



FIREFIIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES February 9, 2023

A meeting of the Board of Trustees was held on February 9, 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
John Broussard (designee of State Treasurer John Schroder)
Louis Romero
Mayor Kim Gaspard

OTHERS PRESENT

Steven Stockstill
Marella Houghton
Layne McKinney
Michael Becker
Ashley Vicknair
Caitlin Myers
William Hall
Ben Johnson
Daniel Loper
David Barnes
Dawn Moeller
Greg Curran
Henry Olinde
Richard Williams
Kenneth Herbold
Joey David
Shinji Hain
Dennis Onderick
Chris Kaufmann

COMMITTEE ASSIGNMENTS

Chairman Jeselink distributed a list of FRS committee assignments and asked anyone to contact him if a change of assignment was desired. (see attached Exhibit #1)

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

PRELIMINARY BUSINESS

Mr. Stockstill explained that he needed to correct a prior statement. He continued explaining that either at last month's meeting or the meeting before, he made a statement regarding COLAs. He added that he stated the window for granting a COLA had passed, which implies that there is a window to give a COLA once every four years. Mr. Stockstill explained that the statement is incorrect and upon review of that law, if a certain level of funding is reached, then if a COLA has not been granted within the prior specified number of years, then a COLA could then be granted.

Mr. Stockstill then explained a situation that arose in the FRS office regarding credit for military service and asked for authority to seek an Attorney General opinion relative thereto.

MOTION: Mr. Tarleton moved to authorize Mr. Stockstill to seek an Attorney General opinion regarding military service credit. Mr. Birdwell seconded. The motion passed unanimously.

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

MINUTES

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on January 11, 2023. 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 February 2023. (see attached Exhibit #2) She stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new member applicants for the month of February 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 February 2023. (see attached Exhibit #3) She stated that all applications were in order. She also stated that there was a last minute refund handout that was presented. (see attached Exhibit #4)

MOTION: Mr. Birdwell moved to approve the retiree applicants for the month of February 2023 including the additional refund. 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)

Jane Elizabeth Brasseaux- Ms. Myers presented the application of Jane Elizabeth Brasseaux, surviving spouse of Lennard Brasseaux. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Jane Elizabeth Brasseaux. Mr. Romero seconded. The motion passed unanimously.

Amanda Hutto- Ms. Myers presented the application of Amanda Hutto, surviving spouse of Goldwyn Hutto III. She stated that the application was in order.

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

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

FRS v HOLLOWAY, ET AL

FRS, et al. v. Holloway, et al., Suit No. 642604, 19th Judicial District Court, East Baton Rouge Parish, 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: Mr. Birdwell moved to resume public session. Mr. Tarleton seconded. The motion passed unanimously.

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on February 8, 2023, at the FRS office in Baton Rouge at 1:00 p.m. to discuss the following business set forth in its posted agenda- **(i)** Educational presentation by Wellington Management Company regarding Capital Market Assumptions, **(ii)** The FRS monthly investment performance results for January 2023, **(iii)** 2023 Annual FRS Asset Allocation update, **(iv)** Proposed schedule for FRS custodial banking RFP, 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, Marella Houghton, Layne McKinney, Michael Becker, Daniel Loper, Ashley Vicknair, David Barnes, Ben Johnson, Caitlin Myers, William Hall, Gerald Crean, Ian Spencer, and Lee Cohen.]

Mr. Tarleton invited Mr. Barnes to present an estimate of the FRS portfolio earnings for January 2023 since the full report was not yet available. (see attached Exhibit #5) Mr. Tarleton then gave the investment committee report.

- Educational presentation by Wellington Management Company regarding Capital Market Assumptions

Mr. Tarleton explained that the investment committee heard from Wellington Management Company's Managing Directors, Gerald Crean and Lee Cohen and Investment Strategy Analyst, Ian Spencer. He explained to the board that the representatives from Wellington educated the committee members regarding capital market assumptions, methodology and strategic asset allocation use cases. (see attached Exhibit #6)

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

- 2023 Annual Asset Allocation update

Mr. Tarleton explained that the investment committee heard from David Barnes. He said Mr. Barnes presented the committee with the 2023 Asset Allocation Update. (see attached Exhibit #7) He provided an asset class overview, and then discussed the methodology of asset allocation, core asset class return assumptions, public equity assumptions, fixed income assumptions, real asset assumptions, and alternative assets. Mr. Barnes then presented the committee with the asset allocation review.

