



## **FIREFIGHTERS RETIREMENT SYSTEM**

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### **MEETING OF THE BOARD OF TRUSTEES AUGUST 11, 2011**

A meeting of the board of trustees was held on August 11, 2011 at the Public Safety Building in Baton Rouge. Mr. Charlie Fredieu, Chairman, called the meeting to order at 8:30 a.m.

Mayor Durbin gave the invocation and Mr. Birdwell led the pledge of allegiance.

Ms. Penny Gandy called the roll. A quorum was present.

#### **MEMBERS PRESENT**

Mr. Charlie Fredieu  
Mr. Stacy Birdwell  
Mr. Jerry Tarleton  
Mayor Jimmy Durbin  
Mayor Mayson Foster  
Mr. Paul Smith  
Mr. John Broussard  
Dr. Steven Procopio

#### **OTHERS PRESENT**

Mr. Steven Stockstill  
Ms. Kelli Chandler  
Mr. Jason Starns  
Ms. Penny Gandy  
Mr. Joe Meals  
Mr. Gary Curran  
Mr. Troy Ingram  
Mr. Brandon Smith  
Mr. Freddie Eiseman  
Mr. Anthony Lowe  
Mr. Jim Napper  
Mr. Matt Tessier

Mr. Mark Jolissant  
Mr. Patrick Searcy  
Mr. Kirk Reasonover  
Mr. Nicholas Berg  
Mr. Bob Rust  
Mr. Jim Swanson

#### **MINUTES**

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on July 13, 2011. Mayor Durbin seconded. The motion passed.

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**AUGUST 11, 2011  
PAGE 2**

**APPLICANTS**

- New Members

PROCEDURE: 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.

Mr. Jason Starns presented the list of new member applicants. (see attached Exhibit #1) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new member applicants. Mr. Tarleton seconded. The motion passed.

- 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.

Mr. Starns presented the list of new retirees. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new retiree applicants. Mr. Tarleton seconded. The motion passed.

- 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,

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**AUGUST 11, 2011  
PAGE 3**

payment is made as set forth in the merger agreement (contract) affecting beneficiaries and survivors.] (R.S. 11:2256 and R.S. 11:2259)

Mr. Starns presented the application of Joni Schiller Hill, surviving spouse of Charles Keith Hill. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the surviving spouse application for Joni Schiller Hill. Mayor Durbin seconded. The motion passed.

Kandi Smith/Brandon Smith

Mr. Starns presented the application Kandi Smith, surviving spouse of David Lee Smith. He stated that the application was deferred from the July board meeting at the request of Mark Alan Jolissaint, Attorney at Law, counsel for Kandi Smith.

Mr. Starns stated that the staff recommendation was to deny the surviving spouse benefit for Kandi Smith, based on R.S. 11:2256, which states that the definition of the phrase "surviving spouse" means a spouse that is married to and "living with" the member at the time of death. Kandi Smith was married to David Smith but she was not living with him at the time of his death, all as evidenced by a petition for divorce filed by Kandi Smith.

MOTION: Mr. Birdwell moved to accept the staff recommendation. Mayor Foster seconded. The motion passed.

Mr. Mark Jolissaint, counsel for Kandi Smith, arrived after the proceedings had been held and advised the board that he had submitted a memorandum to the board. He argued that state law establishes that Kandi Smith has a vested interest in the retirement system. He further argued that the board lacks the authority to deny Kandi Smith survivor benefits.

Mr. Starns presented the application of Brandon Smith, surviving child of David Lee Smith. He stated that the application was in order.

Mr. Troy Ingram, Attorney at Law, counsel for Brandon Smith, surviving son of David Lee Smith appeared before the board. Mr. Ingram requested that the board issue the surviving benefit funds immediately to Brandon Smith, due to the incurrence of estate debts.

MOTION: Mr. Birdwell moved to approve the surviving child application for Brandon Smith. Mr. Tarleton seconded.

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**AUGUST 11, 2011  
PAGE 4**

MOTION: Mayor Foster moved to amend the motion to place the funds into administrative escrow for 60 days to allow legal counsel to file any necessary pleadings. Mr. Tarleton seconded. The motion passed.

- Disability Applications

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 advance review. (R.S. 11:215, 216, 218, & 2258)

[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 applicants.]

