



# **FIREFIGHTERS' RETIREMENT SYSTEM**

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## **MEETING OF THE BOARD OF TRUSTEES May 11, 2023**

A meeting of the Board of Trustees was held on May 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  
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  
Ben Johnson  
William Hall  
Daniel Loper  
David Barnes  
Greg Curran  
Brennen LeBlanc  
Dennis Onderick  
Chris Kaufmann  
Seth Cappen  
Donald Lefevre  
Terry Stuard  
Chad Duffaut

## **MINUTES**

MOTION: Mr. Romero moved to approve the minutes of the board meeting held on April 13, 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 May 2023. (see attached Exhibit #1) She stated that all applications were in order.

MOTION: Mr. Romero moved to approve the new member applicants for the month of May 2023. 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 May 2023. (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 May 2023. 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)

**Janet Edwards-** Ms. Myers presented the application of Janet Edwards, surviving spouse of Joseph Edwards. She stated that the application was in order.

MOTION: Mr. Romero moved to approve the application of Janet Edwards. Mr. Tarleton seconded. The motion passed unanimously.

**Barbara McConaughey-** Ms. Myers presented the application of Barbara McConaughey, surviving spouse of George McConaughey. She stated that the application was in order.

MOTION: Mr. Romero moved to approve the application of Barbara McConaughey. Mr. Tarleton seconded. The motion passed unanimously.

**Dana Nale-** Ms. Myers presented the application of Dana Nale, surviving spouse of Milton Keith Nale. She stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application of Dana Nale. Mr. Tarleton seconded. The motion passed unanimously.

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



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- 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 denial of the Application for Disability Retirement (Job-Related).

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

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

MOTION: Mr. Tarleton moved to accept the staff recommendation for denial of the application for a Job-Related Disability Retirement for ██████████ Mr. Romero seconded. The motion passed unanimously.

██████████ 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. Tarleton moved to enter executive session to discuss the agenda item above. Mr. Romero seconded. The motion passed unanimously.

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

MOTION: Mr. Tarleton moved to accept the staff recommendation for approval of the application for a Job-Related Disability Retirement and suspending the requirement of disability recertification for [REDACTED] 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 May 11, 2023, 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 results of Agreed Upon Procedures (AUP) of FRS-LB#3, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Stockstill, manager; Mr. Jeselink, Mr. Tarleton, Mr. Fleming, Mayor Waites, Mr. Romero, Mayor Gaspard, Marella Houghton, Layne McKinney, Michael Becker, Ben Johnson, Ashley Vicknair, Caitlin Myers, William Hall, Daniel Loper, David Barnes, Greg Curran, Brennan LeBlanc, Dennis Onderick, Terry Stuard, Chris Kaufmann, and Chad Duffaut.]

- Discussion and advisory action regarding results of Agreed Upon Procedures (AUP) of FRS-LB#3

Mr. McKinney recalled to the advisory committee that back in November of 2022, FRS-LB#3 finalized the sale of the property in St. George, Utah. He added that upon the sale of the property, Agreed Upon Procedures were performed by the Legislative Auditor's office regarding LB#3. Brennan LeBlanc with the Legislative Auditor's office drew the committee's attention to the LB #3 Financial Audit Services report. (see attached Exhibit #3) Mr. LeBlanc explained that it was a clean report and there were no exceptions.

MOTION: Mr. Romero moved to accept the Agreed Upon Procedures report regarding FRS-LB #3. Mr. Tarleton seconded. The motion passed unanimously.

Mr. Becker presented the final numbers of the sale of the property. Mr. Becker explained that LB#3 purchased this property for about \$6.8 million and at the time of sale in November 2022, LB#3 was carrying it on the books for about \$9.3 million, which LB#3 then sold the property for \$10.9 million, with an IRR of about 3.7%.

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**

**CAREER RETENTION SALARY STUDY**

[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 character or professional competence of certain FRS personnel.]

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

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

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

**MONTHLY FLASH REPORT - APRIL 2023**

Mr. Barnes presented the monthly flash report for the month of April 2023. (see attached Exhibit #4) The overall fund was up/down as follows: 0.7% for the month of April as compared to the allocation index of 0.7%, 5.1% for the calendar year to date as compared to the allocation index of 4.7%; 1.5% for the trailing 12 months as compared to the allocation index of 0.8%; and 7.8% for the trailing 3 years as compared to the allocation index of 6.9%.

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

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on May 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) Educational presentation by Orleans Capital Management regarding the management and operational procedures relative to fixed income investing, (ii) The FRS monthly investment performance results for April 2023, (iii) Request for Proposal (RFP) - Multi-Sector Fixed Income manager search, and all items related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Tarleton, chairman; Mayor Waites who stepped in for Mr. Birdwell, Mayor Gaspard who stepped in for 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, and Emily Becker.]

Mr. Tarleton invited Mr. Barnes to give a summary of the Flash Report for April 2023. (see attached Exhibit #4) Mr. Tarleton then gave the investment committee report.

- Educational Presentation by Orleans Capital Management

Mr. Tarleton explained to the board that the investment committee received a presentation from Orleans Capital Management's Vice President, Emily Becker. He explained to the board that Ms. Becker educated the committee with topics regarding the management and operational procedures relative to fixed income investing. (see attached Exhibit #5) Mr. Tarleton informed the board that there was no action taken on this item.

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

- Request for Proposal (RFP) - Multi-Sector Fixed Income Manager Search

Mr. Tarleton explained to the board that the committee received a presentation from Mr. Barnes regarding the Request for Proposals for the Multisector Fixed Income Strategy. (see attached Exhibit #6) He explained that Mr. Barnes went over the RFP process and requested to change the web address on page 5 and the investment committee requested to change the language on page 2, number 4 to "attend board meetings annually unless otherwise requested by the FRS Board of Trustees". Mr. Tarleton explained that the committee approved a motion recommending approval of the RFP to the full board with the stated changes.

