

<p style="text-align: center;"><b>MEETING OF THE BOARD OF TRUSTEES</b> <b>November 8-9, 2023</b></p>
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A two-day meeting of the Board of Trustees began November 8, 2023, and continued November 9, 2023, at the Firefighters' Retirement System building in Baton Rouge. Chairman Perry Jeselink called the meeting to order at 1:00 p.m.

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) arrived after roll call  
Louis Romero  
Mayor Kim Gaspard

### **OTHERS PRESENT**

Marella Houghton	Bryan Kennedy
Michael Becker	Joey David
Barbara Goodson	David Barnes
Robert Klausner	Chad Monceaux
Alana Perrin	Caitlin Myers
Steven Szostak	William Hall
Renato Latini	John Meyer
Barry Pavlow	Ben Johnson
Daniel Carter	Ashley Vicknair
Austin Kummer	Daniel Loper

### **November 8, 2023**

Chairman Jeselink began by explaining that the meeting would be held over a two-day period, with the first day primarily involving the selection of a fund manager for the implementation of the new Global Multi Sector Fixed Income asset class and the second day being reserved for the regular monthly business to come before the board.

### **MINUTES**

MOTION: Mr. Romero moved to approve the minutes of the board meeting held on October 12, 2023. Mr. Tarleton seconded. The motion passed unanimously.

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

### **GLOBAL MULTI SECTOR FIXED INCOME**

Chairman Jeselink invited Mr. Becker and Mr. Barnes to provide an introduction for the manager presentations. Mr. Barnes recalled to the board that the three managers that were chosen as finalists are: Brandywine Global Investment Management, LLC, Fort Washington Investment Advisors Inc. and Loomis, Sayles & Company, L.P. He added that the managers will present in alphabetical order and each manager will have about 45 minutes to present, leaving 15 minutes for questions. Mr. Barnes then added that he and Mr. Becker will present a comparison report and a recommendation after the managers have completed their presentations.

- Brandywine Global Investment Management, LLC

Steven Szostak, Vice President of Consultant Relations, and Renato Latini, Portfolio Manager and Senior Research Analyst with Brandywine Global Investment Management, LLC addressed the board. The presenters educated the board regarding their firm, strategy, investment process, portfolio construction, and management team. The members then concluded their presentation by answering questions from the board.

- Fort Washington Investment Advisors Inc.

Barry Pavlo, Vice President of Business Development, Daniel Carter, Managing Director and Senior Portfolio Manager, and Austin Kummer, Vice President and Senior Portfolio Manager with Fort Washington Investment Advisors, Inc. addressed the board. The presenters educated the board regarding their firm, strategy, investment process, portfolio construction, and management team. The members then concluded their presentation by answering questions from the board.

- Loomis, Sayles & Company, L.P.

John Meyer, Director of Public Funds Strategy and Development, and Bryan Kennedy, Co-Portfolio Manager with Loomis, Sayles & Company, L.P. addressed the board. The presenters educated the board regarding their firm, strategy, investment process, portfolio construction, and management team. The members then concluded their presentation by answering questions from the board.

Mr. Barnes and Mr. Becker presented the board with a comparison of the managers. (see attached Exhibit #1) Mr. Barnes recommended to the board to move forward with a split between two of the managers: (1) Brandywine Global Investment Management, Inc. and (2) Loomis, Sayles &

Company, L.P. He added that NEPC recommends splitting 2% of the portfolio between the two managers, with each manager receiving a 1% allocation. Mr. Becker explained to the board that he is also recommending the split between the two managers as Mr. Barnes stated.

MOTION: Mr. Birdwell moved to accept NEPC's and Mr. Becker's recommendation of splitting 2% of the portfolio between Brandywine Global Investment Management, Inc. and Loomis, Sayles & Company, L.P. Mr. Romero seconded. The motion passed unanimously.

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

**RECESS**

Chairman Jeselink placed the meeting in recess.

**November 9, 2023**

**RECONVENE**

Chairman Jeselink reconvened the FRS board meeting which had previously stood in recess.

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**

Marella Houghton	Barbara Goodson
Michael Becker	Cody Young
Ashley Vicknair	Greg Curran
Caitlin Myers	Dawn Moeller
William Hall	Chad Duffaut
Daniel Loper	Terry Stuard
David Barnes	Alana Perrin
Joey David	

**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 ensure 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 of November 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 November 2023. Mayor Waites 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 November 2023. (see attached Exhibit #3). Ms. Myers stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the retiree applicants for the month of November 2023. 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 license (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)

**Kenneth Shane Cowan-** Ms. Myers presented the application of Kenneth Shane Cowan, drop beneficiary of Kenneth Cowan. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Kenneth Shane Cowan. Mr. Tarleton seconded. The motion passed unanimously.

**Zachary Cowan-** Ms. Myers presented the application of Zachary Cowan, drop beneficiary of Kenneth Cowan. She stated that the application was in order.

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

**Kimber Huffman-** Ms. Myers presented the application of Kimber Huffman, drop beneficiary of Kenneth Cowan, Sr. She stated that the application was in order.

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

**Jeannie Shapley-** Ms. Myers presented the application of Jeannie Shapley, surviving spouse of Clayton Shapley. She stated that the application was in order.

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

**Phyllis H. Theriot-** Ms. Myers presented the application of Phyllis H. Theriot, surviving former spouse of Hulin E. Theriot, Sr. She stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the application of Phyllis H. Theriot. 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 State Medical Disability Board doctor, the staff recommendation is for denial of the Application for Disability Retirement (Job-Related). (see attached Exhibit #4)

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

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

MOTION: Mr. Jeselink moved to accept the staff's recommendation for denial of the application for a Job-Related Disability Retirement for ██████████ 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 – OCTOBER 2023 ESTIMATE

Mr. Barnes, consultant with NEPC, presented an estimated monthly performance report for the month of October 2023. (see attached Exhibit #5) He explained that so far, the estimated month to date composite return is -2.4% and the estimated fiscal year to date composite return is -5.0%.

