



FIREFIIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES July 14, 2022

A meeting of the Board of Trustees was held on June 14, 2022 at the Firefighters' Retirement System building in Baton Rouge. Chairman Perry Jeselink called the meeting to order at 8:30 am.

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

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

MEMBERS PRESENT

Perry Jeselink
Jerry Tarleton
Stacy Birdwell
Brian Fleming (designee of Commissioner Jay Dardenne)
Treasurer John Schroder
Louis Romero
Mayor Ronny Walker

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Michael Becker
Ben Johnson
Ashley Vicknair
Caitlin Myers
William Hall
David Barnes
Greg Curran
John Broussard
Brennan LeBlanc
Joey David
Dennis Onderick

MINUTES

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on June 9, 2022. 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.

Ms. Myers presented the list of new member applicants for the month July 2022. (see attached Exhibit #1) She stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new member applicants for the month of July 2022. Mr. Tarleton 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.

Ms. Myers presented the list of new retirees for the month of July 2022. (see attached Exhibit #2) She stated that all applications were in order.

MOTION: Mr. Romero moved to approve the retiree applicants for the month of July 2022. Mr. Tarleton seconded. The motion passed unanimously.

- Policy - Transfer of Service Credit, Payment Options

Ms. Meyers referred to a handout explaining three policy-options regarding purchasing the accrual rate adjustment when transferring years of service into the system. (see attached Exhibit #3) She explained the first option, Option A, would be an all-or-nothing transaction, meaning if the member elects to upgrade the accrual rate for all the years being transferred, he must make a one-time lump sum payment for that accrual rate adjustment. She added that this scenario is already calculated by Curran Actuarial Consulting and would not result in additional calculations outside of the up-to-date procedures for "Transfer of Service".

Ms. Myers explained the second option, Option B, would be a partial upgrade, meaning if the member would like to upgrade the accrual rate for partial years the member would provide FRS with the dollar amount that he wishes to pay and, in turn, Curran Actuarial Consulting would produce the number of years of service credit equivalence. She added that this scenario would result in additional calculations by Curran Actuarial Consulting that are not part of the current "Transfer of Service" procedures. She also added that this would be a one-time election for the member and the member could not request later to upgrade the portion that wasn't originally upgraded.

Ms. Myers explained that Option C is an installment method, meaning the member could spread the purchase of the upgraded accrual rate adjustment over a 36 month period. She added that multiple calculations would be performed by Curran Actuarial Consulting upon the member's request. She then added that this scenario would cap the member to 1 calculation and payment per calendar year and it would cap the purchase to be completed within 3 years of the initial purchase.

MOTION: After further discussions by the board, Mr. Birdwell moved to adopt policy options A & B regarding upgrading the accrual rate when transferring service credit and to have the staff reduce the policy to writing for inclusion in the FRS policy manual. Mr. Tarleton 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)

Jenae L. Bourque, Elliot Thomas Bourque, and Zander Robert Bourque- Ms. Myers presented the application of Jenae L. Bourque, Elliot Thomas Bourque, and Zander Robert Bourque, surviving spouse and surviving children of Alex Joseph Bourque. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Jenae L. Bourque, Elliot Thomas Bourque, and Zander Robert Bourque. Mr. Tarleton seconded. The motion passed unanimously.

Cheryl Caruso- Ms. Myers presented the application of Cheryl Caruso, surviving spouse of Don Caruso. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Cheryl Caruso. Mr. Romero seconded. The motion passed unanimously.

Gerry Fleming- Ms. Myers presented the application of Gerry Fleming, surviving spouse of Ernest Franklin Fleming. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Gerry Fleming. Mr. Romero seconded. The motion passed unanimously.

Reba D. Martin- Ms. Myers presented the application of Reba D. Martin, surviving spouse of Edmond D. Martin. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Reba D. Martin. Mr. Romero seconded. The motion passed unanimously.

Victoria Pigott- Ms. Myers presented the application of Victoria Pigott, surviving spouse of Edwin Albert Pigott, Jr. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Victoria Pigott. Mr. Romero seconded. The motion passed unanimously.

LaVerne Tarter- Ms. Myers presented the application of LaVerne Tarter, surviving spouse of Gerald O. Tarter. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of LaVerne Tarter. Mr. Romero seconded. The motion passed unanimously.

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

- Disability Applicants

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.]

██████████ - Ms. Myers presented the disability application of ██████████ Ms. Myers stated that, based on a report by the State Medical Disability Board doctor, the staff recommendation is for approval of the Application for Disability Retirement (Job-Related) and suspending the requirement of disability recertification.

