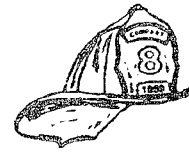


FIREFIGHTERS RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES

January 8, 2009

A meeting of the board of trustees was held on January 8, 2009, at the Public Safety Building in Baton Rouge. Mr. Charlie Fredieu, Chairman, called the meeting to order at 8:30 a.m.

Mayor Hawkins gave the invocations and Mr. Birdwell led the pledge of allegiance.

Ms. Kelli Chandler called the roll.

MEMBERS PRESENT

Charlie Fredieu, Chairman
Mayor Clarence Hawkins
Sammy Halphen
Stacy Birdwell
Paul Smith
Mayor Jimmy Durbin
Barbara Goodson
John Broussard

OTHERS PRESENT

Steven Stockstill
Kelli Chandler
Jason Starns
Joe Meals
Matt Ross
Eldon Ledoux
Jerry Tarleton
Gary Curran
Mike Gallagher
Lauren Bailey
Lee Allen West

MINUTES

MOTION: Mr. Birdwell moved to adopt the minutes of the board meeting held on October 9, 2008. Mayor Durbin seconded. The motion passed.

MOTION: Mr. Birdwell moved to adopt the minutes of the board meeting held on December 11, 2008. Mayor Durbin seconded. The motion passed.

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Mr. Jason Starns informed the board that the new member and new retiree lists will be held over until next month and there were no survivor applicants.

APPLICANTS

- Disability Applicant

PROCEDURE: 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 has submitted a detailed report in laymen's terms of his findings based on the examination performed and the medical records reviewed. The board of trustees has been provided with the disability application, job description, state medical disability board doctor's report and all medical records for review. (R.S. 11:215, 216, 218, & 2258)

Mr. [REDACTED] - Mr. Starns presented a summary of disability information pertaining to Mr. [REDACTED] which was included in the board package.

Mr. Starns referred to a report written by [REDACTED] treating physician (Dr. Thad Broussard), which states as follows: "I believe that the patient's treating physician has made the appropriate decision to proceed with total hip arthroplasty. I think this itself precludes this gentleman from returning to work as a fire captain and I would find him disabled from such occupation for a period extending at least 6 months from the date of the surgery. I think that after that time he likely would be able to return to work borrowing any untoward complications."

Mr. Starns further stated that, based on Dr. Broussard's report, the staff recommendation is to approve [REDACTED] application for disability retirement subject to recertification in May, 2009, six months after the date of surgery.

Chairman Fredieu acknowledged that [REDACTED] was in attendance at the meeting. He said there was a letter from Dr. Thad Broussard that supplements the doctor's report. (The letter was then passed out to board members) Chairman Fredieu further stated that, after reviewing the application and report, the board does not necessarily need to act on the application this month, because [REDACTED] leave does not expire until April, which is also the month that his surgery is scheduled to occur. He remarked that [REDACTED] wants to return to work and commended him for that. He went on to say that [REDACTED] applied for a job-related disability and that, based on his review of the file, he could not conclude that the claim was related to [REDACTED] job. The supplemental letter from Dr. Broussard indicates that [REDACTED] condition was caused by his job, but the doctor did not say "how" it was caused by his job. Chairman Fredieu went on to say that, based on the information received from Dr. Broussard (or the lack thereof), he could not vote to approve [REDACTED]

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application for job-related disability without additional information to prove [REDACTED] condition is job-related.

MOTION: After further discussions, Mr. Birdwell moved to enter executive session. Mr. Halphen seconded. The motion passed unanimously.

The board entered executive session.

MOTION: Mr. Birdwell moved to return to public session. Mr. Halphen seconded. The motion passed unanimously.

The board returned to public session.

Mr. Stockstill asked for the record to reflect that the matter was duly addressed with the applicant in executive session and that the board elected to take no action at this time.

- Disability Recertification Applications

PROCEDURE: Once each year during the first five years following the initial board of trustees approval for disability retirement, and once every three year period thereafter, all disability retirement members must undergo a medical examination by a state medical disability board doctor who must recertify that the disability retiree continues to be disabled from performing his duties. This recertification is required for the continuation of a disability member's benefits. The state medical disability board doctor's report has been provided to the board trustees.

