



FIREFIIGHTERS RETIREMENT SYSTEM

P.O. Box 94095, Capitol Station
Baton Rouge, Louisiana 70804-9095
Telephone (225) 925-4060 • Fax (225) 925-4062



MEETING OF THE BOARD OF TRUSTEES JULY 13, 2011

A meeting of the board of trustees was held on July 13, 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
Mayor Jimmy Durbin
Mr. Jerry Tarleton
Mr. Paul Smith
Mr. John Broussard

OTHERS PRESENT

Mr. Steven Stockstill
Ms. Kelli Chandler
Mr. Jason Starns
Ms. Penny Gandy
Mr. Joe Meals
Mr. Gary Curran
Mr. Patrick Searcy
Mr. Eddie Appel
Mr. Troy Serigne
Mr. Van Mayhall

MINUTES

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on June 9, 2011. Mr. Tarleton seconded. The motion passed.

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on June 24, 2011. Mr. Tarleton seconded. The motion passed.

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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. Smith 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 from 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)

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Mr. Starns presented the application of Shirley Marie Richard, named beneficiary of James Harold Boutte. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve the surviving benefit application for Shirley Marie Richard. Mr. Tarleton seconded. The motion passed.

Mr. Starns presented the application of Donna Young Deshotel, surviving spouse of Thomas Ray Deshotel. He stated the application was in order.

MOTION: Mr. Birdwell moved to approve the surviving spouse application for Donna Young Deshotel. Mr. Tarleton seconded. The motion passed.

Mr. Starns presented the application of Verdell Johnson Moore, surviving spouse of J. V. Moore. He stated the application was in order.

MOTION: Mr. Birdwell moved to approve the surviving spouse application for Verdell Johnson Moore. Mr. Smith seconded. The motion passed.

Kandi Smith/David Lee Smith

Mr. Starns stated that Mark Alan Jolissaint, Attorney at Law, had recently been retained by Ms. Kandi Smith in the matter of the Succession of David Lee Smith. He further stated that Ms. Smith is the surviving spouse of David Lee Smith and she has applied for survivor benefits. He said Mr. Jolissaint requested a continuance of Ms. Smith's application and that of the surviving son, David Lee Smith, until the August board meeting. (see attached Exhibit #3) Chairman Fredieu announced that the continuance would be granted.

- 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)

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[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 ██████████. Mr. ██████████ was referred by FRS to the State Medical Disability Board doctor, Dr. Thad Broussard. In his report, Dr. Broussard stated, that "...complaints of pain in his hip which he states dates back to stepping in a hole while he was cutting grass at a fire station. He was seen by a physician who felt that he had a muscle strain and released him to work on June 1st. He apparently had a followup of visit with physicians later in June on or about the 23rd of that month and given more pain in the hip having to do with getting off of a truck at which time the record indicates that the physician felt that this was a new injury. There is also a history that he was involved in a motor vehicle accident later in the year and apparently injured his back and may have had associated hip discomfort as well. In any case it appears that based on the history from the patient that he continued to have hip discomfort which ultimately resulted in him undergoing additional work up. The said work up including right hip arthogram indicated consideration of damage to his labrum of the hip which would explain his symptoms and ultimately lead him to having an injection of steroid in the area of the hip by one of his treating physicians. He does state that the injection did help him but that it has worn off now and he is considering having another injection. I have frankly asked him if he thinks he could return to work and he states that the hip gives out on him and he cannot predict when it is going to happen but it can cause him to lose his balance or fall which is his major complaint..." "I really do not have any hard objective findings on physical exam. I have his subjective complaints. His exam is essentially normal in my office. However, the MRI is an objective study and it does show a labral tear. It appears that this tear occurred after the date of membership in the system on December 10, 1991. This type of injury would result in the patient being incapacitated so as to prevent further performance of normal duties and would be considered permanent unless address surgically which has not been done up to this time with no guarantee that surgery would correct it. Based on this patient's history and the review of the record forwarded to me I cannot say that this is a result received in the line of duty but certainly occurred after his date of membership as previously noted. The problem with this injury is should he be in a particular situation putting stress across the hip that it causes the hip to buckle and actually injure himself or others how he might be trying to assist or help. This would not preclude him from being able to perform other jobs or other activities but as stated would be incapacitating to pursue his position as a firefighter."

Based upon the report of Dr. Thad Broussard, the staff recommendation was for the denial of job-related disability retirement.

