



## **FIREFIIGHTERS' RETIREMENT SYSTEM**

3100 Brentwood Drive  
Baton Rouge, Louisiana 70809  
Telephone (225) 925-4060 • Fax (225) 925-4062



### **MEETING OF THE BOARD OF TRUSTEES February 10, 2022**

Pursuant to Proclamation Nos. 6 JBE 2022 and 7 JBE 2022, Governor John Bel Edwards extended the previously declared State of Public Health Emergency and provided for certain mitigation measures. Pursuant to Proclamation No. 117 JBE 2021 issued by the Governor, there are no further restrictions reducing building occupant capacities. Pursuant to Proclamation No. 220 JBE 2021 issued by the Governor, there are no further facial covering requirements applicable to FRS, provided all persons observe proper social distancing. For that reason, the FRS board meeting was held in the FRS board room in Baton Rouge, Louisiana, without regard to the former limitations.

A meeting of the Board of Trustees was held on February 10, 2022 at the Firefighters' Retirement System building in Baton Rouge. Chairman Perry Jeselink called the meeting to order at 8:30 a.m.

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

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

#### **MEMBERS PRESENT**

Mr. Perry Jeselink  
Mr. Jerry Tarleton  
Mr. Stacy Birdwell  
Ms. Lindsay Schexnayder (designee of Commissioner Jay Dardenne)  
\*Mayor David Amrhein  
State Treasurer John Schroder  
\*Mr. John Broussard (designee of Treasurer John Schroder)  
Mr. Louis Romero  
Mayor Ronny Walker

\*Attended via Zoom

#### **OTHERS PRESENT**

Steven Stockstill	Kenneth Herbold	Edward Powers	Pat O'Neill
Layne McKinney	Chris Kaufmann	Samantha Jones	Kathy Stuart
Michael Becker	Drew Fox	Greg Curran	Dave Palmerino
Ben Johnson	Paul Schmidt	F.D. Burns	
Ashley Vicknair	Steve Lemoine	Matt Silverio	
David Barnes	Melissa Cahill	Monique Austin	

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**FEBRUARY 10, 2022  
PAGE 2**

Jeffrey Boucek  
Stephen Brouillette

Brennen LeBlanc  
Cyril Espanol

Nate Bishop  
Leigh Garrett

**EDITORIAL NOTE:** IN THE FOLLOWING MINUTE ENTRIES, ACTION REGARDING EACH VOTE WAS ACCOMPLISHED BY ROLL CALL VOTE. IN INSTANCES WHERE THE VOTE WAS UNANIMOUS, THE MINUTE ENTRY WILL SIMPLY MEMORIALIZE THE RESULT AS UNANIMOUS. IN ANY INSTANCE WHERE THE VOTE WAS NOT UNANIMOUS, THE MINUTE ENTRY WILL MEMORIALIZE THE ACTUAL ROLL CALL VOTE AND TALLY. ALL VOTING CAN BE VERIFIED BY AVAILABLE SOURCES.

**COMMITTEE ASSIGNMENTS**

Chairman Jeselink distributed a list of FRS committee assignments and asked anyone to contact him if a change of assignment was desired. (see attached Exhibit #1)

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

**MINUTES**

MOTION: Mr. Birdwell moved to approve the minutes of the board meeting held on January 13, 2022. Mr. Tarleton seconded. The motion passed unanimously

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 ensure 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.



**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**FEBRUARY 10, 2022  
PAGE 3**

Mr. Stockstill presented the list of new member applicants for the month of February 2022. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new member applicants for the month of February 2022. Mr. Romero seconded. The motion passed unanimously.

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. Stockstill presented the list of new retirees for the month of February 2022. (see attached Exhibit #3) He stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the retiree applicants for the month of February 2022. Mr. Romero seconded. The motion passed unanimously.

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

**Dorothy Carnahan-** Mr. Stockstill presented the application of Dorothy Carnahan, surviving spouse of James Carnahan. He stated that the application was in order.

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**FEBRUARY 10, 2022  
PAGE 4**

**Joyce Nell Durr-** Mr. Stockstill presented the application of Joyce Nell Durr, surviving spouse of Artis Durr. He stated that the application was in order.

**Darlene Frosch-** Mr. Stockstill presented the application of Darlene Frosch, surviving spouse of March Frosch. He stated that the application was in order.

**Barbara C. LaBouve-** Mr. Stockstill presented the application of Barbara C. LaBouve, surviving spouse of Jerry Nelson LaBouve. He stated that the application was in order.

**Gloria Stoltz-** Mr. Stockstill presented the application of Gloria Stoltz, surviving spouse of Clarence Jules Stoltz. He stated that the application was in order.