MOTION: Mr. Birdwell moved to accept the staff recommendation of approving the application for ██████████ Mr. Romero 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 JOINT ADVISORY COMMITTEE

[NOTE: The FRS-LLC Joint Advisory Committee met on June 14, 2022, 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 advisory action regarding the following LLCs: 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. Jeselink, Mr. Tarleton, Mr. Birdwell, Mr. Fleming, Treasurer Schroder, Mr. Romero, Mayor Walker, Layne McKinney, Michael Becker, Ben Johnson, Ashley Vicknair, Caitlin Myers, William Hall, David Barnes, Greg Curran, John Broussard, Joey David, Brennan LeBlanc, and Dennis Onderick.]

- Discussion and advisory action regarding updates of the following LLCs: FRS-LB, FRS-LB#1, FRS-LB#3, and FRS-GA

FRS-LB#3. Treasurer Schroder gave an update of properties to the joint advisory committee. He began the update with the property in St. George, UT. He explained that he has been working with the county of Washington in St. George and at that same time FRS-LB#3 received a Letter of Intent to purchase the property. He explained the LOI was for \$11.5 million with a \$500 closing cost and to close on the property within 90 days (see attached Exhibit #4). The Treasurer expressed his impression that this is a clean deal and recommended acceptance.

MOTION: Mayor Walker moved to go forward by closing the transaction and if there are any complications with the contract the joint committee will revisit the issue. Mr. Tarleton seconded. The motion passed unanimously.

FRS-GA. Treasurer Schroder then updated the joint committee about the property in Gainesville, GA. He explained that the buyer expects to close on the property sometime this year. He then added that the city had to shift the entrance boulevard to one side of the property and in doing so, that squeezed a piece of property in the corner of that area. The Treasurer said that might lead to another opportunity to earn additional dollars, depending on what happens down the line.

FRS-LB#1. Treasurer Schroder updated the joint committee about the final property, Surprise, AZ. He explained that there is a pending contract with Montage, which has had six prior extensions. He then explained that Montage hasn't be able to raise the capital needed to close the sale. The Treasurer added that Montage has come to FRS with a proposal for FRS to advance funds for engineering services and other things that would have to happen to get the land in position to sell. The Treasurer said that he had told Montage that he would recommend against that proposal.

Mr. Becker addressed the joint committee. He explained that it is technically two proposals that Montage has put up and one is that FRS advance the engineering costs, which would be about one million dollars per year for three years. Mr. Becker added that Montage has laid out a potential return and sensitivities around those returns for a sale in years four, five, and six. Mr. Becker then added that Montage is looking at about \$3.5 to \$8 per foot, which comes out on the low end to be \$150,000 per acre. Treasurer Schroder added that the decision the joint committee needs to make today is to address the Montage proposal. The Treasurer recommended that the joint committee not accept the proposal from Montage.

MOTION: Mr. Romero moved to stay with the original contact which expires on July 25, 2022, with no additional amendments. Mayor Walker seconded. The motion passed unanimously.

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

ADJOURN FRS-LLC JOINT ADVISORY COMMITTEE

RECONVENE FRS BOARD MEETING

MOTION: Mr. Tarleton moved that the FRS board of trustees express its positive acquiescence regarding the action taken by the FRS-LB joint advisory committee. Mr. Birdwell seconded. The motion passed unanimously.

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

MONTHLY FLASH REPORT - JUNE 2022

Mr. Barnes presented the monthly flash report for the month of June 2022. (see attached Exhibit #5) The overall fund was up/down as follows: -6.0% for the month of June as compared to the allocation index of -5.1%, -14.3% for the calendar year to date as compared to the allocation index of -14.1%; -11.1% for the trailing 12 months as compared to the allocation index of -10.7%; and 4.8% for the trailing 3 years as compared to the allocation index of 4.8%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on July 13, 2022, at the FRS office in Baton Rouge at 1:00 p.m. discuss the following business set forth in its posted agenda- (i) Educational presentation by LSV Partners, an existing portfolio manager, (ii) The FRS monthly investment performance results for June 2022, (iii) FRS Investment Policy Statement and all items related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Tarleton, chairman; Mr. Birdwell, Mr. Broussard, Mr. Romero and Mr. Fleming. Also present were Perry Jeselink, Steven Stockstill, Layne McKinney, Michael Becker, Ashley Vicknair, Caitlin Myers, William Hall, David Barnes, Brennan LeBlanc, Kenneth Herbold, Scott Kemper, and Bhaskaran Swaminathan.]

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 June 2022. (see minute entry above captioned as "Monthly Flash Report - June 2022)

- Educational presentation by LSV Partners, an existing portfolio manager

Mr. Tarleton explained that the investment committee heard from Scott Kemper, Partner and Director, Client Portfolio Services and Bhaskaran Swaminathan, Partner, Director of Research with LSV Parters regarding an update of the FRS International Large Cap Value investment fund.(see attached Exhibit #6) He explained that Mr. Kemper and Mr. Swaminathan educated the committee

about LSV's organizational strengths, their investment philosophy, and performance and portfolio characteristics. Mr. Tarleton explained that there was no action taken on this item.