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

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

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

[REDACTED] - Ms. Gandy presented the application for disability retirement of Mr. [REDACTED]. Ms. Gandy stated that the applicant was referred by FRS to the State Medical Disability Board doctor, Dr. Thad Broussard. In his report, Dr. Broussard stated, that [REDACTED] "...was working as a firefighter and was in fact at a fire fighting school training for a car extraction in Ruston at the training facility and was lifting on a car and developed pain in his back. This occurred in March of 2007." Dr. Broussard said he had "reviewed this patient's Functional Capacity Evaluation. The Functional Capacity Evaluation was functionally measured and is not able to return to his job as a firefighter. After review of all the information forwarded to me I would agree with the therapist in that the patient is totally incapacitated so as to prevent his further performance of his normal duties. I do believe this incapacity is likely going to be permanent. The condition occurred beginning March of 2007 which is after the date of his membership in the system on June 23, 2000. I do believe that this patient may have the ability to perform other less strenuous activities of gainful and functional employment outside his job as a firefighter however."

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

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

- Disability Conversion Applicant

PROCEDURE: Retirees who apply for conversion from regular retirement to a disability retirement are required to submit detailed medical information as part of the application in support of their claim that the disability was job-related and occurred during active employment as a firefighter, even though the actual physical disability may not have become manifest until after the effective date in DROP or after commencement of service retirement. Once received, the application is reviewed by staff and medical records are forwarded to a State Medical Disability Board doctor to determine if sufficient documentation is present to certify that the retiree's disability occurred during active employment and was a direct result of working as a firefighter. If the medical information submitted is not sufficient for the doctor to determine the date and cause of the disability, then an appointment is scheduled for the applicant to undergo a physical examination. For the applicant to become eligible for conversion, the State Medical Disability Board doctor must furnish a medical report certifying the retiree's disability and that the disability was a direct result of employment as a firefighter. (R.S. 11:2258(B) and Administrative Rule)

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[REDACTED] - Mr. Starns presented the application for disability conversion of Mr. [REDACTED]. Mr. Starns stated that this item was discussed at the March board meeting. Mr. Starns stated that the board took no action at that time and letter was sent to the State Medical Disability Board doctor, Dr. Glenn Gomes, asking follow up questions in response to his report. Mr. Starns advised the board that after repeated letters and requests, Dr. Gomes has not responded to the letters. Mr. Starns stated that based on Dr. Gomes' initial report, the staff recommendation would be denial for disability conversion.

Chairman Fredieu said that, based on certain seemingly contradictory statements contained in Dr. Gomes report and his not responding to FRS' repeated requests for clarification, he felt it was appropriate to refer [REDACTED] to a second doctor for a clarifying opinion.

MOTION: Mr. Birdwell moved to send [REDACTED] to a second doctor. Mr. Smith seconded. The motion passed.

MONTHLY FLASH REPORT - JUNE 2011

Mr. Joe Meals presented the monthly flash report for June 2011. (see attached Exhibit #4) He began by noting that the overall fund was up/down as follows: -0.5% for the month of June as compared to the blended index of -0.8%; 18.8% for the fiscal year to date as compared to the blended index of 14.2%; 1.7% for the trailing 3 years as compared to the blended index of 5.7%.

MOTION: Mr. Broussard moved to accept the June 2011 flash report. Mr. Tarleton seconded. The motion passed.

**COMMITTEE REPORTS-
INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on July 12, 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, and Charlie Fredieu, ex officio. Also present were Joe Meals, Laura Gail Sullivan and Lauren Bailey.]

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

- 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

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professional competence of the juridical entities identified in agenda item III(1)(B); all pertinent notifications had been provided.]

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

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

MOTION: Based on a recommendation of the investment committee, Mr. Broussard moved to authorize the formation of a team to go to New York and examine the records of the FRS investments managed by Fletcher Asset Management. The team is to be comprised of Stacy Birdwell, Kelli Chandler, Joe Meals, and a industry professional to be retained by Steven Stockstill upon the approval of the chairman of the board and the chairman of the investment committee. Mr. Tarleton seconded. The motion passed.

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

- Due Diligence policy procedures regarding FRS investment managers

Mr. Meals advised the board that the investment committee discussed the procedures for conducting manager searches and making investment allocation decisions. (see attached Exhibit #5) He said the committee recommended that the investment consultant be required to provide the board with a report and a packet of information on any manager that is going to be considered for hiring, at least one month before the decision is to be made. Mr. Meals also said that, if there is a change in an asset class, then information must be provided to support the rationale of the decision at least one month in advance. Mr. Meals said the investment committee recommended that the full board adopt the proposed due diligence procedures.

