

MEETING OF THE BOARD OF TRUSTEES
January 11, 2024

A meeting of the Board of Trustees was held on January 11, 2024, at the Firefighters' Retirement System building in Baton Rouge. 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. Vicknair called the roll. A quorum was present.

MEMBERS PRESENT

- Perry Jeselink
- Jerry Tarleton
- Stacy Birdwell
- Brian Fleming (designee of Commissioner Taylor Barras)
- Mayor Darnell Waites (arrived after roll call)
- John Broussard (designee of State Treasurer John Fleming)
- Louis Romero
- Mayor Chad Monceaux
- Clarence Reese, Jr.

OTHERS PRESENT

- | | |
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| Barbara Goodson | Dawn Moeller |
| Marella Houghton | Greg Curran |
| Michael Becker | Terry Stuard |
| Ben Johnson | Chris Kaufmann |
| Ashley Vicknair | Chad Duffaut |
| Caitlin Myers | Chris Lodge |
| William Hall | Kajal Shah |
| Daniel Loper | Susita Suire |
| David Barnes | John Reidy |
| Robert Klausner | Maris LeBlanc |
| Bryan Gautreaux | Lacey Weimer |
| Henry Olinde | |

TRUSTEE-OATH OF OFFICE

Ms. Houghton advised the board that Mayor Chad Monceaux of Crowley has been appointed as the new LMA representative and Chief Clarence Reese, Jr. of Shreveport has been appointed as an additional Chief representative for the FRS board of trustees. Ms. Houghton explained that Mayor

Monceaux was attending via zoom and will complete and file the appropriate paperwork relative to his oaths. Henry Olinde administered the statutory and constitutional oaths to Chief Reese.

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

ELECTION OF BOARD OFFICERS

Chairman. Mr. Jeselink conducted the election of board chairman. Upon call for nominations, Mr. Birdwell nominated Perry Jeselink 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. Birdwell moved that nominations be closed and Mr. Jeselink be deemed elected by acclamation to the position of FRS board chairman. Mr. Tarleton seconded. The motion passed unanimously.

Vice Chairman. Mr. Jeselink conducted the election of board vice-chairman. Upon call for nominations, Mr. Birdwell nominated Gerard Tarleton 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, Mr. Birdwell moved that nominations be closed and Mr. Tarleton be deemed elected by acclamation to the position of FRS board vice-chairman. Mr. Romero seconded. The motion passed unanimously.

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

PRELIMINARY BUSINESS

Chairman Jeselink and the board welcomed Barbara Goodson, FRS' new Executive Director. Ms. Goodson expressed her excitement to begin working at FRS and thanked the staff for the warm welcome. Chairman Jeselink then thanked Ms. Houghton for stepping up into the Interim Executive Director role.

MINUTES

MOTION: Mr. Tarleton moved to approve the minutes of the board meeting held on December 14, 2023 with the amendments stated. Mayor Waites 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.

Ms. Myers presented the list of new member applicants for the month of January 2024. (see attached Exhibit #1) She stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the new member applicants for the month of January 2024. 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.

Ms. Myers presented the list of new retirees for the month of January 2024. (see attached Exhibit #2). Ms. Myers stated that all applications were in order.

MOTION: Mr. Birdwell moved to approve the retiree applicants for the month of January 2024. 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)

Lisa Ardeneaux Ms. Myers presented the application of Lisa Ardeneaux, surviving spouse of Charles Ardeneaux. She stated that the application was missing the death certificate.

MOTION: Mr. Tarleton moved to enter executive session. Mr. Romero seconded. The motion passed unanimously.

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

MOTION: Mr. Tarleton moved to defer approval of the survivor application for Lisa Ardeneaux pending receipt of the death certificate as required by the survivor application. Mr. Romero 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-LLC JOINT ADVISORY COMMITTEE

[NOTE: The FRS-LLC Joint Advisory Committee met on January 11, 2024, 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 advisory action regarding updates of the following LLCs: FRS-LB, FRS-LB#1, and FRS-GA, and all related matters. The minutes of that meeting are embedded herein. Committee members present were Ms. Houghton, manager; Mr. Jeselink, Mr. Tarleton, Mr. Birdwell, Mr. Fleming, Mayor Waites, Mr. Broussard, Mr. Romero, Mayor Monceaux, Mr. Reese, Michael Becker, Ben Johnson, Caitlin Myers, William Hall, Daniel Loper, Ashley Vicknair, David Barnes, Dawn Moeller, Robert Klausner, Chad Duffaut, Terry Stuard, Chris Kaufmann, Greg Curran, Chris Lodge, Kajal Shah, Susita Suire, John Reidy and Henry Olinde .]