[REDACTED] - Mr. Starns read from a report by Dr. Thad Broussard which stated the following: "My opinion is unchanged now as before and it will not change in that this gentlemen is a candidate for total hip arthroplasty. I have told the patient outright that replacing the hip is not going to improve his disability status. He would still remain disabled from returning to a course of duty required as a firefighter. I would relate this to the injury sustained in 1976 that began the process that has now led to the severe osteoarthritis that he now has."

Based on the report of Dr. Broussard, Mr. Starn's recommended approval for disability recertification and approval of discontinuing disability recertification.

MOTION: Mr. Birdwell moved to approve the staff recommendation. Mr. Halphen seconded. The motion passed.

BOARD OFFICER ELECTIONS

Chairman Fredieu stated that, according to the system bylaws, the chairman relinquishes his position until a new chairman has been elected. He then relinquished the chair to vice chairman Mayor Hawkins. Mayor Hawkins announced that the floor was open for nominations for chairman of the board of trustees.

Mr. Birdwell nominated Mr. Charlie Fredieu. Mayor Durbin seconded.

Mayor Hawkins called for any other nominations for chairman.

MOTION: Hearing none, Mayor Durbin moved to close the nominations for chairman of the board of trustees and to re-elect Mr. Fredieu by acclamation. The board unanimously seconded. The motion passed.

Members of the board congratulated Mr. Fredieu on his re-election. Chairman Fredieu resumed the chair.

Chairman Fredieu called for nominations for vice-chairman of the FRS board of trustees.

Mr. Birdwell nominated Mayor Hawkins.

Chairman Fredieu called for any other nominations.

There were no further nominations.

MOTION: Chairman Fredieu moved to close the nominations for vice-chairman of the FRS board of trustees and to re-elect Mayor Hawkins by acclamation. The board unanimously seconded. The motion passed.

Mayor Hawkins was re-elected vice-chairman of the FRS board of trustees.

MONTHLY FLASH REPORT - DECEMBER 2008

Mr. Joe Meals presented the monthly flash report for December 2008. (see attached Exhibit #1) He began by noting that the overall fund was up/down as follows: 02.0% for the month of December as compared to the blended index of 02.1%; and -23.3% for the fiscal year to date as compared to the blended index of -16.5%; and -26.1% for the trailing 12-months as compared to the blended index of -22.1%.

INVESTMENT COMMITTEE REPORT

[NOTE: The investment committee met on January 7, 2009, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the business set forth in its posted agenda. Committee members present included committee Chairman Birdwell, Mayor Hawkins, Ms. Barbara Goodson, Mr. Paul Smith and Mr. Charlie Fredieu].

Mr. Stacy Birdwell, committee chairman, gave the committee report. He stated that the investment committee met on January 7, 2009. At that meeting, the four finalists of the FRS corporate bond manager search were discussed. He then asked Mr. Joe Meals to provide details to the search process and results.

Mr. Meals recalled that, at the December board meeting, the board authorized a search for a corporate bond manager. He said an ad had been published in the national newspaper as well as in the local Louisiana newspaper. He said there were over a dozen inquiries. He said there was also a number of firms that called CSG asking for information. Eight firms said they met all the minimum requirements and were interested in being considered for the search. He said CSG asked them to provide their track record and a marketing brochure about their firm. He said CSG then audited their responses to determine whether they did in fact meet the minimum requirements. He said, out of those eight, only four actually did. One applicant said "we meet all of the requirements except this one item." When we calculated and looked at it they actually did meet all, except one. There were four firms that did meet all of the minimum qualifications. Mr. Meals then drew the board's attention to a search book containing details of those four firms. (see attached Exhibit #2) He said a considerable amount of time was used at the investment committee meeting discussing the different candidates. There are positive and negatives related to each of the four, relative to one another. There are no negatives as it relates to meeting the minimum requirements. The managers were also compared to an index and it was apparent that active management resulted in better performance than the passive approach. Mr. Meals recalled that the investment committee passed a motion recommending inviting three of those four managers to the February investment committee meeting for presentations. One manager, Pyramis, was excluded because they had the lowest ranking of all the firms. But, the other three, Barrow Hanley, Orleans Capital and Riversource, were recommended to be interviewed.

