



FIREFIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES January 8, 2020

A meeting of the Board of Trustees was held on January 8, 2020 at the Firefighters' Retirement System building in Baton Rouge, Louisiana. Chairman Stacy Birdwell called the meeting to order at 8:30 a.m.

Mr. Jeselink gave the invocation and Mr. Romero led the pledge of allegiance.

Ms. Duhe called the roll. A quorum was present.

MEMBERS PRESENT

Mr. Stacy Birdwell
Mr. Perry Jeselink
Mr. Afranie Adomako (designee of Commissioner Jay Dardenne)
Mayor David Amrhein
Treasurer John Schroder
Mr. Louis Romero
Mr. Jerry Tarleton
Mayor Ronny Walker

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Michael Becker
Jason Starns
Ben Johnson
Brandon Trahan
Ashley Duhe
David Barnes
Elizabeth Thornton
Dawn Moeller
Greg Curran
John Broussard
Paul Schmitt
Timothy Keenan
Garth Wieger
Mike Hoover
Brenden Espie

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ELECTION OF BOARD OFFICERS

Chairman. Mr. Birdwell conducted the election of chairman for the FRS board of trustees. Upon call for nominations, Mr. Romero nominated Stacy Birdwell for the position of FRS board chairman. Upon three calls for further nominations, no other nominees were submitted for consideration.

MOTION: After three unanswered calls for further nominations, Mr. Jeselink moved that nominations be closed and Mr. Birdwell be deemed elected by acclamation to the position of FRS board chairman. Mayor Walker seconded. The motion passed.

Vice Chairman. Mr. Birdwell conducted the election of vice-chairman for the FRS board of trustees. Upon call for nominations, Mr. Romero nominated Perry Jeselink for the position of FRS board vice-chairman. Upon three calls for further nominations, no other nominees were submitted for consideration.

MOTION: After three unanswered calls for further nominations, Mayor Walker moved that nominations be closed and Mr. Jeselink be deemed elected by acclamation to the position of FRS board vice-chairman. Mr. Adomako seconded. The motion passed.

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

MINUTES

MOTION: Mr. Tarleton moved to approve the minutes of the board meeting held on December 11, 2019. Mayor Walker seconded. The motion passed.

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

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 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,

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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 for the month of January 2020. (see attached Exhibit #1) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the new member applicants for the month of January 2020. Mr. Romero seconded. The motion passed.

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.

Mr. Starns presented the list of new retirees for the month of January 2020. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the retiree applicants for the month of January 2020. Mayor Walker seconded. The motion passed.

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 licence (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.

[EDITORIAL 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)

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Toni Migue Bourque- Mr. Starns presented the application of Toni Migue Bourque, surviving spouse of Ronald James Bourque. He stated that the application was in order.

MOTION: Mr. Tarleton moved to approve the application of Toni Migue Bourque. Mr. Romero seconded. The motion passed.

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

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

[**EDITORIAL 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.]

██████████ - Mr. Starns presented the disability application of ██████████. Mr. Starns stated that, based on the report by State Medical Disability Board Doctor, Dr. Douglas Mendoza, the staff recommendation was for conditional approval of the Application for Disability Retirement (Job-Related) and suspending the requirement of disability recertification. Mr. Starns stated that he sent a letter to Dr. Mendoza requesting clarification regarding the permanency of the applicant's disabling condition, which is pending a response. Mr. Starns said that, if the doctor does not confirm that the disabling condition is permanent, then the application will be re-submitted to the board.

MOTION: Mr. Tarleton moved to accept the staff recommendation regarding ██████████ pending receipt of clarification from Dr. Mendoza. Mr. Jeselink seconded. The motion passed.

[**EDITORIAL NOTE:** Following the discussion of this matter, Mr. Stockstill stated that a very narrow and limited precedent is being set by the board's conditional approval of a disability application that was not yet complete due to the pending response from the attending physician. He clarified that the precedent is as follows- Where both (1) the applicant is "coded as deceased" while at work but is later revived and (2) where the State Medical Disability Board doctor's report is not clear regarding the permanency of that formerly deceased applicant's disabling condition, then the application can be given conditional approval by the board, pending receipt of follow-up confirmation of permanency from the doctor. In that narrow situation, the FRS staff may forward the

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incomplete application to the board for consideration. Mr. Stockstill emphasized that, according to the limited nature of the circumstances, the precedent of submitting an incomplete application to the board would only apply in the future if the applicant was coded as deceased while at work and the doctor was not clear regarding permanency.]