- Discussion and advisory action regarding updates of the following LLCs: FRS-LB, FRS-LB#1, and FRS-GA

Ms. Houghton invited Michael Becker to provide an update regarding an offer to purchase the property in Arizona, FRS-LB#1. Mr. Becker referred to the Purchase and Sale Agreement that FRS received following the LOI that was received in December 2023. (see attached Exhibit #3) He explained that there are a few takeaways between the documents that the staff is trying to resolve, but the main takeaway is on page 2. He further explained that this is a \$25 million dollar sale and the system would receive 10 million at close and the remaining \$14.8 million would be deferred, which is the risk, he added. Mr. Becker then added that the milestone the buyer is looking for is construction of a sewer and water plant adjacent to the property. He further added that the sewer and water plant project has been in the works since 2003, which gives much uncertainty since that was 20 years ago. He reminded the committee that external council, Robert Atkinson, is available to the system for assistance with the purchase and sale agreement.

Mr. Becker then mentioned that there is a subcommittee that was appointed to meet in between advisory committee meetings, so that business could take place at a much quicker pace. He added that the subcommittee included State Treasurer John Schroder, who is no longer the State Treasurer, so he recommended the advisory committee appoint someone to fill that vacant position. The advisory committee appointed Mr. Tarleton to take the vacant position on the subcommittee.

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

ADJOURN FRS-LLC JOINT ADVISORY COMMITTEE

RECONVENE FRS BOARD MEETING

FRS EMPLOYER PENSION REPORT

Ms. Dawn Moeller, Audit Manager, Office of the Louisiana Legislative Auditor, presented the "Employer Pension Report for the Year Ended June 30, 2023." (see attached Exhibit #4) She explained the report on a line-by-line basis and answered all questions that arose.

MOTION: Mr. Birdwell moved to accept the report as presented. Mayor Waites seconded. The motion passed unanimously.

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

AGREED UPON PROCEDURES

Ms. Moeller, presented the report compiled by the Louisiana Legislative Auditor titled "Agreed-Upon Procedures Report" and answered all questions that arose. (see attached Exhibit #5)

MOTION: Mr. Birdwell moved to accept the report as presented. Mr. Romero seconded. The motion passed unanimously.

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

LOUISIANA ETHICS AND BOARD GOVERNANCE

Robert Klausner, FRS' external legal counsel, drew the board's attention to an educational presentation titled "A Review of Louisiana Ethics Laws". (see attached Exhibit #6) He explained topics related to the code of governmental ethics, nepotism, and relevant opinions.

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

PENSION TECHNOLOGY GROUP, (PTG) UPDATE

Ms. Houghton invited John Reidy Co-Founder of PTG, to provide an update on FRS' pension administration software. Mr. Reidy addressed the board and introduced his colleagues that were attending via zoom, Chris Lodge, President and Chief Operating Officer, and Kajal Shah, Vice President. Ms. Goodson expressed concerns regarding the various parties involved with the pension administration software and how they fit into the big picture. She questioned Mr. Reidy about the implementation timeline for the project. Mr. Reidy referenced the board meeting held in June of 2023, that he and PTG CEO Brandon Johnson attended and the goal was to go live in January 2024. He added that the project was on target to meet that goal, but that there were things that PTG did not know at the time. He further added that the benefits department at FRS has had a complete turnover in staff since the initial contract was signed, which put testing and data validation behind schedule. Mr. Reidy added that FRS staff and PTG have weekly meetings that are documented; and the data validation has been complete, putting this project in a better place than it was prior to the June 2023, board meeting.

Mr. Lodge explained that unfortunately with COVID hitting and with the turnover in staff in the FRS' benefits department, the project kept getting delayed. He agreed with Mr. Reidy stating that after the board meeting in June 2023, PTG was hopeful to use the current FRS staff to drive the project to the end. Mr. Lodge then added that the current FRS staff has validated the data and the project seems to be in good shape at this point. He further added that it is up to the FRS staff to determine if there is enough time to continue testing and data validating for a potential go live date in the April/May 2024 time frame. Ms. Goodson informed Mr. Lodge that it is unclear who owns the company and the software and who is in charge since Case 5 purchased PTG in June 2023. Mr. Lodge explained that PTG is the vendor, Mr. Reidy, Ms. Shah, and himself work for PTG, and PTG has a product named "Pension Pro", which is the software FRS is implementing right now. He added that PTG owns the intellectual property to Pension Pro and it is hosted at Rackspace. He continued explaining that PTG has a sub-contractor, HR Mecca, that works for them that they have been in partnership with since 2007. He added that HR Mecca has staff that performs the implementation work for PTG. He then added that PTG has other sub-contractors beyond HR Mecca that perform implementation and support work. Mr. Lodge then touched on the topic of

Case 5. He added that up until the summer of 2023 John Reidy and Brian Bowler (not present) were the co-founders of PTG, until Case 5 Capital invested in the company, owning a majority share of PTG.