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

- Proposed schedule for FRS custodial banking RFP

Mr. Tarleton explained that the investment committee heard from Steven Stockstill and Michael Becker. Mr. Stockstill recommended conducting an RFP diligence search of custodial banking services. Mr. Becker presented the committee with a Proposed Timeline for Custodial Bank Services Request for Proposals. (see attached Exhibit #8) Mr. Becker explained the timeline throughout 2023 with a contract awarded in the fourth quarter of the year. Mr. Tarleton explained that the investment committee unanimously approved a motion recommending that the full board accept the banking RFP specifically requiring a custodial representative to be physically present at all FRS board meetings.

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.

That concluded the Investment Committee report.

ACTUARIAL REVIEW OF THE 2022 ACTUARIAL VALUATION

Mr. Kenneth Herbold, Assistant Legislative Auditor and Director of Actuarial Services at the Louisiana Legislative Auditor's Office presented the Actuarial Review of the 2022 Actuarial Valuation of the Firefighters' Retirement System. Mr. Herbold addressed the board and drew their attention to the Actuarial Review. (see attached Exhibit #9) He explained that his office did not find any actuarial assumptions or methods that violate any ASOPs. Mr. Herbold received questions from the board and concluded his presentation.

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

STATEMENT OF FIDUCIARY NET POSITION - PRELIMINARY - 2Q FY2021-22

- Statement of Changes in Fiduciary Net Position - Preliminary - 2Q FY2022-23
- Statement of Fiduciary Net Position - Preliminary - 2Q FY2022-32

Mr. McKinney presented to the board the Statement of Changes in Fiduciary Net Position - Preliminary for the second quarter of FY2022-23. (see attached Exhibit #10) He then presented to the board the Statement of Fiduciary Net Position - Preliminary for the second quarter of FY2022-23. (see attached Exhibit #11) He explained each report on a line-by-line basis.

MOTION: Mr. Birdwell moved to accept the reports as presented by Mr. McKinney. Mr. Romero seconded. The motion passed unanimously.

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

FRS BUDGET TO ACTUAL COMPARISON - 2Q FY 2022-23

Ben Johnson, FRS Accountant, drew the board's attention to a report titled FRS "Budget to Actual Comparison" for the 2nd Quarter of FY 2022-23. (see attached Exhibit #12) 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. Mr. Johnson explained to the board that there were a few other items under capital items to be discussed. He recalled to the board that back in October the board approved a replacement phone system for the FRS office. He added that after further research, it would be beneficial to replace the entire cable system in the FRS building, since over time the cables have been pieced together. Mr Johnson explained that it would cost around \$10,000 for the Cat 6 cables. He then explained that after further review of the telephone contract, FRS would save money if the phones were bought and not rented. He explained that this cost would be \$13,000, with a total expense amendment of \$28,000 for capital asset items.

MOTION: Mr. Birdwell moved to amend the budget under capital items to include \$30,000 for the cost for cat 6 cables and to purchase the new phone system. Mayor Gaspard seconded. The motion passed unanimously.

Mr. Johnson then explained that the telephone contract states that "The subscriber, FRS, agrees to submit the dispute to final, binding arbitration. Arbitration shall be according to Florida law and shall occur exclusively in Sarasota County, Florida". Mr. Johnson explained to the board that he requested a contract from a different vendor, to determine if there was similar language or if this language was out of the ordinary, which it was not out of the ordinary. He further explained that this contract is for 35 months and for \$5,200, but if legal action were to occur, the company could choose their arbitrator.

MOTION: Mr. Birdwell moved to enter into the contract subject to negotiations regarding the binding arbitration wording and possibly a lower the price. Mayor Gaspard seconded. The motion passed unanimously.

Ms. Houghton requested the budget be amended up to \$5,000 for the purchase of an AED machine (emergency defibrillator) and a holding cabinet for the FRS office.

MOTION: Mr. Romero moved to amend the budget up to \$5,000 for the purchase of an AED machine and a holding cabinet for the FRS office. Mr. Birdwell seconded. The motion passed unanimously.

MOTION: Mr. Birdwell moved to adopt the Budget to Actual Comparison report with the amendments presented. Mr. Romero. seconded. The motion passed unanimously.

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

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ADJOURNMENT

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

FUTURE MEETINGS

**FRS Investment Committee Meeting
Wednesday, March 8, 2023 at 1:00 p.m.
3100 Brentwood Dr. Baton Rouge, LA**

**FRS Board of Trustees
Thursday, March 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