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

THE FRS BOARD MEETING WAS RECESSED

THE FRS-LB#1 LLC ADVISORY COMMITTEE WAS CONVENED

[NOTE: The FRS-LB#1 LLC Advisory Committee met on January 8, 2020, at the FRS office in Baton Rouge at 8:30 a.m. to discuss the following business set forth in its posted agenda- (I) Discussion and advice regarding possible collaboration with real estate broker and contiguous landowners to negotiate concessions from the City of Surprise, Arizona (or any other local county or municipality) regarding a certain tract of land owned by FRS-LB#1, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Stockstill, manager; Mr. Birdwell, Mr. Jeselink, Mr. Adomako, Mayor Amrhein, Treasurer Schroder, Mr. Romero, Mr. Tarleton, and Mayor Walker. Also present were Layne McKinney, Michael Becker, Ben Johnson, Jason Starns, Brandon Trahan, Ashley Duhe, David Barnes, John Broussard, Elizabeth Thornton, Dawn Moeller, Greg Curran, Paul Schmitt, Garth Wieger, Timothy Keenan, Mike Hoover, and Brenden Espie.]

- **City of Surprise**

Treasurer Schroder addressed the committee. He recalled that guests from the Surprise, AZ community had been invited to attend the January 2020 FRS-LB#1 advisory committee meeting to make a presentation regarding the property owned by FRS-LB#1. The guests introduced themselves to the committee. The guests were: Garth Wieger, CEO and Chairman of Montage Holdings, Timothy Keenan, partner of Montage Holdings, Mike Hoover, Economic Development Manager of Surprise, and Brenden Espie, Assistant Fire Chief of Surprise. Mr. Wieger and Mr. Keenan started with a presentation of the company, Montage Holdings. Montage Holdings has sponsored and managed various real estate investments, including the purchase of 10,000 acres of raw land in Maricopa County, Arizona in late 2006 as well as the start-up of Cadence Homes in 2008. (see attached Exhibit #3) Mr. Wieger explained that Surprise will be one of the fastest developing communities in the nation over the course of the next ten years. He explained the history of growth within the community and future growth. Mr. Wieger said the top thirty builders in the city perform 90% of the sales. The Phoenix marketplace is putting a demand on not only homes but also on lots to build. This then leads to the FRS property, Cielo Crossing,

because it is in the perfect path for upcoming growth. Mr. Wieger explained that a typical subdivision in Phoenix consists of one hundred lots that usually sell over an 18-24 month period. He stated that in the next ten years the city is projected to have about one million people, which is 260 thousand homes. As a whole, that is 75 thousand acres of development during that ten year time frame. There is a main highway that runs adjacent to the FRS property and this has become a very significant employment corridor. Mr. Wieger then showed a series of maps and charts explaining each area of growth throughout the Surprise area. Mr. Hoover and Mr. Espie addressed the committee regarding Cielo Crossing. Mr. Hoover explained that the city is continually growing. He stated how the industrial employment has grown towards the west of the city and it is now starting to grow north. He showed slides of companies, restaurants, and businesses that have been showing much activity and growth throughout the surrounding areas. Mr. Espie explained that the city is in the process of building the largest fire station in the area, which will be fairly close to the FRS property. He explained that the city is back on track with investing in public safety. Mr. Hoover believes that the property FRS owns is the next place that growth will occur, which would include an industrial park or business park. The guests then answered questions from the committee.