Mr. Barnes informed the board regarding a notice of organizational change from one of FRS' managers, Orleans Capital Management. (see attached Exhibit #6) He explained that Orleans announced that it will be acquired by Argent Financial Group, Inc., a trust services and wealth management firm formed in 1991 out of the Trust Company of Louisiana. He added that NEPC

sees the change in organizational ownership and the change in senior personnel as material events. Mr. Barnes added that given this change, NEPC recommends placing the fixed income strategies managed by Orleans Capital Management on "watch", pending approval of the recommendation by the NEPC Due Diligence Committee. This item was for informational purposes only.

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

### **ACTUARIAL VALUATION - FY 2022-23**

Greg Curran, FRS Actuary, addressed the board. He drew the board's attention to the FRS Annual Valuation for FY 2022-23. (see attached Exhibit #7) Mr. Curran then highlighted certain portions of the valuation, including the schedules. He explained the Summary Results by indicating that, since last year, FRS has - (i) increased its funding percentage from 80.41% to 80.71%, (ii) decreased its UAL by \$34 million, and (iii) kept the minimum recommended net direct employer contribution rate at 32.50% beginning July 1, 2024.

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

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

### **FINANCIAL REPORTING**

Greg Curran drew the board's attention to a report titled "Information for Financial Reporting as of June 30, 2023" (see attached Exhibit #8) He highlighted certain portions of the report and answered questions from the board.

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

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

### **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRELIMINARY AND STATEMENT OF FIDUCIARY NET POSITION - PRELIMINARY FOR FIRST QUARTER OF FY2023-24**

Marella Houghton, FRS Interim Executive Director, addressed the board. She explained that she will be presenting this report since both Mr. McKinney and Mr. Johnson were out on leave.. She drew the board's attention to two reports titled "Statement of Changes in Fiduciary Net Position-Preliminary " (see attached Exhibit #9) and "Statement of Fiduciary Net Position-Preliminary for first quarter of FY2023-24". (see attached Exhibit #10) She explained each report on a line-by-line basis. Mr. Becker stepped in to answer investment-related questions.

MOTION: Mr. Birdwell moved to accept the Statement of Changes in Fiduciary Net Position - Preliminary the Statement of Fiduciary Net Position-Preliminary for the first quarter of FY2023-24 as presented by Ms. Houghton. Mr. Romero seconded. The motion passed.

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

#### **FRS BUDGET TO ACTUAL COMPARISON FY2023-24**

Ms. Houghton addressed the board. She explained that she will be presenting this report since both Mr. McKinney and Mr. Johnson were out on leave. She drew the board's attention to the FRS FY2023-24 Annual/Quarterly Budget to Actual Comparison. (see attached Exhibit #11) In explaining some of the line items of the report, she highlighted certain variances.

MOTION: Mr. Birdwell moved to accept the staff report as presented by Ms. Houghton. Mayor Waites seconded. The motion passed.

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

#### **FRS POLICY**

Ms. Houghton drew the board's attention to FRS Policy No. 07122007 – Direct Deposit Requirement for Benefit Payments (see attached Exhibit #12) She explained that this is the policy that the board adopted back in 2007. She added that even though FRS is moving towards electronic documents and payments, there are still a few members who receive a paper check every month. Ms. Myers addressed the board and explained that FRS has included the direct deposit form with the paper checks for those members, in hopes they will fill out the form to reduce the number of paper checks that FRS sends out monthly. Ms. Myers added that the number of those members has remained the same. Ms. Houghton explained to the board that the plan is to include a direct deposit form and a letter with next month's benefit checks explaining that FRS is moving to a fully electronic pension administration software system. Mr. Birdwell stated that the Professional Firefighters Credit Union allows any member of FRS to open an account there for free. Ms. Houghton stated there will be no change to the policy, but the staff will move forward with including the letter and direct deposit form with next month's benefit checks, and work toward fully implementing the current policy.

#### **OTHER BUSINESS**

Ms. Houghton drew the boards' attention to the regular monthly reports and the PTG update. She also informed the board that FRS has hired an Intern, Louis Billeaud, who is attending LSU for a bachelor's in finance. She then informed the board of a new fire department that will be entering the system in January, Amite Fire Department. Ms. Houghton then informed the board of a change in the open meetings law. She explained that Act 393 applies to all state and local public bodies, and those that have the capability to conduct electronic meetings shall adopt rules, regulations and procedures to allow any member of the public with a disability recognized by the Americans with



Disabilities Act or caretaker of such person, to participate in its meetings if such person so requests. Mr. Jeselink requested that the board have someone present an education on this topic at the next board meeting. Ms. Houghton agreed.

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 Meeting  
Wednesday, December 13, 2023, at 1:00 p.m.  
3100 Brentwood Dr. Baton Rouge, LA**

**FRS Personnel Committee Meeting  
Wednesday, December 13, 2023, after adjournment of Investment Committee  
3100 Brentwood Dr. Baton Rouge, LA**

**FRS Board of Trustees  
Thursday, December 14, 2023, at 8:30 a.m.  
3100 Brentwood Dr. Baton Rouge, LA**

SUBMITTED BY:

  
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Ashley Vicknair, FRS Board Secretary

APPROVED BY:

  
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Perry Jeselink, FRS Chairman