██████████ Mr. Starns presented the application for disability retirement of ██████████ ██████████ was referred by FRS to the State Medical Disability Board doctor, Dr. Rubin Patel. In his report, Dr. Patel stated, that ██████████ "...is a 54 year-old white male with a history of chronic myelogenous leukemia, which was diagnosed during an ER admission for diverticulitis in 07/2009...The patient was able to tolerate this medication and was considered in remission as of March 2010. The patient tried to return to work in 2009, but was unable due to function as a firefighter due to side effects from the Gleevec. The patient eventually tried to return to work in 2010 while on Sprycel after he was considered in remission, but was unable to continue working after May 14, 2010 due to side effects of Sprycel which included fatigue...The patient continues to have symptoms of fatigue with any type of activity while at home."

"Despite Dr. McGraw's ██████████ statement stating that the patient was in remission from his leukemia, the patient has been unable to return to work due to side effects of his medications that he is taking to allow the leukemia to be in remission. ██████████ has tried multiple times to return to work without success. Due to the reasons listed above, ██████████ should remain permanently disabled from the Firefighters' Retirement System. If ██████████ has his medications adjusted by his oncologist, and he is able to tolerate the side effects and return to work, the patient should be reassessed by a physician with the Firefighters' Retirement System."

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**AUGUST 11, 2011  
PAGE 5**

Based upon the report of Dr. Rubin Patel, the staff recommendation was for the approval of job-related disability retirement and approval for continuance of disability recertifications.

MOTION: Mr. Birdwell moved to accept the staff recommendation. Mr. Tarleton seconded. The motion passed.

Mr. Starns presented the application for disability retirement of [REDACTED] [REDACTED] was referred by FRS to the State Medical Disability Board doctor, Dr. Stephen Wilson. In his report, Dr. Wilson stated, that "This patient has a history of having had difficulty with his neck and back since 1986 when he was injured while fighting a fire and the roof fell in. The patient states that he worked as a regular firefighter up until around 2000. He then started having increased amounts of problems with his neck and back. He subsequently was evaluated and then went back to work with the fire department but changed jobs to where he was an inspector and evaluated fires for cause and possibility or arson." "He has had surgery on his cervical spine in April of 2010. He returned to work in July of 2010 but his back and neck pain became such that he had to stop work in March of 2011." "... I feel that he has impairment of his neck and his lower back. With the disc disease and the spondylolisthesis in his lower back and his increasing degenerative changes in his cervical spine, I do not feel like that this patient can return to work where he is required to lift more than 30 pounds or more than 15 pounds on a regular basis. He should also return to activities that require only a minimal amount of bending, stooping, crawling or climbing." "From the requirements I read for him to return to an investigator and inspector, he is going to have to do climbing and stooping and crawling and I do not think that he will be able to perform these activities. [B]ut I do not think he can return to work as a regular firefighter or as an inspector or fire investigator."

Based upon the report of Dr. Stephen Wilson, the staff recommendation was for the approval of a job-related disability retirement and discontinuance of disability recertifications.

MOTION: Mr. Smith moved to enter executive session. Mr. Birdwell seconded. The motion passed unanimously. The board entered into executive session.

MOTION: Mr. Broussard moved to resume public session. Mayor Foster seconded. The motion passed unanimously. The board resumed public session.

MOTION: Mr. Broussard moved to deny [REDACTED] application for job-related retirement benefits. Mr. Tarleton seconded. The motion passed.

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**AUGUST 11, 2011  
PAGE 6**

**MONTHLY FLASH REPORT - JULY 2011**

Mr. Joe Meals presented the monthly flash report for July 2011. (see attached Exhibit #3) He began by noting that the overall fund was up/down as follows: 0.2% for the month of July as compared to the blended index of 0.1%; 15.3% for the fiscal year to date as compared to the blended index of 10.6%; 2.5% for the trailing 3 years as compared to the blended index of 5.9%.

MOTION: Mr. Smith moved to accept the July 2011 flash report. Mr. Birdwell seconded. The motion passed.

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on August 10, 2011, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the business set forth in its posted agenda. The minutes of that meeting are embedded herein. Committee members present were Stacy Birdwell, chairman; John Broussard, Mayor Mayson Foster, Dr. Steven Procopio, Paul Smith and Charlie Fredieu, ex officio. Also present were Joe Meals, Matt Tessier, Bob Rust, Nicholas Berg, Kirk Reasonover and Van Mayhall.]

Committee chairman Birdwell recognized Mr. Joe Meals to give the investment committee report.

- Land Baron Quarterly Report; Land Baron-  
In re Robert R. Black and Kelly J. Black, Chapter 7 Bankruptcy Debtors, and Mike Chernine,  
Chapter 7 Bankruptcy Debtor

[NOTE: By providing advance 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 litigation strategy regarding the lawsuit cited in agenda item III(1)(B); all pertinent notifications had been provided.]