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

THE FRS-LB#1 LLC ADVISORY COMMITTEE WAS ADJOURNED

**THE FRS-LB LLC, FRS-LB#1 LLC, FRS-LB#3 LLC, AND FRS-GA LLC
JOINT ADVISORY COMMITTEE WAS CONVENED**

[NOTE: The FRS-LB LLC, FRS-LB#1 LLC, FRS-LB#3 LLC, and FRS-GA LLC Joint Advisory Committee met on January 8, 2020, at the FRS office in Baton Rouge at 8:30 a.m. to discuss the following business set forth in its posted agenda- (I) Discussion and advice regarding Agreed Upon Procedures report produced by Office of Louisiana Legislative Auditor regarding Limited Liability Corporations identified as FRS-LB, FRS-LB#1, FRS-LB#3, and FRS-GA, and all related matters. The minutes of that meeting are embedded herein. Committee members present Mr. Stockstill, manager; Mr. Birdwell, Mr. Jeselink, Mr. Adomako, Mayor Amrhein, Treasurer Schroder, Mr. Romero, Mr. Tarleton, and Mayor Walker. Also present were Layne McKinney, Michael Becker, Ben Johnson, Jason Starns, Brandon Trahan, Ashley Duhe, David Barnes, John Broussard, Elizabeth Thornton, Dawn Moeller, Grey Curran, Paul Schmitt, Garth Wieger, Timothy Keenan, Mike Hoover, and Brenden Espie.]

- Agreed Upon Procedures

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Ms. Dawn Moeller, Audit Manager, Office of the Louisiana Legislative Auditor, presented a report compiled by the Louisiana Legislative Auditor titled "Agreed-Upon Procedures Report" and answered all questions that arose relative thereto. (see attached Exhibit #4)

MOTION: Mr. Jeselink moved to accept the report titled "Agreed-Upon Procedures Report" as presented. Mr. Tarleton seconded. The motion passed.

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

**THE FRS-LB LLC, FRS-LB#1 LLC, FRS-LB#3 LLC, AND FRS-GA LLC
JOINT ADVISORY COMMITTEE WAS ADJOURNED**

THE FRS BOARD MEETING WAS RECONVENED

FRS EMPLOYER PENSION REPORT

Ms. Moeller, presented a report compiled by the Office of Legislative Auditor titled "Employer Pension Report for the Year Ended June 30, 2019." (see attached Exhibit #5) She explained the report on a line-by-line basis and answered all questions that arose relative thereto.

MOTION: Mr. Jeselink moved to accept the report titled "Employer Pension Report for the Year Ended June 30, 2019" as presented. Mr. Tarleton seconded. The motion passed.

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

MONTHLY FLASH REPORT - DECEMBER 2019

Due to the date of the board meeting and the timing of the investment data availability, or lack thereof, there was no flash report for the month of December 2019. In lieu thereof, Mr. Barnes presented and explained a chart containing the composite returns for each major asset class. (see attached Exhibit #6)

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

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met on January 7, 2020, at the FRS office in Baton Rouge at 3:00 p.m. to discuss the following business set forth in its posted agenda- (i) The FRS monthly investment performance results for December 2019, (ii) NEPC 2020 Asset Allocation Update, (iii) Greenspring Global Partners - General Partner Consent, (iv) Virtue (Knight) Financial - Commission Recapture Letter, (v) Update regarding FRS portfolio management company known as Fisher

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Investments, and all matters related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Jeselink, chairman; Mr. Adomako, Mr. Broussard, and Mr. Romero. Also present were Mr. Birdwell, Steven Stockstill, Layne McKinney, Michael Becker, Ashley Duhe, Griffin Guzan, David Barnes, and Elizabeth Thornton.]

Mr. Jeselink gave the investment committee report. In doing so he recognized Mr. Barnes who recalled his presentation of the investment performance results to the Investment Committee for the month of December 2019. (see minute entry above captioned as "Monthly Flash Report - December 2019")

- NEPC 2020 Asset Allocation Update

Mr. Jeselink stated that Mr. Barnes with NEPC presented a report to the committee titled "Asset Allocation Update". (see attached Exhibit #7) Mr. Jeselink said the report was presented for educational purposes and the investment committee took no action on this item.

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

- Greenspring Global Partners - General Partner Consent

Mr. Jeselink stated that Mr. Michael Becker, FRS CIO, presented a letter to the committee titled "Greenspring Global Partners - General Partner Consent". (see attached Exhibit #8) Mr. Jeselink said that the letter was presented for informational purposes and the investment committee took no action on this item.