MOTION: Mr. Birdwell moved to approve all survivor applications as presented. Mr. Tarleton seconded. The motion passed unanimously.

- Retiree - Survivor Beneficiary - Policy

Mr. Stockstill explained that, in the instance where a retiree is rehired as a part time employee, who dies while in service, and is then entitled to a refund of employee contributions, a question arises whether the person can name a beneficiary that is different from the original beneficiary listed at the time of retirement. Mr. Stockstill said the staff had discussed this situation and recommends that the person should be able designate a different beneficiary in the described situation.

MOTION: Mr. Tarleton moved to accept the staff recommendation and adopt a written FRS policy memorializing the same. Mayor Walker seconded. The motion passed unanimously.

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

**RECESS FRS BOARD MEETING**

**CONVENE FRS-LB, FRS-LB#1, FRS-LB#3, and FRS-GA JOINT ADVISORY  
COMMITTEE MEETING**

[NOTE: The FRS-LB, FRS-LB#1, FRS-LB#3, and FRS-GA Joint Advisory Committee met on February 10, 2022, at 8:30 a.m. to discuss the following business set forth in its posted agenda- (1) Status report of properties held by FRS-LB, FRS-LB#1, FRS-LB#3 and FRS-GA, (2) Discussion and action regarding reducing required insurance coverage from \$2mn to \$1mn relative to 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 were Mr. Stockstill, manager; Mr. Jeselink, Mr. Tarleton, Mr. Birdwell, Ms. Schexnayder, Treasurer Schroder, Mayor



Amrhein, Mr. Romero, and Mayor Walker. Also present were John Broussard, Layne McKinney, Michael Becker, Ashley Vicknair, David Barnes, Jeffrey Boucek, Kenneth Herbold, Stephen Brouillette, Kathy Stuart, Chris Kaufmann, Drew Fox, Steve Lemoine, Paul Schmidt, Melissa Cahill, Brennen LeBlanc, Cyril Espanol, Edward Powers, Samantha Jones, Greg Curran, F.D. Burns, Matt Silverio, Monique Austin, Nate Bishop, Leigh Garrett, Dave Palmerino, and Pat O'Neill.]

- Status report of properties held by FRS-LB, FRS-LB#1, FRS-LB#3 and FRS-GA

State Treasurer, John Schroder, addressed the committee. He updated the board on all FRS properties. He began with the property in Gainesville, GA by explaining that it is pretty much complete. He added that the city has received all approvals as of a few weeks ago and everything is moving smoothly. He then added that the final approval to start construction should happen in about August or September of this year. Treasurer Schroder recalled to the advisory committee that the first offer FRS received for this property was about \$6 million, which was about five years ago, and the current offer is about \$20 million. He concluded the update of Gainesville saying everything is looking good.

Treasurer Schroder then updated the committee on the property in Surprise, AZ. He explained that there is more activity in the area than when FRS first bought the property and that is due to the developers who are developing more around the property. He added that he would not recommend selling anytime soon because the developers who would buy it would flip the property. Treasurer Schroder then added that he has been in contact with Garth Wieger, CEO of Montage Acquisitions, and if Garth could put together a deal that would be worth looking at, then that would be an option, but if not, FRS should be patient with selling for the time being.

Mr. Romero raised a question to the Treasurer asking if there was any movement on the Utah property. Treasurer Schroder answered stating there has not been any. He added that St. George is a fairly small city and there isn't much development yet. Treasurer Schroder concluded his update of the properties and told the committee he will be back with another update in the next few months.

- Discussion and action regarding reducing required insurance coverage from \$2mn to \$1mn relative to FRS-LB, FRS-LB#1, FRS-LB#3, and FRS-GA

Mr. McKinney addressed the committee. He explained that during the Annual Agreed Upon Procedures done by the Legislative Auditor's Office for the FRS-LB properties, it was noted that the property manager is required to obtain \$2

million dollars of property liability insurance coverage, however, for the past few years, they have only been obtaining \$1 million dollars coverage. He added that he and Mr. Stockstill discussed the matter and felt that the \$1 million dollars would be adequate for the coverage. He also added that with the decision, he and

Mr. Stockstill recalled to the committee that the board made a motion at last month's meeting to recommend to the advisory committee to reduce the \$2 million down to \$1 million. He added that if the committee is so inclined, a motion would be needed to accept the recommendation from the board. Chairman Jeselink questioned if this was only for FRS-LB#1 and FRS-LB#3. Mr. McKinney answered that this would be for all LB's.

