



FIREFIIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES January 11, 2023

A meeting of the Board of Trustees was held on January 11, 2023 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)
Mayor Darnell Waites
Louis Romero
Mayor Kim Gaspard

OTHERS PRESENT

Steven Stockstill
Marella Houghton
Layne McKinney
Michael Becker
Ashley Vicknair
Caitlin Myers
William Hall
Daniel Loper
David Barnes
Dawn Moeller
Dennis Onderick
Richard Williams
Phillip Gendusa
Tiffany Gendusa
Joseph Chapman
Chris Kaufmann
Stephen Brouillette

TRUSTEE-OATH OF OFFICE

Mr. Stockstill recalled that Stacy Birdwell had been reelected as the retiree representative of the FRS board of trustees and that he would be assuming office upon taking the oath. He further advised the board that Mayor Kim Gaspard of Haughton and Mayor Darnell Waites of Baker have been appointed as the two LMA representatives for the FRS board of trustees. Mr. Stockstill then administered the statutory and constitutional oaths to Mr. Birdwell, Mayor Gaspard and Mayor Waites.

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

ELECTION OF BOARD OFFICERS

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

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

Vice Chairman. Mr. Jeselink conducted the election of board vice-chairman. Upon call for nominations, Mr. Birdwell 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. Birdwell 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

Mr. Stockstill advised the board that the staff needed to make technical adjustments to the minutes and asked for board approval to do so.

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on December 8, 2022, including authority for staff to make technical adjustments thereto. 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.

Ms. Myers presented the list of new member applicants for the month January 2023. (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 January 2023. 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.

Ms. Myers presented the list of new retirees for the month of January 2023. (see attached Exhibit #2) She stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the retiree applicants for the month of January 2023 including the additions. 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)

Susan Freire- Ms. Myers presented the application of Susan Freire, surviving spouse of Robert M. Freire. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Susan Freire. 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 the 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 enter executive session. Mr. Romero seconded. The motion passed unanimously.

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

MOTION: Mr. Birdwell moved to accept the staff recommendation for approval of the application for a Job-Related Disability Retirement for [REDACTED] Mr. Tarleton seconded. The motion passed unanimously.

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

- Disability Conversion Applicant

PROCEDURE: Retirees who apply for conversion from regular retirement to a disability retirement are required to submit detailed medical information as part of the application in support of their claim that the disability was job-related and occurred during active employment as a firefighter, even though the actual physical disability may not have become manifest until after the effective date in DROP or after commencement of service retirement. Once received, the application is reviewed by staff and medical records are forwarded to a State Medical Disability Board doctor to determine if sufficient documentation is present to certify that the retiree's disability occurred during active employment and was a direct result of working as a firefighter. If the medical information submitted is not sufficient for the doctor to determine the date and cause of the disability, then an appointment is scheduled for the applicant to undergo a physical examination. For the applicant to become eligible for conversion, the State Medical Disability Board doctor must furnish a medical report certifying the retiree's disability and that the disability was a direct result of employment as a firefighter. (R.S. 11:2258(B) and Administrative Rule)

[NOTE: By giving advance notice on its posted agenda, the board of trustees reserved its 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 conversion applicant.]

[REDACTED] Ms. Myers presented the disability conversion application of [REDACTED] Ms. Myers stated that, based on the report by the State Medical Disability Board doctor, the staff recommendation is for the approval of disability conversion and suspending the requirement of disability recertification.

MOTION: Mr. Birdwell moved to accept the staff recommendation regarding [REDACTED] Mr. Tarleton seconded. The motion passed unanimously.

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

MONTHLY FLASH REPORT - DECEMBER 2022

Mr. Barnes presented the monthly flash report for the month of December 2022. (see attached Exhibit #3) The overall fund was up/down as follows: -2.2% for the month of December as compared to the allocation index of -2.3%, 2.0% for the fiscal year to date as compared to the allocation index of 1.1%; -12.5% for the trailing 12 months as compared to the allocation index of -13.1%; and 3.4% for the trailing 3 years as compared to the allocation index of 3.1%.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on January 10, 2023, at the FRS office in Baton Rouge at 1:00 p.m. discuss the following business set forth in its posted agenda- (i) The FRS monthly investment performance results for December 2022 , (ii) Source of funding emerging market index manager, (iii) Murphree Venture Partners VI, change of managing control, (iv) Staff Presentation: The Business Cycle, 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. Romero and Mr. Fleming. Also present were Perry Jeselink, Steven Stockstill, Marella Houghton, Layne McKinney, Michael Becker, Daniel Loper, Ashley Vicknair, David Barnes, Alana Perrin, Ben Johnson, and Brennen LeBlanc.]

Mr. Tarleton invited Mr. Barnes to present the Flash Report since it was not yet available for the investment committee meeting. See above, Monthly Flash Report - December 2022. Mr. Tarleton then gave the investment committee report.

