

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
June 18, 2014
9:00 a.m.**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Mr. Norman S. Foster, Treasurer/CFO
Mr. Robert Gebrian, Retiree Representative

Absent Trustee:

Ms. Courtney B. Bagneris, Active Representative

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Janet H. Easterling, Adm. Support. Supervisor, Employees' Retirement System
Kimberly Smith, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Joe Bogdahn, The Bogdahn Group
Randolph Scott
Robert Brown
Carlette Graves, Clerk of Council
Kisha Gaudin, Public Works
Michelle Buonanno, Vanguard
Lucy Momjian, Vanguard Conference Call
Jerome Garffer, Cornerstone
Taylor Fairman, Cornerstone
Dean Morris, Cornerstone
Luis Ferrerira, Rothschild
Mirka Luoto, Rothschild
Doug Classen, Dana Inv. Adv
Duane Roberts, Dana Inv. Adv.

The chairman called the meeting to order at 9:00 am.

OLD BUSINESS

Rewrites of Chapter 114 no change.

City Council Motion to Employ Special Counsel no change.

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Request to Purchase Prior Service Time Mr. Evans informed the Board that a review of the minutes set precedent to allow a member to purchase prior service time from that agency. He said that in 1997 the District Attorney's Office joined the system which allowed current and former employees to purchase prior service. Mr. Evans informed the Board that there was problem with retrieving the payroll records, because they were destroyed in the Hurricane. The information is needed to calculate the cost to purchase the time. Mr. Evans said that the member can provide copies of W-2's for those years or check stubs. Ms. Armstrong said that the member came directly to the City from that District Attorney's Office and maybe the beginning salary can be used to determine the cost to purchase prior service time. Mr. Evans said that the period of time in question is from 1986 to 1990 with the District Attorney's Office. Mr. Foster inquired as to whether Social Security was providing statements at that time. Ms. Armstrong said yes. The Board agreed to allow the member to provide the annual social security statements for that period, in order to determine the cost to purchase prior service time.

Procedure on Transfers Ms. Armstrong provided a draft of the procedure on transfers and is awaiting comments from Mr. Conefry. Mr. Foster recommended that Ms. Armstrong add State of Louisiana to the fourth line under purpose to the draft procedure on transfer to read "maintained by a public entity in the State of Louisiana".

Draft RFQ for Tax Consultant Mr. Evans informed the Board that a draft RFQ for tax consultant was forwarded to Purchasing for review and formatting.

NEW BUSINESS

Randolph Scott – COLA Mr. Evans explained the annual and the December 15th COLA. He informed the Board that an annual COLA has not been given since 2008, but the Board has always given the December 15th COLA. Mr. Scott addressed the Board regarding COLA, inflation and increased healthcare for retirees. He expressed his concerns with retirees not receiving an annual increase from the system. Mr. Scott requested that the Board consider giving an annual increase to retirees. Dr. Chase said that the Board is more inclined to do the December 15th COLA. Mr. Scott expressed his concerns with the December 15th COLA versus the annual increase for retirees. He requested that the Board consider an annual increase for retirees. Mr. Evans said that this item will be referred to the Member Relations Committee.

Date for next Regular Meeting The Board tentatively scheduled its next regular meeting for Wednesday, July 16th at 9:00 am to be held in Purchasing Conference Room 4W05.

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MONTHLY REPORTS

Minutes of Regular Meeting for May 21st were presented to the Board. A motion was made by Mr. Gebrian and seconded by Ms. Hudson to approve the minutes for May 21st. The motion passed with four in favor (Mr. Gebrian, Ms. Hudson, Mr. Foster and Dr. Chase).

Retirements for the month of June 2014 were presented to the Board. A motion was made by Ms. Hudson and seconded by Mr. Gebrian to ratify the retirements for the month of June 2014. The motion passed with four in favor (Ms. Hudson, Mr. Gebrian, Mr. Foster and Dr. Chase).

Report of deceased retirees for the month of June 2014 was presented to the Board. The Board received the report of deceased retirees for the month of June 2014.

Member Refunds Report for the month of May 2014 was presented to the Board. The Board received the member refunds report for the month of May 2014.

Employer Contribution Reports for the months of March & April 2014 were presented to the Board. The Board received the Employer Contribution Reports for the months of March and April 2014.

COMMITTEE REPORTS

Budget Committee nothing to report.

Contract Compliance Committee- Mr. Evans informed the Board that Ms. Armstrong will review the investment contracts for Principal and Intercontinental US REIF.

Headline Risk Committee – nothing to report.

Member Relation Committee – nothing to report.

Staffing Committee - nothing to report.

EXECUTIVE SESSION

A motion was made by Mr. Foster and seconded by Dr. Chase to go into executive session. The motion passed with four in favor (Mr. Foster, Dr. Chase, Mr. Gebrian and Ms. Hudson).

The meeting resumed.

Mary Bates versus CNOERS no action taken by the Board.

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Investment Committee – The Bogdahn Group

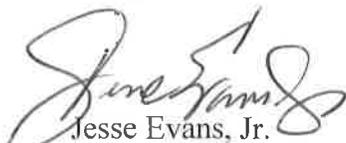
Interviews for Domestic Large Cap Core Equity – Vanguard, Cornerstone Investment Partners, LLC, Rothschild, and Dana Investment Advisor made presentations related to domestic large cap core equity. Mr. Bogdahn summarized the presentations for the domestic large cap core equity managers. The Board discussed the presentations and no action was taken.

Mr. Evans informed the Board that funding is needed for recently hired managers (Crescent Direct Lending, Cyprium, Principal and Intercontinental). Mr. Bogdahn recommended taking funds from Calamos to fund Principal and Intercontinental. Mr. Evans informed the Board that funds are also needed for capital calls. Mr. Bogdahn informed the Board that the fund is 10% overweight in equities per the target. Ms. Hudson expressed her concern with the Board not completely understanding the new makeup of the asset allocation of the fund. Mr. Evans explained capital calls and how often they occur. A motion was made by Ms. Hudson and seconded by Mr. Gebrian to use funds from Calamos as the funding source for capital calls. The motion passed with three in favor (Ms. Hudson, Mr. Gebrian, Dr. Chase and one opposed Mr. Foster). A motion was made by Dr. Chase to use Goldman Sachs as the secondary source of funding for future capital calls. The motion failed due to lack of a second. A motion was made Ms. Hudson and seconded by Mr. Gebrian to use funds from Calamos to raise cash as necessary to fund investments. The motion passed with three in favor (Ms. Hudson, Mr. Gebrian, Dr. Chase and one against Mr. Foster).

Ms. Hudson left the meeting.

Performance Report - Mr. Bogdahn made a presentation on the Monthly Flash Report ending April 30th for the managers' performance.

There being no further business, a motion was made by Dr. Chase and seconded by Mr. Gebrian to adjourn. The motion passed unanimously.


Jesse Evans, Jr.
Director

JE/jhe