MOTION: Mr. Tarleton moved to accept the board's recommendation to reduce the liability insurance to \$1 million dollars. Mayor Walker seconded. The motion passed unanimously.

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

**ADJOURN FRS-LB, FRS-LB#1, FRS-LB#3, and FRS-GA JOINT ADVISORY  
COMMITTEE MEETING**

**RECONVENE FRS BOARD MEETING**

**MONTHLY FLASH REPORT - JANUARY 2022**

Mr. Barnes presented the monthly flash report for the month of January 2022. (see attached Exhibit #4) The overall fund was up/down as follows: -3.2% for the month of January as compared to the allocation index of -3.5%; 0.4% for the fiscal year to date as compared to the allocation index of 0.3%; 10.0% for the trailing 12 months as compared to the allocation index of 8.3%; and 11.0% for the trailing 3 years as compared to the allocation index of 11.0%.

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

**COMMITTEE REPORT - INVESTMENT COMMITTEE**

[NOTE: The Investment Committee met on February 9, 2022, at the Firefighters' Retirement System building in Baton Rouge at 1:00 p.m. to discuss the following business set forth in its posted agenda- (i) Presentation by representatives of Invesco Oppenheimer Developing Markets Fund, (ii) Presentation by representatives from NEPC regarding risks associated with Fund of One investment structure, (iii) The FRS monthly investment performance results for January 2022, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Tarleton, chairman, Mr. Birdwell, Mr. Romero, and Ms. Schexnayder. Also present were Mr.



**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**FEBRUARY 10, 2022  
PAGE 7**

Jeslink, Mayor Walker, Steven Stockstill, Layne McKinney, Michael Becker, Ashley Vicknair, and David Barnes. Attended by teleconference Mr. Broussard, Mayor Amrhein, Alex Dodge, Nikki Noriega, Zummy Bauer, Drew Fox, and Joe Ebisa.]

Mr. Tarleton 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 January 2022. (see minute entry above captioned as "Monthly Flash Report - January 2022")

- Invesco Oppenheimer Developing Markets Fund

Mr. Tarleton explained to the board that Alex Dodge and Nikki Noriega with Invesco Oppenheimer Developing Markets Fund presented the board with an educational presentation regarding Emerging Markets Equity Fund. Mr. Tarleton explained that Ms. Noriega went over the firm's overview, investment philosophy, team, and process, positioning, performance, and characteristics. Mr. Dodge and Ms. Noriega then answered questions from the committee.

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

That concluded the Investment Committee report.

- NEPC - Risks Regarding Fund of One Investment Structure

Mr. Barnes presented the board with information about NEPC's Fund of One recommendation. (see attached Exhibit #5) He explained the risks the board should consider regarding the investment, relative to both Hamilton Lane and HarbourVest. He then explained the risks associated with the Private Equity Primaries, Secondaries, Co-Investment, Private Debt, and Real Assets/Infrastructure segments of the proposed Fund of One investment. He concluded his presentation by taking questions from the board.

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

**SEGAL MARCO ACTUARIAL STUDY**

Jeffrey Boucek, Senior Vice President at Segal Marco Advisors, addressed the board in-person. He introduced Pat O'Neill and Dave Palmerino who were attending via Zoom. Mr. Boucek began the presentation with an overview of the methodology used when the study was conducted.

Mr. O'Neill presented the Liquidity and Liability Analysis report. (see attached Exhibit #6) Mr. O'Neill discussed Cash Flows, Liquidity, and Stress Test Analyses.

Mr. Palmerino presented the Stochastic Asset-Liability Modeling report. (see attached Exhibit #7) Mr. Palmerino discussed Stochastic Projections in the Current Portfolio and Alternative Portfolios. The Segal Marco team concluded their presentation and took questions from the board.

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

#### **ACTUARIAL REVIEW OF THE 2021 ACTUARIAL VALUATION**

Mr. Stockstill introduced Kenneth Herbold, Assistant Legislative Auditor and Director of Actuarial Services at the Louisiana Legislative Auditor's Office to present his report titled "Actuarial Review of the 2021 Actuarial Valuation of the Firefighters' Retirement System". Mr. Herbold drew the board's attention to the Actuarial Review and explained that his office did not find any actuarial assumptions or methods that violate any ASOPs. (see attached Exhibit #8) He did have some recommendations for consideration by the FRS board and for consideration by the Public Retirement Systems' Actuarial Committee. He explained that two recommendations were related to Cost-of-Living Adjustments (COLAs) and Investment Return Assumptions. Mr. Herbold received questions from the board and concluded his presentation.