Ms. Goodson then referenced an organizational chart of PTG that was provided to FRS from PTG (see attached Exhibit #7), questioning the many different companies that are involved in the organizational chart. Mr. Lodge explained that they are all sub-contractors that provide implementation, development, and support work for PTG. He added that one of the sub-contractors, FPT, who does development work and implementation support is currently working on their next version of the software called "Pension Pro Plus". HR Mecca supports the current version and FPT will do implementation support of the next version of the software. Ms. Goodson then asked if FRS would have to move over to Pension Pro Plus once it is implemented. Mr. Lodge explained that FRS will not have to move over; FRS will be able to stay with the Pension Pro software if happy with the product. Mr. Lodge further stated that PTG is not trying to push clients from one version to the other and they are not planning to sunset the current version. He added that Pension Pro Plus is a new version that will have updated developments to keep up with the world's technology.

Ms. Houghton asked if HR Mecca will continue implementation and support for FRS. Mr. Lodge stated that there is an agreement between PTG and HR Mecca that they will continue support of FRS as long as our contract is in place. Mr. Lodge also mentioned that FPT is available for support. Ms. Houghton questioned the PTG team about the lawsuit between HR Mecca and PTG. Mr. Reidy explained that he is not familiar with the topic. Mr. Lodge answered that he would be able to speak on the suit. He explained that PTG has had a relationship with HR Mecca since 2007 and within the agreements there were prohibitions for solicitation of PTG's clients and some of those have been broken. He added that PTG tried to resolve the issue with HR Mecca instead of going down the legal path, but unfortunately this is what it has come to. Mr. Lodge then added that PTG still has an agreement with HR Mecca and they are currently providing support and implementation work for PTG. Ms. Goodson questioned if it would be acceptable for FRS' attorney contact PTG's attorney to make sure everything is clear in regards to this arrangement and the overall contract with PTG. Mr. Lodge agreed and offered to connect FRS' attorney with PTG's attorney. Ms. Goodson stated that it was mentioned by the PTG team on a previous call about starting a subscription fee for the software. She added that from the public perception and a legal standpoint, FRS can't pay for something that we don't have. Mr. Lodge explained that from PTG's perspective, the work is done and the data has been uploaded from FRS' current system to Pension Pro four times. He added that FRS has software that could be turned on right now and it is there for the FRS team to use it and test it. He further added that at this point, PTG can't continue to provide support without the FRS team turning the software on or not. He further added that PTG thought it would be a good way for FRS to pay for the support that is needed and to take the pressure off the FRS team. Mr. Lodge added that other software programs require subscription fees on day one and he thought the state might have precedent for that. He added that he understands Ms. Goodson, but he asks that the board at least consider PTG's perspective. Ms. Goodson expressed that possibly the attorneys on both ends could come up with an option that would be doable for both parties.

MOTION: Mr. Tarleton moved to enter executive session. Mr. Romero seconded. The motion passed unanimously.

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

MOTION: Mr. Broussard moved to authorize the executive director to grant overtime pay to the FRS staff regarding PTG testing and work. Mr. Romero seconded. The motion passed unanimously.

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

MONTHLY FLASH REPORT – DECEMBER 2023

Mr. Barnes, consultant with NEPC, presented the monthly flash report for the month of December 2023. (see attached Exhibit #8) The overall fund was up as follows: 4.3% for the month of December as compared to the allocation index of 4.2%, 5.8% for the calendar year to date as compared to the allocation index of 5.1%, 13.3% for the trailing 12 months as compared to the allocation index of 12.5%; and 4.2% for the trailing 3 years as compared to the allocation index of 3.1%.

COMMITTEE REPORT - INVESTMENT COMMITTEE

[NOTE: The Investment Committee met January 10, 2024, at the FRS office in Baton Rouge at 1:00 p.m. to discuss the following business set forth in its posted agenda- (i) Discussion and action regarding FRS monthly investment performance results for December 2023, and all items related to the foregoing items. The minutes of that meeting are embedded herein. Committee members present were Mr. Tarleton, chairman; Mr. Birdwell, Mr. Broussard, Mr. Romero, and Mr. Fleming. Also present were Perry Jeselink, Mayor Monceaux, Mr. Reese, Barbara Goodson, Marella Houghton, Michael Becker, Daniel Loper, Ashley Vicknair, Ben Johnson, William Hall, Caitlin Myers, David Barnes, and Robert Klausner.]

Mr. Tarleton provided the investment committee report. He explained that the only item the committee had on its agenda was the flash report.