MOTION: Mr. Birdwell moved to enter executive session. Mayor Durbin seconded. The motion passed unanimously. The board entered into executive session.

MOTION: Mayor Foster moved to resume public session. Mr. Smith seconded. The motion passed unanimously. The board resumed public session.

MOTION: Based on a recommendation of the investment committee, Mr. Smith moved to authorize Van Mayhall to make the bankruptcy trustee an offer of up to 5% for the acquisition of Land Baron's interests in all properties where FRS is a partial owner. Mayor Foster seconded. The motion passed.

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**AUGUST 11, 2011  
PAGE 7**

MOTION: Based on a recommendation of the investment committee, Mr. Smith moved to accept the governmental expropriation of FRS property located in St. George, Utah, upon the final review and approval by Van Mayhall. Mayor Foster seconded. The motion passed.

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

- CA Core Fixed Income and Sand Spring Capital

[NOTE: By providing advance notice on its duly posted agenda, the board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(1) for discussion of the character or professional competence of the juridical entities identified in agenda item III(1)(C); all pertinent notifications had been provided.]

MOTION: Mr. Birdwell moved to enter executive session. Mayor Durbin seconded. The motion passed unanimously. The board entered into executive session.

MOTION: Mayor Durbin moved to resume public session. Mr. Tarleton seconded. The motion passed unanimously. The board resumed public session.

MOTION: Based on a recommendation of the investment committee, Mr. Birdwell moved to authorize the FRS executive director to reject the proposed bankruptcy plan pending receipt of adequate information for the board to evaluate the merits of the matter. Mayor Durbin seconded. The motion passed.

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

- Fletcher Asset Management, Inc.

[NOTE: By providing advance notice on its duly posted agenda, the board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(1) for discussion of the character or professional competence of the juridical entities identified in agenda item III(1)(D); all pertinent notifications had been provided.]

MOTION: Mr. Tarleton moved to enter executive session. Mayor Durbin seconded. The motion passed unanimously. The board entered into executive session.

MOTION: Mr. Birdwell moved to resume public session. Mayor Durbin seconded. The motion passed unanimously. The board resumed public session.

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

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**AUGUST 11, 2011  
PAGE 8**

- Foreign Securities

Mr. Stockstill advised the board that FRS has \$750,000 in taxes that were withheld with regards to foreign securities. He stated that FRS is invested in companies that are domiciled in foreign countries. He further stated that when the securities were purchased in the foreign countries, FRS had to pay tax on the transactions to the foreign government. He further stated that since FRS is a tax exempt entity, the taxes can be reclaimed if the foreign country has a reciprocal tax treaty with the United States. Mr. Stockstill stated that, with board approval, he would like to retain a tax expert with an authorized retainer of up to \$25,000 to handle this matter, if FRS' custodial bank cannot provide the service free of charge.

MOTION: Mr. Broussard moved to accept the staff recommendation. Mr. Birdwell seconded. The motion passed.

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

This concluded the committee report.

**UNCLASSIFIED FRS STAFF POSITION IDENTIFIED AS INVESTMENT OFFICER**

Mr. Stockstill requested that this item be deferred until next month after he receives information requested from other retirement systems regarding the duties and responsibilities of an Investment Officer. Chairman Fredieu advised that the continuance would be granted.

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

**ADJOURNMENT**

There being no further business, the meeting of the FRS board of trustees was adjourned.

**FUTURE MEETINGS**

**FRS Investment Committee  
Public Safety Building  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Wednesday, September 7, 2011 at 3:00 p.m.**

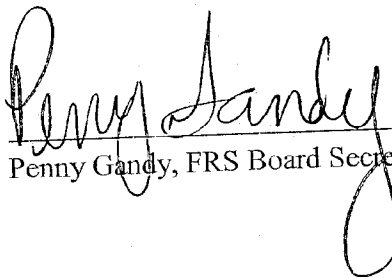


**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

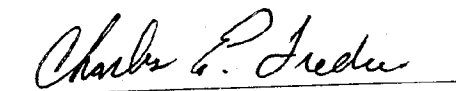
**AUGUST 11, 2011  
PAGE 9**

**FRS Board of Trustees  
Public Safety Building  
3100 Brentwood Drive  
Baton Rouge, Louisiana  
Thursday, September 8, 2011 at 8:30 a.m.**

SUBMITTED BY:

  
Penny Gandy, FRS Board Secretary

APPROVED BY:

  
Mr. Charles Fredieu, FRS Chairman