

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
May 21, 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
Ms. Courtney B. Bagneris, Active Representative
Mr. Robert Gebrian, Retiree 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
Ed Peterson, JPMorgan
Theodore Sanders, LAMP
Thomas Meagher, NOFFP&RF
Doug Baran, Principal Real Estate Investor
Todd White, Principal Real Estate Investors
Scott Darling, American Strategic Value
Jennifer Lundmark, American Strategic Value
Peter Palandijan, Intercontinental Real Estate Corporation
John Clement, Heitman Value Partners III
Tom McCarthy, Heitman Value Partners III
Shauna Dills, Heitman Value Partners III

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

OLD BUSINESS

Rewrites of Chapter 114 Mr. Evans informed the Board that the rewrites of chapter 114 will be introduced on first reading at the City Council June meeting.

City Council Motion to Employ Special Counsel Mr. Evans informed that Board the motion to employ special counsel will be introduced on first reading at the City Council June meeting.

Board Election for Representative Election Mr. Evans informed the Board that he received a letter from Ms. Hudson indicating the Ms. Bagneris has been re-elected for the employee representative seat on the Board.

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NEW BUSINESS

Draft RFQ for Tax Consultant Mr. Evans informed the Board that a draft RFQ for tax consultant is in the package for review. Some language changes were suggested.

Date for next Regular Meeting The Board tentatively scheduled its next regular meeting for Wednesday, June 18th at 9:00 am to be held in Purchasing Conference Room 4W05.

MONTHLY REPORTS

Minutes of Regular Meeting for April 16th were presented to the Board. A motion was made by Mr. Gebrian and seconded by Dr. Chase to approve the minutes for April 16th. The motion passed with four in favor.

Retirements for the month of May 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 May 2014. The motion passed with four in favor.

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

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

Status Report on Transfers for the month of April 2014 nothing to report.

COMMITTEE REPORTS

Budget Committee nothing to report.

Trustees Conference Review & Approval – Mr. Gebrian briefly discussed attending the 12th Annual Pensions and Capital Stewardship Conference held May 7 to 9, 2014 in Massachusetts. He will forward a written summary regarding the conference to each Board member.

Mr. Foster arrived to the meeting.

Contract Compliance Committee- Mr. Evans informed the Board that Ms. Armstrong reviewed the Cyprium contract and noted an item related to unrelated business taxable income. Ms. Armstrong discussed the memorandum dated May 21, 2014 on the unrelated business taxable income regarding the Cyprium contract. Mr. Evans said that the Cyprium contract needs to be sign by each Board member.

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Headline Risk Committee – nothing to report.

Member Relation Committee – Mr. Evans informed the Board that the Member Relations Committee requested that Ed Peterson from JP Morgan attend the meeting to discuss the issue with non-taxable amounts reflecting on rollover statements as taxable for members. Mr. Peterson informed the Board that he is working diligently to resolve this issue.

Mr. Foster stepped out.

Staffing Committee - nothing to report.

EXECUTIVE SESSION

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

The meeting resumed.

Mary Bates versus CNOERS no action taken by the Board.

A motion was made by Mr. Gebrian and seconded by Ms. Bagneris to approve the Ordinary Disability for **Jerolyn Smith-Thomas** based on the Board's physician report. The motion passed with four in favor (Dr. Chase, Mr. Gebrian, Ms. Bagneris and Ms. Hudson).

Investment Committee – The Bogdahn Group

Interviews for Value Added – Principal, American Strategic Value, Intercontinental US REIF and Heitman Value Partners made presentations related to value added investing.

Mr. Foster returned to the meeting.

Performance Report - Mr. Bogdahn made a presentation on the Monthly Flash Report ending March 31st for the managers' performance.

Update on Search for Domestic Large Cap Core Equity Manager - Mr. Bogdahn made a presentation on the Domestic Large Cap Core Equity Managers' responses. Mr. Bogdahn recommended that the Board interview Dana, Cornerstone and Rothschild for the Domestic Large Cap Core Equity Manager.

Mr. Foster stepped out.

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A motion was made by Dr. Chase and seconded by Mr. Gebrian to interview Dana, Rothschild, Cornerstone and Vanguard (S&P 500) for the Domestic Large Cap Core Equity Manager. The motion passed three in favor (Dr. Chase, Mr. Gebrian, Ms. Bagneris and Ms. Hudson abstained).

Mr. Foster returned to the meeting.

Mr. Bogdahn summarized the presentations for the value added managers. The Board discussed the presentations.

A motion was made by Dr. Chase and seconded by Mr. Gebrian to invest \$18 million with Intercontinental. The motion failed.

A motion was made by Dr. Chase and seconded by Mr. Gebrian to invest \$9 million each with Principal and Intercontinental US REIF. The motion passed with four in favor (Dr. Chase, Mr. Gebrian, Ms. Bagneris, Mr. Foster and Ms. Hudson abstained).

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



Jesse Evans, Jr.
Director

JE/jhe