MOTION: Mr. Tarleton moved to accept the investment committee's recommendation to approve the RFP process for the Multisector Fixed Income Strategy with the changes stated. 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.

#### **COMMITTEE REPORT - SYSTEM'S RECOMMENDATIONS COMMITTEE**

[NOTE: The Systems Recommendation's Committee met on May 10, 2023, 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 receipt of benefits by certain members of the Deferred Retirement Option Plan (DROP) and part-time employees, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Fleming, chairman; Mayor Waites, Mr. Mr. Tarleton, and Mayor Gaspard. Also present were Mr. Jeselink, Mr. Romero, Steven Stockstill, Marella Houghton, Layne McKinney, Ashley Vicknair, Ben Johnson, William Hall, and Caitlin Myers.]

Mr. Fleming gave the System's Recommendations Committee report. He reported that one agenda item was discussed and resulted in no action taken.

- DROP Benefits of Certain Part-time Employees

Mr. Fleming explained to the board that the committee discussed receipt of benefits by certain members of the Deferred Retirement Option Plan (DROP) and part-time employees.

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

That concluded the Systems Recommendations Committee report.

#### **STATEMENT OF FIDUCIARY NET POSITION - PRELIMINARY - 3Q FY2022-23**

- Statement of Changes in Fiduciary Net Position - Preliminary - 3Q FY2022-23
- Statement of Fiduciary Net Position - Preliminary - 3Q FY2022-23

Mr. Johnson presented to the board the Statement of Changes in Fiduciary Net Position - Preliminary for the third quarter of FY2022-23. (see Exhibit #7) He then presented to the board the Statement of Fiduciary Net Position - Preliminary for the third quarter of FY2022-23. (see attached Exhibit #8) He explained each report on a line-by-line basis.

MOTION: Mr. Tarleton moved to accept the Statement of Changes in Fiduciary Net Position - Preliminary and the Statement of Fiduciary Net Position - Preliminary for the third quarter of FY2022-23 as presented by Mr. Johnson. Mayor Waites seconded. The motion passed.

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

#### **FRS BUDGET TO ACTUAL COMPARISON - 3Q FY 2022-23**

Ben Johnson, FRS Accountant, presented a report titled FRS "Budget to Actual Comparison" for the 3<sup>rd</sup> Quarter of FY 2022-23. (see attached Exhibit #9) 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.

MOTION: Mr. Tarleton moved to adopt the staff report as presented. Mayor Waites seconded. The motion passed.

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



**CURRAN ACTUARIAL CONSULTING - CONTRACT**

Mr. Gregory Curran, FRS Actuary, with Curran Actuarial Consulting presented the proposed annual contract (see attached Exhibit #10) for fiscal year 2023-24. He noted there were no significant changes from the prior year.

MOTION: Mr. Tarleton moved to approve the contract from Curran Actuarial Consulting for actuarial services for fiscal year 2023-2024. Mayor Waites seconded. The motion passed unanimously.

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

**INVITATION TO BID - FRS AUDIT SERVICES**

Mr. McKinney informed the board that the Louisiana Legislative Auditors are going to audit the system through June 30, 2023. He added that the LLA's office informed FRS that regrettably they will not be able to perform audits any longer for FRS or any other state or statewide pension plan. He further added that the LLA office is having trouble finding qualified accountants and auditors and retaining them, so for that reason, they are very short handed. Mr. McKinney then explained to the board that the LLA office has provided the system with a list of auditors that FRS will be able to choose from. He added that this process will be an invitation to bid for audit services and he will have a packet ready for the boards review within the next few months. This was an informative item and no action was taken.

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

**PROPOSED LEGISLATION**

- HB37 ENGROSSED      Emerson      Provides relative to the board of trustees of the Firefighters' Retirement System

Mr. Stockstill drew the board's attention to the engrossed version of HB37. (see attached Exhibit #11) He explained the bill would increase the membership of the board of trustees from ten members to eleven by including the addition of one fire chief. He added that there is also an amendment to include in the bill stating an affirmative vote by at least six members of the board of trustees shall be necessary for a decision by the trustees at any meeting of the board.

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- HB43 ENGROSSED      Firment      Provides for nonrecurring lump-sum supplemental payment to certain eligible retirees and beneficiaries

Mr. Stockstill drew the board's attention to the engrossed version of HB43. (see attached Exhibit #12) He explained that there is an amendment to add provisions relative to a surviving spouse designating a child to receive a portion of his benefit.

- HB44 ENGROSSED      Horton      Provides relative to the board of trustees of the Firefighters' Retirement System

Mr. Stockstill drew the board's attention to the engrossed version of HB44. (see attached Exhibit #15) He explained the bill would increase the membership of the board from ten members to twelve members.

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

**ADJOURNMENT**

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

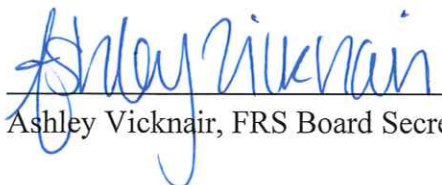
**FUTURE MEETINGS**

**FRS Investment Committee  
Wednesday, June 7, 2023 at 01:00 p.m.  
3100 Brentwood Dr. Baton Rouge, LA**

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

SUBMITTED BY:

APPROVED BY:

  
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Ashley Vicknair, FRS Board Secretary

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