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

- Virtue (Knight) Financial - Commission Recapture Letter

Mr. Jeselink stated that Mr. Michael Becker, FRS CIO, presented a letter to the committee titled "Virtue (Knight) Financial - Commission Recapture Letter". (see attached Exhibit #9) Mr. Jeselink said this template of a letter was provided to FRS by Virtue Financial as a convenience, and the letter itself is designed to remind certain FRS investment managers to utilize the FRS commission recapture program, subject to the terms explained therein. Mr. Jeselink explained that Mr. Becker told the committee that, if the board desires, he will modify the letter to fit the objectives in the FRS written investment policy and then send the letter to all six of FRS' investment managers to which it would apply, on a yearly basis. The committee voted to recommend to the full board Mr. Becker's idea of modifying and distributing the letter on a yearly basis.

MOTION: Mr. Jeselink moved the investment committee's recommendation in the form of a motion. Mr. Adomako seconded. The motion passed.

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

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- Fisher Investments - Monthly Update

Mr. Jeselink stated that Mr. Barnes reported no new updates regarding Fisher Investments for this month and that Mr. Barnes expected to continue receiving monthly updates. Mr. Barnes said he will report to FRS any matters of concern to NEPC.

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

That concluded the Investment Committee report.

PROPOSED LEGISLATION

[**EDITORIAL NOTE:** The following bill drafts were approved for submission to the Louisiana House of Representatives at the FRS board meeting held on December 11, 2019. See minutes of that meeting.]

For purposes of continuing an on-going discussion from prior board meetings, Mr. Stockstill presented the following board-approved legislative bills being requested for introduction in the 2020 regular legislative session and he addressed questions that arose relative thereto-

- Refund of Contributions. Under present law, a member who separates from covered employment prior to eligibility for retirement can request a refund of employee contributions after 90 days have lapsed from the date of separation. The proposed law would accelerate the refund period to 30 days. (see attached Exhibit #10)
- Social Security Opt-Out. Under present law, if a member is employed by a municipality that requires its employees to participate in social security, then the member is allowed by law to opt-out of FRS participation on an individual basis. Then, later, the member can opt back into FRS and then, even later, opt back out of FRS. The proposed law would limit the opt-out to a one time election with no ability to opt-back into the system. (see attached Exhibit #11)
- Optional Beneficiary. Under present law, if an FRS member is not married at the time he enters into retirement, and thereafter becomes married, he is allowed to designate his spouse as an optional beneficiary. The proposed law as originally presented would have set a time period in which such a member would be allowed to make that designation. However, a thorough discussion revealed certain unequal effects of the law, e.g., a member who is divorced at retirement can rename a new spouse as his designated beneficiary, but a person who becomes divorced after retirement cannot have that same right. The staff suggested that the proposed law would be redrafted as a repealer of present law for further consideration of the board. (see attached Exhibit #12)
- Death Prior to Retirement. Under present law, if an FRS member dies before retirement, his benefit payments are payable to the surviving spouse rather than the designated beneficiary. Under present law for a terminated vested member, provides that the system will automatically

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assume Option 2 benefits would have been selected and the member's designated beneficiary shall receive the benefits payable at the time the member would have otherwise begun to receive benefits. Under present law for a active contributing member, provides that the member's designated beneficiary shall automatically receive Option 2 benefits. The proposed law changes the automatic benefit recipient from the designated beneficiary to the member's surviving eligible spouse. Proposed law further provides that if the member has no surviving eligible spouse, the designated beneficiary shall be the beneficiary of the option. (see attached Exhibit #13)

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

ADJOURNMENT

Mr. Broussard moved to adjourn the meeting. Mr. Romero seconded. The motion passed.

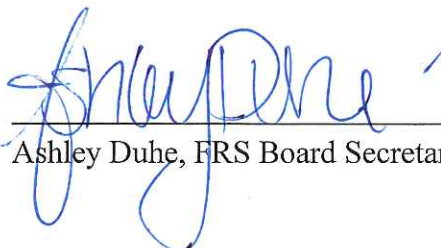
FUTURE MEETING

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Wednesday, February 12, 2020 at 2:00 p.m.**

and continuing

**FRS Board of Trustees
3100 Brentwood Drive
Baton Rouge, Louisiana
Thursday, February 13, 2020 at 8:30 a.m.**

SUBMITTED BY:



Ashley Duhe, FRS Board Secretary

APPROVED BY:



Stacy Birdwell, FRS Chairman