- FRS Investment Policy Statement

Mr. Barnes made a presentation concerning the FRS Investment Policy Statement to the full board. Mr. Barnes drew the board's attention to the FRS Investment Policy Statement (see attached Exhibit #7) He explained that there are a few additional changes that need to be made to the policy, on page 175 the date needs to be changed from June 9, 2021 to July 14, 2022, on page 180 the actuarial assumed rate of return should be 6.9% instead of 7% and as of July 1, 2021, and on page 186 instead of private equity, it should say private equity/private debt. Mr. Barnes went on to explain the original changes to the policy statement that were being proposed.

MOTION: Mr. Tarleton moved to accept the changes to the Investment Policy Statement. Mayor Walker 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.

COMMITTEE REPORT - HR136 COLA STUDY COMMITTEE

[NOTE: The HR136 COLA Study Committee met on July 13, 2022, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda- (i) Discussion and action regarding alternative methods of granting Cost-of-Living Adjustments, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Jeselink, chairman; Mr. Curran, Mr. Herbold, Mr. Demourelle, Mayor Amrhein, Mr. Birdwell, Mr. Broussard, Mr. Fleming, Representative Firment, Mr. Romero, Mr. Tarleton, and Mayor Walker. Also present were, Steven Stockstill, Layne McKinney, Michael Becker, Ashley Vicknair, Caitlin Myers, William Hall, Dawn Moeller, Joey David, Robert Klausner, Gregory Franklin, Byron Johnson, and J.D. Warren.]

- Alternative methods of granting Cost-of-Living Adjustments

To begin the HR136 COLA Study Committee meeting, Mr. Stockstill explained that the committee is made up of 16 members and Robert Klausner will serve as the committee's legal counsel. The committee watched a video presentation of a meeting that was created prior to the committee's first meeting. The meeting involved Dr. Steven Procopio (the moderator), Mr. Curran, Mr. Gallagher and Mr. Stockstill. The focus of the meeting was a PowerPoint presentation created by Dr. Procopio regarding ideas for methods that can be used to pay COLAs. Mr. Stockstill furnished the HR 136 committee members copies of the Procopio slide deck (see attached Exhibit #8) along with a chart showing the history of COLA payments for the state and statewide systems, an LLA report regarding alternative funding mechanisms for permanent benefit increases/COLAs, and a few emails from

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concerned retirees. Mr. Curran then presented a report titled Firefighters' Retirement System - HR136 Committee Discussion. (see attached Exhibit #9) Mr. Curran explained his report to the committee about the cost-of-living increases and the funding of cost-of-living increases. Mr. Curran continued explaining to the committee that there are groups that are to be considered, including future members, current members, and retirees and survivors. He also explained that there are different type of COLAs to consider, including guaranteed COLAs, Ad Hoc COLAs, gain sharing COLAs, and prefunded COLAs. Representative Firment thanked the committee and explained that this first meeting exceeded his expectations.

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

That concluded the HR136 COLA Study Committee report.

OTHER BUSINESS

Mr. Tarleton said he was asked by another fire chief whether the board would authorize Zoom broadcasts of the board meetings so the public would be able to view. He clarified that his motion would be for public viewing only.

MOTION: Mr. Tarleton then moved to authorize board meetings to be broadcasted by Zoom for the public to view. The motion failed for lack of a second.

After continued discussion was had by the board, the FRS staff was directed to research whether it is technologically possible to post the recorded meetings on the system's website and report back at the August board meeting.

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

ADJOURNMENT

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

FUTURE MEETINGS

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana 70809
Wednesday, August 10, 2022, at 01:00 pm
(Tarleton, Chm; Birdwell, Broussard, Fleming, Romero)**

**FRS HR136 COLA Study Committee
3100 Brentwood Drive
Baton Rouge, Louisiana 70809
Wednesday, August 10, 2022, at 03:00 pm**

(Chairman, FRS Board, Perry Jeselink (or designee); FRS Actuary, Greg Curran; Legislative Actuary, Kenneth Herbold; House Retirement Committee, Rep. Phillip Devillier (or designee); FRS Retiree Ted Demourelle, (appointed by Rep. Devillier); LMA, John Gallagher; PAR, Dr. Steven Procopio; Mayor David Amrhein; Stacy Birdwell; John Broussard; DOA, Brian Fleming; Sen. Bob Hensgens; Rep. Gabe Firment; Louis Romero; Jerry Tarleton; Mayor Ronny Walker; Committee Legal Counsel-Robert Klausner)

**FRS Board of Trustees
Thursday, August 11, 2022 at 8:30 a.m.
3100 Brentwood Dr. Baton Rouge, LA**

SUBMITTED BY:


Ashley Vicknair, FRS Board Secretary

APPROVED BY:


Perry Jeselink, FRS Chairman