

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
September 18, 2013
9:00 a.m.**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Ms. Courtney B. Bagneris
Mr. Robert Gebrian

Absent Trustee:

Mr. Norman S. Foster, Treasurer/CFO

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
Kisha L. Gaudin
Victoria B. Saulny, Public Works
Annabell Watson

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

OLD BUSINESS

Rewrites of Chapter 114 – Pending Meeting with Council Staff no change.

City Council Motion to Employ Special Counsel no change.

NEW BUSINESS

COLA The Board deferred this item to the budget committee.

The Board tentatively schedule its next regular meeting for Wednesday, October 16th at 9:00 am to be held in Purchasing Conference Room 4W05.

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MONTHLY REPORTS

Minutes of Regular Meeting for August 21, 2013 deferred.

Retirements for the month of September 2013 were presented to the Board. A motion was made by Mr. Gebrian and seconded by Dr. Chase to ratify the retirements for the month of September 2013. The motion passed with four in favor.

Report of deceased retirees for the month of September 2013 was presented to the Board. The Board received the report of deceased retirees for the month of September 2013.

Member Refund Report for the month of August 2013 was presented to the Board. The Board received the member refund report for the month of August 2013.

Status Report on Transfers for the month of August 2013 was presented to the Board. The Board received the status report on transfer for the month of August 2013.

Employer Contribution Report for the month of August 2013 was presented to the Board. The Board received the Employer Contribution Report for the month of August 2013.

COMMITTEE REPORTS

Investment Committee - The Bogdahn Group

Mr. Bogdahn informed the Board that Brett Hazen resigned as of last Friday.

Performance Report Mr. Bogdahn made a presentation on the Monthly Flash Report ending July 31st of the managers' performance. He said that the value of the fund is \$351, 888,934 as of July 31st. Mr. Bogdahn informed the Board that there is a need for funds to cover payroll. He suggested that the Board take \$3.5 million from Southeastern, because they are holding \$12 million in cash. A motion was made by Ms. Hudson and seconded by Mr. Gebrian to take \$3.5 from Southeastern and place it in the reserve account for payroll. The motion passed with four in favor.

Draft Investment Policy Statement Mr. Bogdahn discussed the changes to the draft investment policy statement. The Board reviewed and made some changes to the draft investment policy. A motion was made by Ms. Bagneris and seconded by Mr. Gebrian to adopt the Investment Policy Statement with changes made dated September 18, 2013. The motion passed with four in favor.

(Note: A review of the actions taken during the meeting was emailed to all board members. During her review of the actions, Lisa Hudson indicated that she voted to abstain on this item.)

Cost Analysis – Replacing Domestic Managers with Index Funds deferred.

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Asset Allocation Study Mr. Bogdahn made a presentation on the Asset Allocation Study dated September 18, 2013. He discussed the current portfolio versus the model portfolio. Mr. Bogdahn made a presentation on the Monte Carlo Simulation as it relates to the Portfolio Value.

Consolidation of Emerging Equity Market Managers Mr. Bogdahn made a presentation on the Emerging Equity Managers (Oppenheimer and Wells) performances. He suggested that the Board terminate Wells due to their performance and reinvest the funds with Oppenheimer. A motion was made by Ms. Hudson and seconded by Mr. Gebrian to terminate Wells and reinvest the \$6.2 million with Oppenheimer. The motion passed with four in favor.

The Board discussed allowing current managers to provide educational sessions at the regular meetings. Mr. Bogdahn suggested that the Board invite Holland and Wedge for an educational session at the next meeting to present information on growth versus value investing. The Board agreed.

BUDGET COMMITTEE

Trustees Conference Review & Approval nothing to report.

Pension System Mr. Evans informed the Board that he received a letter of resignation from SCBI, who is the Fund's outside system support for the AS400. He said that at this time the office does not have technical support for the AS400. Mr. Evans informed the Board that he and Mr. Foster visited with System Support who handles the NOFD AS400. He requested that the Board approve hiring of a system support company to handle the technical support for the AS400. A motion was made by Mr. Gebrian and seconded by Ms. Bagneris to approve the hiring of a system support company for the AS400. The motion passed with four in favor.

Contract Compliance Committee Mr. Evans informed the Board that the First Eagle contract was reviewed by Ms. Armstrong and ready to be sign.

Headline Risk Committee nothing to report.

Member Relations nothing to report.

Staffing Committee nothing to report.

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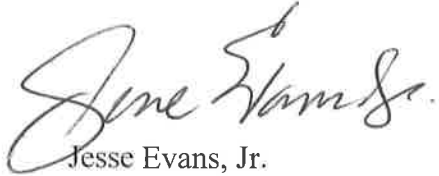
EXECUTIVE SESSION

A motion was made by Ms. Hudson and seconded by Dr. Chase to go into executive session. The motion passed with four in favor.

The meeting resumed.

No action taken by the Board on any executive session items.

There being no further business, a motion was made by Mr. Gebrian and seconded by Ms. Bagneris to adjourn. The motion passed with four in favor.

A handwritten signature in cursive script, appearing to read "Jesse Evans, Jr.", is positioned above the printed name.

Jesse Evans, Jr.

Director

JE/jhe

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