



FIREFIGHTERS RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES JULY 12, 2012

A meeting of the board of trustees was held on July 12, 2012 at the Public Safety Building in Baton Rouge. Mr. Charlie Fredieu, Chairman, called the meeting to order at 8:30 a.m.

Mayor James Durbin gave the invocation and Mayor Mayson Foster led the pledge of allegiance.

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

MEMBERS PRESENT

Mr. Charlie Fredieu
Mr. John Broussard
Mayor James Durbin
Mayor Mayson Foster
Mr. Perry Jeselink
Dr. Steven Procopio
Mr. Jerry Tarleton

OTHERS PRESENT

Steven Stockstill	Danny Laird
Layne McKinney	David Rogan
Kelli Rogers	
Jason Starns	
Penny Gandy	
Greg Curran	
Stephanie Little	
Margaret Corley	
Ralph Hardy	
Joshua Hardy	

MINUTES

MOTION: Mayor Durbin moved to approve the minutes of the board meeting held on June 14, 2012. Mr. Tarleton seconded. The motion passed.

APPLICANTS

- New Members

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 2**

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 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.

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

MOTION: Mr. Jeselink 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. Jeselink 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

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 3**

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)

Mr. Starns presented the application of Marlene Degroat Daniels, surviving spouse of Ernest Ray Daniels. He stated that the application was in order.

MOTION: Mr. Jeselink moved to approve the application for Marlene Degroat Daniels. Mr. Tarleton seconded. The motion passed.

Mr. Starns presented the application of Betty Matherne, surviving spouse of Oliver Joseph Matherne. He stated that the applications were in order.

MOTION: Mr. Jeselink moved to approve the application for Betty Matherne. 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 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 any privacy protected physical or mental health information related to the disability applicants.]

██████████ Mr. Starns presented the application for disability retirement of ██████████ Mr. Starns stated that ██████████ was seen by State Medical Disability Board doctor, Dr. Thad Broussard

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 4**

on April 17, 2012. Mr. Starns said, based upon the report of Dr. Broussard, the staff recommendation was for denial of disability benefits.

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

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

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

- Disability Recertification Applicants

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, unless a waiver is granted by the FRS board of trustees. The state medical disability board doctor's report has been provided to the board trustees.

[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 recertification of [REDACTED]. Mr. Starns stated that the applicant was seen by Dr. Thad Broussard, the State Medical Disability Board doctor on June 19, 2012. In his report, Dr. Broussard stated, that "It is my opinion that this patient is totally incapacitated which prevents further performance of her normal duties and I do believe that this incapacity is likely permanent. I do believe that the condition causing the disability incurred after her date of membership in the system of April 9, 2001. It is possible that she could perform some other employment status outside that of a firefighter. She is apparently still treating with her physicians which I have recommended that she continue."

Based upon the report of Dr. Thad Broussard, the staff recommendation was for the continuation of disability retirement and the discontinuance of disability recertification.

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

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 5**

[REDACTED] Mr. Starns presented the application for disability recertification of [REDACTED]. Mr. Starns stated that the applicant was seen by Dr. Lawrence Wade, the State Medical Disability Board doctor on June 7, 2012. In his report, Dr. Wade stated, that "Notwithstanding, however, his improved insight and greater degree of stability that has resulted from his consistent compliance with prescribed treatments, it is my opinion that he is totally and permanently disabled for his job as a firefighter. It is my opinion that this total and permanent disability commenced during the time of his enrollment in the Firefighters' Retirement System. I therefore recommend that he should continue on psychiatric disability retirement status. It is my further opinion that his mental disorder is such that it should not be expected that he will ever regain the capacity to function as a firefighter."

Based upon the report of Dr. Lawrence Wade, the staff recommendation was for the continuation of disability retirement and the discontinuance of disability recertification.

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

- Disability Conversion Applicants

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)

[REDACTED] Ms. Gandy presented the application for disability conversion of [REDACTED]. Ms. Gandy stated that [REDACTED] was seen by State Medical Disability Board doctor, Dr. Glenn Gomes on May 23, 2012. In his report, Dr. Gomes stated, "It is my opinion that [REDACTED] is permanently impaired and disabled from performing his work as a fireman. [REDACTED] has chronic obstructive pulmonary disease/emphysema. This is due to his prior history of cigarette smoking and smoke inhalation. [REDACTED] became incapacitated during the course of his work and during the time of his employment as a firefighter. This incapacity and disability are likely to be permanent."

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 6**

"In your April 19, 2012, letter, you asked that I state whether the condition causing his disability incurred before, during or after the date of membership in the system. Your letter notes that he was enrolled in the Firefighters' Retirement System on November 22, 1982. His disability occurred after his date of enrollment of membership in the system." "Furthermore, it is my opinion that the conditions causing his disability occurred during active employment as a firefighter. His symptoms became more severe in and around the time of 2005. His physical impairment became more manifest during this time. From my understanding, this is a number of years before his commencement of employment as a firefighter in December 2011. I do not believe that his lung condition was a preexisting condition."

Based upon the report of Dr. Glenn Gomes, the staff recommendation was for approval of disability conversion and discontinuance of the disability recertification requirements.

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

Ms. Gandy presented the application for disability conversion of [REDACTED]. Ms. Gandy stated that [REDACTED] was seen by State Medical Disability Board doctor, Dr. Roland Bourgeois on May 22, 2012. In his report, Dr. Bourgeois stated, "I believe that [REDACTED] does appear to be a candidate for disability at present. He has severe dyspnea on exertion and what appears to be moderate aortic valve stenosis. In addition, his Lisinopril and Amlodipine doses both be cut in half. He should follow-up with Dr. Siegel as soon as possible and arrange for a right and left heart catheterization with coronary angiography to assess his aortic valve stenosis given the severity of his symptoms."