MOTION: Based on recommendation of the investment committee, Mr. Broussard moved to accept the proposed due diligence procedures. Mr. Tarleton seconded. The motion passed.

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

- Land Baron Quarterly Report

Mr. Meals advised the board that Land Baron, an existing FRS manager, sent a quarterly property report. (see attached Exhibit #6) He said that there was only one noteworthy update regarding the FRS owned property managed by Land Baron. He said that two of three phases on the road construction around the St. George Air Parc, an existing FRS investment, are completed and open

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to the public. Mr. Meals said that the third phase of the road construction has been funded and approved and construction should be completed sometime in 2012.

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

JOINT BUDGET & FINANCE COMMITTEE AND PERSONNEL COMMITTEE

[NOTE: The FRS Budget & Finance Committee and Personnel Committee held a joint meeting on July 12, 2011, at the FRS office in Baton Rouge at 2:00 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, co-chairman, Mayor Mayson Foster, co-chairman; John Broussard, Mayor James Durbin, Dr. Steven Procopio, Paul Smith, Jerry Tarleton and Charlie Fredieu, ex officio. Also present was Laura Gail Sullivan and Lauren Bailey.]

Mr. Birdwell advised the board that the FRS Budget & Finance Committee meeting jointly with the Personnel Committee discussed the creation of an unclassified staff position, whose title would be Investment Officer, to be funded and filled at a later date, with a salary ranging between \$45,000 to \$100,000. Mr. Birdwell advised that the joint committee recommended this to the full board.

MOTION: Mr. Birdwell moved to accept the joint committees' recommendation. Mr. Broussard seconded. The motion passed.

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

This concluded the committee reports.

**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(2); all pertinent notifications had been provided.]

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

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

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Mr. Stockstill recommended that the board authorize the executive director to exercise supervisory authority regarding the law firm of Breazeale, Sachse and Wilson, to seek an extension of the time allowed for Black/Chernine creditors to challenge the discharge of their estate debt being administered in Nevada bankruptcy court, and to retain Nevada counsel pursuant to local rules regarding out of state litigants; with an authorized expenditure of up to \$10,000 for the initial action, with an additional authority up to \$5,000 if the representative of the Breazeale law firm indicates that the initial action cannot be concluded without the additional expenditure.

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

Mr. Stockstill recommended that the board invite the representative from Breazcale, Sachse and Wilson, to appear at the August 2011 board meeting and present a budget for the expected costs related to the Black/Chernine bankruptcy.

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

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

2011 REGULAR LEGISLATIVE SESSION

Mr. Stockstill discussed the key provisions of the bill that originated as House Bill 332. (see attached Exhibit #7). He said that new employee and employer contribution rates have been established. The employee rate will range from 8% to 10%. He said the bill addresses the FRS unfunded accrued liability by allowing the board to maintain higher employer contribution rates in years where it would ordinarily be decreasing, but only if the overall employer rate is at or less than 15%. The surplus employer funding can only be applied toward reduction of the system's unfunded accrued liability. Mr. Stockstill said the Funding Review Panel will call its first meeting on or before August 31, 2011. He said that the LMA and Louisiana Conference of Mayors will now staff the Funding Review Panel. Two mayors will now be appointed to the Municipal Police Employees' Retirement System's board. He briefly discussed the anti-spiking provisions of the bill.

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.

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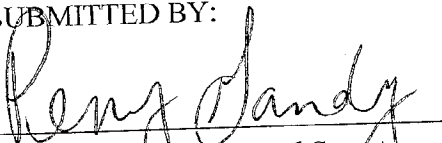
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FUTURE MEETINGS

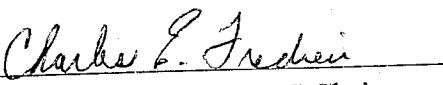
**FRS Investment Committee
Public Safety Building
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, August 10, 2011 at 3:00 p.m.**

**FRS Board of Trustees
Public Safety Building
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, August 11, 2011 at 8:30 a.m.**

SUBMITTED BY:


Penny Gandy, FRS Board Secretary

APPROVED BY:


Mr. Charles Fredieu, FRS Chairman