- Source of funding emerging market index manager

Mr. Tarleton explained to the board that the investment committee heard from Michael Becker. He explained that Mr. Becker recalled to the committee that back at the November 2022 meeting, the committee voted to hire Mellon as the Emerging Markets Index Manager and the source of funding the 25% is going to be from Acadian and Invesco. Mr. Tarleton added that Mr. Becker recommended to the committee to redeem \$21 million from Acadian and \$9 million from Invesco. He then added that the committee moved to accept Mr. Becker's recommendation.

MOTION: Mr. Tarleton then moved the investment committee's recommendation in the form of a motion. Mr. Birdwell seconded. The motion passed unanimously.

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

- Murphree Venture Partners VI, change of managing control

Mr. Tarleton explained to the board that the investment committee heard from Michael Becker. He explained that Mr. Becker informed the committee that Murphree is a limited partner in the fund that is managed by a general partner, BRG Asset Management. Mr. Tarleton added that Mr. Becker said that BRG entered into an amended and restated agreement of limited partnership in June of 2018 and the change of control of BRG to Treo Capital Advisors LLC occurred in October of 2022. (see attached Exhibit #4) Mr. Tarleton explained that Treo was now seeking consent to the change of control and the investment committee passed a motion recommending such approval.

MOTION: Mr. Tarleton moved the investment committee's recommendation in the form of a motion. Mr. Birdwell seconded. The motion passed unanimously.

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

- Fee structure related to FRS investment manager known as CCMP capital

Mr. Tarleton explained to the board that the investment committee heard from Michael Becker. He explained that Mr. Becker informed the committee that the Limited Partners of CCMP Capital Investors requested a reduction of management fees from 1.0% to 0.5% for the semi-annual period beginning July 1, 2023. (see attached Exhibit #5) Mr. Tarleton added that Mr. Becker explained this was due to extending the fund's term of operations until June of 2024. Mr. Becker recommended to the committee to accept the fee reduction. Mr. Tarleton explained that the investment committee passed a motion recommending acceptance of the fee reduction.

MOTION: Mr. Tarleton moved the investment committee's recommendation in the form of a motion. Mr. Birdwell seconded. The motion passed unanimously.

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

- Staff Presentation: The Business Cycle

Mr. Stockstill drew the board's attention to a presentation on The Business Cycle. (see attached Exhibit #6) He explained graphs related to the US economy, large cap growth managers, and the US gross domestic product. This presentation was for informational purposes and no action was needed.

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

That concluded the Investment Committee report.

FRS EMPLOYER PENSION REPORT

Ms. Moeller, Audit Manager, Office of the Louisiana Legislative Auditor, presented the "Employer Pension Report for the Year Ended June 30, 2022." (see attached Exhibit #7) 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. Mr. Birdwell seconded. The motion passed unanimously.

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

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 #8)

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

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

AUDIT SERVICE EXPENSES

Mr. Stockstill drew the board's attention to an LLA invoice for the 2023 audit cycle. (see attached Exhibit #9) He suggested that the board continue with the Legislative Auditor for the next cycle and over the next couple of years due to several senior FRS staff members coming up for retirement. He suggested that the board should retain the LLA since the LLA staff has a depth of knowledge regarding FRS as a result of the experience gained from them being the system's auditor for a number of prior years.

MOTION: Mr. Birdwell moved to approve the LLA invoice for the next audit cycle and to continue using the LLA for audit services. Mr. Tarleton seconded. The motion passed unanimously.

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

INTERNAL POLICY

Mr. Stockstill drew the board's attention to an internal policy, Internal Policy No. 05222018. (see attached Exhibit #10) He explained that the policy lists the employees who are authorized to sign FRS checks and to initiate and/or approve wires, ACH payments and Book Transfers. He continued explaining that in Article VI of the systems bylaws, it states that checks shall be signed by any two of the three authorized signatories of record with the custodial bank. He added that with the new

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addition of the Deputy Director, that position should be added to the list of authorized signatories. Mr. Stockstill then added that since this Policy No. 05222018 is an internal policy, the staff could have changed this without coming to the board, but he added that, at this time, it would be best to convert this policy into a formal board policy.

MOTION: Mr. Birdwell moved to amend the bylaws to include the Deputy Director in the list of authorized check signers and to be authorized to initiate and/or approve ACH and Bank Transfers and also to convert Internal Policy No. 05222018 into a board policy. Mr. Tarleton seconded. The motion passed unanimously.

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 Investment Committee
Wednesday, February 8, 2023 at 01:00 p.m.
3100 Brentwood Dr. Baton Rouge, LA**

**FRS Board of Trustees
Thursday, February 9, 2023 at 8:30 a.m.
3100 Brentwood Dr. Baton Rouge, LA**

SUBMITTED BY:

APPROVED BY:



Ashley Vicknair, FRS Board Secretary



Perry Jeselink, FRS Chairman