Based upon the report of Dr. Roland Bourgeois, the staff recommendation was for approval of disability conversion and discontinuance of the disability recertification requirements.

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

ANNUAL ACTUARIAL CONTRACT

Mr. Stockstill presented the board with a copy of the annual actuarial contract. (see attached Exhibit #3) He recalled that a copy of the annual actuarial contract was provided to the board members last month with a delay until this month for final consideration. During discussions of the contract Mr. Stockstill asked Mr. Greg Curran if Curran & Associates would conduct an actuarial study to forecast the expected increase in the FRS employer contribution rate for Fiscal Year 2013-14. He asked if the study would provide a list of the multiple contributing factors of the expected increase and the percentage that each such factor contributes to the overall increase. He asked Mr. Curran if

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 7**

such a study would increase the cost of the annual actuarial contract. Mr. Curran said that his firm would conduct the study at no additional cost so the contract would not need to be modified.

Mayor Durbin asked when the deliverable date would be for the study. Mr. Curran replied that it depends on the date that the FRS auditors complete the system's audit and provide the results to Mr. Curran's office. He said that usually occurs in October and the actuarial valuation is usually provided in November. He further said that if the report is done on the basis of investment returns only, then he can provide an estimate of the next year's increase probably by September 2012.

Mr. Curran acknowledged that the five-year smoothing period used as an accounting method by most retirement systems, including FRS, is going to cause an increase in the FY 2013-14 employer contribution rate. It was likewise observed that two years from now, the system is going to look like it took steps to improve the portfolio because the FY 2008 investment returns will no longer be included in the five-year smoothing average. Because the FY 2008 was a historical down year, when that year drops out of the average, then it will no longer inflate the employer contribution rate.

MOTION: After further discussions, Mr. Broussard moved to approve the actuarial contract with G.S. Curran and Associates for FY 2012-13. Mr. Tarleton seconded. The motion passed.

REQUEST FOR PROPOSAL - INVESTMENT CONSULTING SERVICES

Ms. Chandler, FRS Investment Officer, presented the proposed RFP to the board. (see attached Exhibit #4) She first drew the board's attention to the RFP eligibility requirements, timing of the RFP activity, and the staff involvement. Ms. Chandler described the minimum eligibility requirements and highlighted the fact that respondents are required to submit a transmittal letter from the firm's presiding officer confirming that the respondent meets all of the minimum requirements. She then described the activity timeline and highlighted the fact that final proposals are due on or before September 14, 2012, by 5:00 p.m. CST. She also described the process the staff will use to interview selected candidates prior to the board interviews. She said these comprehensive interviews are likely to last for at least one half of a business day, maybe longer. The staff will then submit its own list of recommended finalists to the board. However, the board will ultimately select the candidates for board interviews and those candidates may or may not be the same as those recommended by the staff.

Chairman Fredieu asked if, based on the proposed RFP, the board interviews would occur in one day or over a two day period like was used when the board last selected an investment consultant? Ms. Chandler said that depends on how many candidates the board decides to interview and that decision will be made by the board on October 11, 2012.

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 8**

Mr. Broussard observed that a couple of board meetings will be held before the October meeting and the board will have opportunities to alter the process in the meantime.

MOTION: After further discussions, Mayor Foster moved to accept the Request For Proposal as submitted by staff and to implement the search process in accordance with the activity schedule set forth therein. Mayor Durbin seconded. The motion passed.

MONTHLY FLASH REPORT - JUNE 2012

Mr. Joe Meals forwarded the monthly flash report for June 2012. (see attached Exhibit #5) The overall fund was up/down as follows: 1.6% for the month of June as compared to the blended index of 2.5%; -1.1% for the fiscal year to date as compared to the blended index of 6.2%; and 9.4% for the trailing 3 years as compared to the blended index of 12.7%.

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: There was no investment committee meeting for the month of June 2012.]

IN THE MATTER OF FIA LEVERAGED FUND

[NOTE: By giving notice on its duly posted agenda, the FRS board of trustees reserved its right to enter executive session pursuant to R.S. 42:17(A)(1) for discussion of character or professional competence of the juridical entities identified in agenda item III(6); the board of trustees further reserved its right to enter executive session pursuant to R.S. 42:17(A)(2) for discussion of strategy or negotiations with respect to actual or prospective litigation where an open meeting would have a detrimental effect on the litigating position of FRS in the judicial matters cited in agenda item III(6); all pertinent notifications had been provided.]

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

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

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

FRS EMPLOYER ENROLLMENT PROCESS

This item was deferred until the August 2012 board meeting.

**FIREFIGHTERS' RETIREMENT SYSTEM
BOARD MEETING**

**JULY 12, 2012
PAGE 9**

ADJOURNMENT

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

FUTURE MEETINGS

**FRS System's Recommendation Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, August 8, 2012 at 2:00 p.m.**

**FRS Investment Committee
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, August 8, 2012 at 3:00 p.m.**

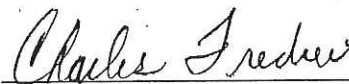
**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, August 9, 2012 at 8:30 a.m.**

SUBMITTED BY:



Steven Stockstill, Executive Director

APPROVED BY:



Mr. Charles Fredieu, FRS Chairman