MOTION: Mr. Tarleton moved to accept the Legislative Auditor's Actuarial Review of the 2021 Actuarial Valuation. Ms. Schexnayder seconded. The motion passed unanimously.

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

#### **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRELIMINARY - 2Q FY2021-22 AND STATEMENT OF FIDUCIARY NET POSITION - PRELIMINARY - 2Q FY2021-22**

Mr. McKinney presented to the board a report titled "Statement of Changes in Fiduciary Net Position - Preliminary for the second quarter of FY2021-22". (see attached Exhibit #9) He then presented to the board a report titled "Statement of Fiduciary Net Position - Preliminary for the second quarter of FY2021-22". (see attached Exhibit #10) He explained each report on a line-by-line basis.

MOTION: Mr. Birdwell moved to accept the reports as presented by Mr. McKinney. Ms. Schexnayder seconded. The motion passed unanimously.

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

#### **FRS BUDGET TO ACTUAL COMPARISON - 2Q FY 2021-22**

Ben Johnson, FRS Accountant, drew the board's attention to a report titled FRS "Budget to Actual Comparison" for the 2<sup>nd</sup> Quarter of FY 2021-22. (see attached Exhibit #11) He highlighted pertinent line items of the report and explained certain variances related thereto. Mr. Johnson summarized by saying that, overall, FRS is on target for the year.



**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**FEBRUARY 10, 2022  
PAGE 9**

MOTION: Mr. Birdwell moved to adopt the staff report as presented. Mr. Tarleton seconded. The motion passed unanimously.

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

**FRS POLICIES**

Mr. Stockstill drew the boards attention to two FRS proposed policies- **(1)** Policy No. 02102022-A; Third Party Processing and Independent Review of FRS Benefit Department Employee's Application for Retirement and Application for Participation in the FRS DROP plan. (see attached Exhibit #12) and **(2)** Policy No. 02102022-B; Hard Drive Review. (see attached Exhibit #13)

Mr. Stockstill explained that the purpose of Policy No. 02102022-A is to provide separation relative to the processing of any FRS benefit department employee's retirement package upon retirement from FRS. He added that independent processing assures confidence in the process and avoids conflict of interest.

MOTION: Mr. Tarleton moved to adopt Policy No. 02102022-A Third Party Processing and Independent Review of FRS Benefit Department Employee's Application for Retirement and Application for Participation in the FRS DROP plan. Mr. Birdwell seconded. The motion passed unanimously.

Mr. Stockstill explained that the purpose of Policy No. 02102022-B is to assure that key employees who separate employment from FRS have no criminal or fraudulent activity associated with their office-supplied computer data storage device.

MOTION: Mr. Tarleton and Mr. Birdwell jointly moved to adopt Policy No. 02102022-B Hard Drive Review. Mr. Romero seconded. The motion passed unanimously.

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

**PROPOSED LEGISLATION**

Mr. Stockstill referenced the following 2022 legislative House and Senate Bills-

HB 19 DeVillier	Relative to membership in the Louisiana State Employees' Retirement System's Hazardous Duty Services Plan
-----------------	---

Mr. Stockstill explained that this bill is to notify the board and no position was needed as of now.

HB 25 McCormick	Prohibits retirement systems from investing in companies that Boycott energy companies
-----------------	--

**FIREFIGHTERS' RETIREMENT SYSTEM  
BOARD MEETING**

**FEBRUARY 10, 2022  
PAGE 10**

MOTION: Mayor Amrhein moved to oppose HB 25. Mr. Birdwell seconded. The motion passed unanimously.

MOTION: Mr. Tarleton moved to authorize the FRS executive director, Mr. Stockstill, to request an Attorney General opinion regarding the constitutionality of HB 25. Mr. Birdwell seconded. The motion passed unanimously.

HB 32 Tarver                      Provides relative to the duties of the Public Retirement Systems' Actuarial Committee

Mr. Stockstill explained that this bill is to notify the board and no position is needed as of now.

SB 9 Mills                      Provides relative to benefits provided by and administration of certain statewide retirement systems

Mr. Stockstill explained that this bill is to notify the board and no position is needed as of now.

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

**ADJOURNMENT**

Mr. Tarleton moved to adjourn. Mr. Birdwell seconded. The motion passed unanimously.

**FUTURE MEETINGS**

**FRS Board of Trustees  
Wednesday, March 9, 2022, at 01:00 PM  
and continuing on  
Thursday, March 10, 2022, at 8:30 a.m.  
3100 Brentwood Dr. Baton Rouge, LA**

SUBMITTED BY:

  
Ashley Vicknair, FRS Board Secretary

APPROVED BY:

  
Perry Jeselink, FRS Chairman