MOTION: Mr. Birdwell acknowledged the recommendation of the investment committee and moved that recommendation in the form of a motion. Mr. Halphen seconded. The motion passed.

Mr. Birdwell then introduced Mr. Matt Ross, a CSG analyst, and he was warmly welcomed by the board.

2008 CONSOLIDATED ANNUAL FINANCIAL REPORT (CAFR)

Ms. Chandler presented the final report concerning the FRS CAFR. (see attached Exhibit #3) She discussed the contents and said the report is substantively the same as was presented last month.

MOTION: Mr. Birdwell moved to approve the 2008 Consolidated Annual Financial Report. Mayor Durbin seconded. The motion passed.

BOLER ACT PROPOSED REGULATION

Mr. Stockstill drew the board's attention to a draft regulation being proposed for promulgation by the FRS board pursuant to the Administrative Procedures Act. (see attached Exhibit #4) He said this subject arises from a situation where a firefighter died and, based on the facts, it was up to the board to determine whether or not he died in the line of duty. He said a bill was passed in the 2008 legislative session to assure that the board has authority to make such a determination. During the legislative process, a provision was added to the bill requiring FRS to promulgate a procedure to follow when exercising that discretion. The proposed regulation sets out the procedure that the board would use in order to exercise that discretion. The procedure is based on what the board already does, it just memorializes it in the form of a regulation. The procedure requires the board to act openly and transparently in a public meeting. Mr. Stockstill asked the board for authority to submit the proposed regulation to the proper state office in substantially the same form as presented to the board. He asked for the latitude to make any additions, corrections, or adjustments that may be required by the state.

MOTION: Mr. Birdwell moved to approve the draft of the proposed regulation titled "Notice of Intent to Adopt a Rule" and to give the executive director the authority to make any changes as may be necessary. Mayor Durbin seconded. The motion passed.

OTHER BUSINESS

Mr. Stockstill informed the board that he had a discussion with Laura Gail Sullivan who is a Senate staff attorney. She had some concerns about the posting of interest to DROP accounts. Her concern questioned how interest was posted to the money market accounts in a period in which money market accounts actually lose money, assuming that situation ever occurred. He said, at this point, it has not occurred and probably will not occur, but it could. He recognized that he stands to be corrected if he misinterpreted her comments, but he believed she felt negative interest should not be posted to money market accounts. She felt the system continues to subsidize the cost of the money market accounts, but the subsidy is not as large as compared to those DROP members who are in the protected class. She gave her input about the wording of the December minutes. He said he could not reword the prior minutes because it reflects the actual board dialogue, but that the minutes for this meeting would reflect her opinion on the subject of DROP interest for money market accounts.

SEMINAR ATTENDANCE

Mr. Stockstill asked for authority to register the FRS accountant, Brent Philip, for attendance at a seminar to be held in Baton Rouge known as the Government Finance Officers Association Conference. Mr. Halphen moved to approve the request. Mr. Birdwell seconded. The motion passed.

Mr. Stockstill asked for authority to register FRS benefit analyst, Jason Starns, and the newly hired legal secretary to attend a seminar on introductory and advanced Excel. Mr. Birdwell moved to approve the motion. Mayor Hawkins seconded. The motion passed.

Mr. John Broussard asked for authority to attend the LATEC conference in New Orleans in February, 2009. Mr. Birdwell moved to approve the request. Mayor Hawkins seconded. The motion passed.

ADJOURNMENT

Being no further business to come before the board, Chairman Fredieu moved to adjourn. The meeting was adjourned without opposition.

FUTURE MEETINGS


**FRS Committee Meeting
at the Public Safety Building
3100 Brentwood Drive,
Baton Rouge, Louisiana
on Wednesday, February 11, 2009, at 2:00 p.m.**

**FRS Board Meeting
at the Public Safety Building
3100 Brentwood Drive,
Baton Rouge, Louisiana
on Thursday, February 12, 2008 at 8:30 a.m.**

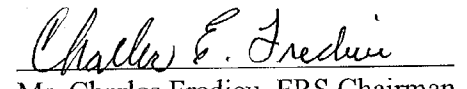
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SUBMITTED BY:


Donna Winchester, FRS Board Secretary

APPROVED BY:


Mr. Charles Fredieu, FRS Chairman