature, and all related matters. The minutes of that meeting are embedded herein. Committee members present were- Mr. Jeselink, chairman; Mr. Birdwell, Mr. Broussard, Mr. Romero, Ms. Schexnayder, Mr. Tarleton, Mayor Walker, Mr. Adams\*, Mr. Bergeron, Taz Istre\*, Jason Lyons\*, and Mr. Major. Others in attendance were- Representative Kerner, Mr. Stockstill, Layne McKinney, Michael Becker, Ben Johnson, Ashley Vicknair, Caitlin Myers, Joey David, Robert Klausner\*; Kevin Balaod, Drew Fox\*, Catherine Hull\*, Samantha Jones\*, Brennen LeBlanc, and Matt Silverio\*.] (\* means person attended via Zoom.)

Attorney, Robert Klausner provided an update to the committee. He referenced a memorandum that was provided the committee members. (see attached Exhibit #13) Mr. Klausner explained that if the Jefferson Parish fire companies are going to be admitted into FRS, there needs to be assurance that contributions will be paid. He added that, to do so, the electors in Jefferson Parish must provide taxing authority to the fire companies. He then added that until that is done, there is nothing else for the study committee to discuss. Mr. Adams asked what the committee needs to do to satisfy the legislature in reporting the actions of the study committee? Mr. Major explained that Mr. Klausner's report should be submitted to the legislature explaining the work that was done by the committee.

Mr. Klausner explained that once Jefferson Parish solves the money and funding problem, the rest of the process should be easy. Representative Kerner explained to the committee that he will help in any way he can. Mr. Stockstill explained that he would envision at least one more meeting before the committee is dissolved at the beginning of the 2022 legislative session. He asked Mr. Klausner if he would have the final report ready for the committee at the next meeting. Mr. Klausner answered affirmatively. Mr. Stockstill then explained once the committee approves the report it will be ready to submit to the legislature.

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



**OTHER BUSINESS**

Mr. Stockstill drew the board's attention to a scenario analysis regarding the trend for the Employer Contribution Rate prepared by Mr. Curran. (see attached Exhibit #14) Mr. Curran explained the chart shows the estimated required employer contribution rate assuming different percentages in earnings up to the year 2040. He concluded by stating that these scenario projections are only estimates.

**ADJOURNMENT**

Mr. Birdwell moved to adjourn. Mr. Romero seconded. The motion passed unanimously.

**FUTURE MEETINGS**

**FRS Investment Committee  
Wednesday, January 12 at 01:00 p.m.  
3100 Brentwood Dr. Baton Rouge, LA**


**FRS HR166 Committee  
Wednesday, January 12 at 03:00 p.m.  
3100 Brentwood Dr. Baton Rouge, LA**

**FRS Board of Trustees  
Thursday, January 13 at 8:30 a.m.  
3100 Brentwood Dr. Baton Rouge, LA**

SUBMITTED BY:

APPROVED BY:

  
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Ashley Vickhair, FRS Board Secretary

  
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Perry Jeselink, FRS Chairman