FIREFIGHTERS' RETIREMENT SYSTEM

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MEETING OF THE BOARD OF TRUSTEES
February 11, 2021

IN ADHERENCE TO JBE PROCLAMATION 2020-33, THE FRS CHAIRMAN RULED THAT ALL MANDATORY FRS BOARD MEETINGS WILL BE HELD BY TELECONFERENCE UNTIL FURTHER NOTICE. THE CHAIRMAN ALSO RULED THAT VOTING FOR EACH MOTION MUST BE ACCOMPLISHED BY A ROLL CALL VOTE. PUBLIC NOTICE OF THE TELEPHONIC BOARD MEETING WAS POSTED IN A TIMELY FASHION, INCLUDING THE DIAL-IN NUMBER AND ACCESS CODE, AT THE PRIMARY FRS OFFICE AND ON THE FRS WEBSITE.

A meeting of the Board of Trustees was held on February 11, 2021 via teleconference. Chairman Perry Jeselink 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

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

* Attended by teleconference.

OTHERS PRESENT

Steven Stockstill
Layne McKinney
Michael Becker
Jason Starns
Benjamin Johnson
Ashley Duhe'
Greg Curran
Attended by Teleconference:
David Barnes
Paul Schmidt
Trae Welch
Brennan LeBlanc
Chris Kaufmann
Mark Waniewski
Terry Stuard
Chad Duffaut
Gordon Copell
Andy Pataky
Ben Maja

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 for calendar year 2021 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 14, 2021. 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 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 for the month of February 2021. (see attached Exhibit #2) He stated that all applications were in order.

MOTION: Mr. Tarleton moved to approve the new member applicants for the month of February 2021. 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. Starns presented the list of new retirees for the month of February 2021. (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 2021. Mr. Tarleton 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 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.

[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)

Alisa Nicole Armfield- Mr. Starns presented the application of Alisa Nicole Armfield, surviving daughter of Christopher Glenn Lenard. He stated that the application was in order.

Linda Marie Edwards- Mr. Starns presented the application of Linda Marie Edwards, surviving spouse of Todd Keith Eubanks. He stated that the application was in order.

Kyle Michael Joseph- Mr. Starns presented the application of Kyle Michael Joseph, surviving son of Kenneth Michael Joseph. He stated that the application was in order.

Angela Sain Lofton- Mr. Starns presented the application of Angela Sain Lofton, surviving spouse of James Michael Lofton. He stated that the application was in order.

Mary Ann Rachal- Mr. Starns presented the application of Mary Ann Rachal, surviving spouse of Harold Rachal. He stated that the application was in order.

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

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

RED RIVER FIRE PROTECTION DISTRICT

[NOTE: By giving 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 strategy or negotiations with respect to actual or prospective litigation, and where an open meeting would have a detrimental effect on the litigation position of FRS in the judicial matter cited in Agenda Item II(1); all pertinent notifications had been provided.]

MOTION: Mr. Birdwell moved to enter executive session to discuss the agenda item shown above. Mr. Romero seconded. The motion passed unanimously.

MOTION: Mr. Birdwell moved to resume public session. Mr. Romero seconded. The motion passed unanimously.

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

STATEMENT OF FIDUCIARY NET POSITION - PRELIMINARY - 2Q FY2020-21

- Statement of Changes in Fiduciary Net Position - Preliminary - 2Q FY2020-21
- Statement of Fiduciary Net Position - Preliminary - 2Q FY2020-21

Mr. McKinney presented to the board the Statement of Changes in Fiduciary Net Position - Preliminary for the 2nd Quarter of FY2020-21. (see Exhibit #4) He then presented to the board the Statement of Fiduciary Net Position - Preliminary for the 2nd Quarter of FY2020-21. (see attached Exhibit #5) He explained each report on a line-by-line basis.

MOTION: Mr. Tarleton moved to accept the reports as presented by Mr. McKinney. Mr. Birdwell 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 2020-21

Ben Johnson, FRS Accountant, drew the board's attention to a report titled FRS "Budget to Actual Comparison" for the 2nd Quarter of FY 2020-21. (see attached Exhibit #6) 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.