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

That concluded the Investment Committee report.

COMMITTEE REPORT - PERSONNEL COMMITTEE

[NOTE: The Personnel Committee met on January 10, 2024, at the FRS office in Baton Rouge at 2:45 p.m. to discuss the following business set forth in its posted agenda- (i) Discussion regarding

FRS' new Executive Director's contract and all related matters. The minutes of that meeting are embedded herein. Committee members present were Mr. Romero, chairman; Mr. Birdwell, and Mr. Fleming. Also present were Mr. Jeselink, Mr. Tarleton, Mayor Monceaux, Mr. Reese, Barbara Goodson, Marella Houghton, Ashley Vicknair, Ben Johnson and Robert Klausner.]

Mr. Romero provided the Personnel Committee report. He reported that there was only one agenda item discussed and resulted in an action approved for recommendation to the full board.

- Discussion regarding new Executive Director's contract, and all related matters

Mr. Romero explained to the board that the committee met in executive session, but no action was taken during that session. He added that when the public session reconvened, the committee moved to recommend to the full board approval of the new Executive Director's contract. (see attached Exhibit #9)

MOTION: Mr. Romero moved to accept the personnel committee's recommendation for approval of the new Executive Director's contract. Mr. Birdwell seconded. The motion passed unanimously.

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

That concluded the Personnel Committee report.

FIDUCIARY INSURANCE POLICY AND COVERAGE

Ms. Houghton drew the board's attention to FRS' Fiduciary Insurance Policy and Coverage document. (see attached Exhibit #10) Mr. Klausner explained that he has reviewed the document and recommends approval to retain Euclid for fiduciary insurance coverage.

MOTION: Mr. Broussard moved to authorize the FRS staff to pay the premium to retain the company Euclid that was recommended by the Office of Risk Management. Mr. Tarleton seconded. The motion passed unanimously.

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

ACT 393 PROPOSED FRS POLICY

Ms. Houghton drew the board's attention to an internal policy 01112024 titled "Administrative Rule Governing Remote Access to Public Meetings for ADA Disabled Trustees/Designees and Participants". (see attached Exhibit #11) She explained that this policy was developed because of Act 393 of the 2023 Regular Legislative Session. Mr. Klausner explained that he has reviewed the policy and recommends adoption by the board.

MOTION: Mr. Broussard moved to adopt internal policy 01112024 titled "Administrative Rule Governing Remote Access to Public Meetings for ADA Disabled Trustees/Designees and Participants". Mayor Waites seconded. The motion passed unanimously.

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

LEGISLATION

Ms. Houghton drew the board's attention to certain bills that may have an impact on FRS in the upcoming legislative session.

HLS 24RS-99 A bill relative to Firefighters' Retirement System; to provide for membership on the board of trustees; to provide for related matters. (see attached Exhibit #12)

SLS 24RS-26 A bill relative to statewide retirement systems; to provide for survivor benefits for certain minor children; to provide for clarification of language; to provide for an effective date; to provide for related matters. (see attached Exhibit #13)

SLS 24RS-21 A bill or bills relative to transfers between public retirement systems; to provide for the actuarially required employer contributions; to provide for clarification of language; to provide for an effective date; to provide for related matters. (see attached Exhibit #14)

N/A A bill relative to public retirement systems; to provide relative to environmental, social, and governance investments; to provide relative to fiduciary duties; to provide for related matters. (see attached Exhibit #15)

HLS 24RS-173 A bill relative to Firefighters' Retirement System; to provide for Deferred Retirement Option Plan benefits; to provide to service credit and the calculation of retirement benefits, to provide for unfunded accrued liability; to provide for definitions; to provide for benefits of a disabled child or children; to provide for benefits of members who retire with a disability; to provide for beneficiaries; to provide for related matters. (see attached Exhibit #16)

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

OTHER BUSINESS

Ms. Houghton reminded the board that the February committee and board meeting will be held on Monday, February 5th and Tuesday, February 6th.

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

ADJOURNMENT

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

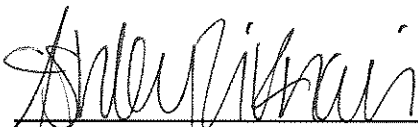
FUTURE MEETINGS

**FRS Investment Committee Meeting
Monday, February 5, 2024, at 1:00 p.m.
3100 Brentwood Dr. Baton Rouge, LA**

**FRS Board of Trustees
Tuesday, February 6, 2024, at 8:30 a.m.
3100 Brentwood Dr. Baton Rouge, LA**

SUBMITTED BY:

APPROVED BY:



Ashley Vickhair, FRS Board Secretary



Perry Jeselink, FRS Chairman