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

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

MONTHLY FLASH REPORT - JANUARY 2021

Mr. Barnes presented the monthly flash report for the month of January 2021. (see attached Exhibit #7) The overall fund was up/down as follows: 0.0% for the month of January as compared to the allocation index of -0.2%, 15.1% for the fiscal year to date as compared to the allocation index of 15.0%; 12.0% for the trailing 12 months as compared to the allocation index of 12.7/%; and 5.6% for the trailing 3 years as compared to the allocation index of 6.8%.

MOTION: Mr. Tarleton moved to accept the January 2021 Flash Report. Mr. Birdwell seconded. The motion passed unanimously.

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

FRS 2021 ASSET ALLOCATION UPDATE

Mr. Barnes presented a report titled "2021 Asset Allocation Update". (see attached Exhibit #8) He provided an asset class overview, and then discussed the methodology of asset allocation, Geometric Return Assumptions for equities, fixed income and real estate, capital market forecasts, portfolio scenarios, and risk budgeting.

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

COMPREHENSIVE SYSTEM STUDY - SEGAL ADVISORS

Mr. Stockstill presented a requested proposal for consulting services from Segal Advisors. (see attached Exhibit #9) He explained that, at a Subcommittee Meeting on January 22nd, it was decided to retain Segal Advisors to perform a comprehensive system study. He added that the process begins with phase 1 which should take about 3+ months and then the study will move into phase 2. Mr. Stockstill explained that this was only an update and no action was needed.

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

PROPOSED LEGISLATION

Mr. Stockstill explained the following concepts were discussed at last month's board meeting (see minutes, January 14, 2021) as being the subject of legislation proposed by FRS in the upcoming regular legislative session of 2021 and addressed questions that arose relative thereto-

- Payment to Credit Union. Under present law, if a member dies before retirement and no surviving spouse is entitled to benefits, then his accumulated employee contributions are paid to his estate or to such person he nominated by written designation, duly executed and filed with the board of trustees. However, present law also provides that, if a member dies before retirement and no surviving spouse is entitled to benefits, then his accumulated employee contributions are paid to a firefighters credit union from which he pledged his accumulated employee contributions in consideration for a loan. To reconcile the inherent conflict of laws, proposed law provides that if a member dies before retirement and no surviving spouse is entitled to benefits, then his accumulated employee contributions are paid first to any firefighter credit union to which he previously assigned his contributions in consideration of a loan and then any remaining contributions are paid to any person he nominated by written designation. (see attached Exhibit #10)

- Deferred Retirement Option Plan. Under present law, the maximum period of participation in the DROP plan cannot exceed 3 years, and membership in FRS terminates and neither employee nor employer contributions are payable. The proposed law provides that the maximum period of participation is 3 years for any person who has less than 30 years of service; and 5 years for any person who has at least 30 years of service. The proposed law provides that any person with at least 30 years of service who is participating in the DROP plan on the date the law changes is allowed to extend his participation in the DROP plan. (see attached Exhibit #11)

- FRS Funding. Under present law, delinquent employer contributions can be recovered by FRS in court against any delinquent political subdivision or instrumentality, with interest. Also under present law, as an alternative to collecting in court, upon FRS' request, delinquent employer contributions must be deducted from any other monies payable to such delinquent subdivision or instrumentality by any department or agency of the state. The proposed law provides that such deducted monies must be remitted directly to FRS. The proposed law also provides that attorneys fees and court costs are recoverable by FRS if any amount of delinquent employer contributions are recovered by action in court against a delinquent political subdivision or instrumentality. (see attached Exhibit #12)

- Legacy Unfunded Accrued Liability (UAL). The proposed law provides that, if any employer fully dissolves or substantially reduces its fire department, the employer must remit to FRS beginning the July 1st immediately following the date of such dissolution or reduction, that portion of the UAL existing on the June 30th immediately prior to the date of dissolution or reduction, attributable to such employer and calculated using the allocation percentage included

in the prior fiscal year's employer pension report produced according to GASB, including interest. (see attached Exhibit #13)

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

ADJOURNMENT

MOTION: Mr. Birdwell moved to adjourn. Mr. Romero seconded. The motion passed unanimously.

FUTURE MEETINGS

FRS Board of Trustees
Thursday, March 11, 2021 at 8:30 a.m.
To be held by audio-video teleconference.

SUBMITTED BY:

Ashley Duhe, FRS Board Secretary

APPROVED BY:

Perry Jeselink, FRS Chairman