

**Regular Meeting  
Board of Trustees  
Of the Employees' Retirement System  
Of the City of New Orleans  
Purchasing Conference Room  
1300 Perdido Street, Room 4W05  
October 23, 2015  
9:30 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  
Ms. Marina M. Kahn, Retiree Representative

**Others Present:**

Jesse Evans, Jr., Director of Employees' Retirement System  
Janet H. Easterling, Administrative Support Supervisor  
Ian Jones, The Bogdahn Group  
Kimberly Smith, City Attorney's Office  
Joyce Joseph, City Attorney's Office  
Jane Armstrong, Phelps Dunbar  
Michael Conefry, Conefry & Company  
Edward Reynolds  
Attached are listings of Active Members present at meeting

The chairman called the meeting to order at 9:30 am.

**COMMITTEE REPORTS**

**Investment Committee – The Bogdahn Group**

**Performance Report** - Mr. Jones made a presentation on the monthly flash report ending August 31, 2015 for the managers' performance.

Ms. Kahn arrived to the meeting.

**Review/Adopt Asset Allocation and Total Fund Custom Benchmark** Mr. Jones made a presentation on asset allocation and total fund custom recommendations for the portfolio. A motion was made by Dr. Chase and seconded by Ms. Hudson to adopt the recommended asset allocation target on page 1. Mr. Foster opposed the recommended asset allocation target but was in favor of the total fund custom benchmark on page 3. Ms. Bagneris agreed with Mr. Foster. Dr. Chase agreed with Mr. Foster's suggestion regarding adopting the total fund custom benchmark. A motion was made by Dr. Chase and seconded by Ms. Hudson to adopt the recommended total fund custom benchmark on page 3. The motion passed unanimously.

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**Trustees Conference Review & Approval** – no requests.

**Member Relations Committee – Review of Possible Plan Changes** Mr. Evans informed the Board that the Member Relations Committee met on September 22, 2015 to review the possible 12 plan changes. He said that the Committee requested additional review of seven possible plan changes as follows: 1) Change the vesting requirement from five to ten years for future hires only, 2) reduce Option 4 Annuity from 7.5% to 2% or 1%, 3) Maximum Annual Pension Benefit of \$100,000, adjusted for 3% inflation for futures hires only, 5) Minimum Retirement Age 62 for future hires only, 6) Minimum Retirement Eligibility Age 60 and 20 years of Service for future hires only, 8) Eliminate rule of 80 and 65/5 for future hires only and 12) Minimum Retirement Eligibility Age 62 and 20 years of Service for future hires only. Mr. Evans suggested that the Board keep the 30 years and out as a retirement option. Ms. Bagneris agreed. Ms. Hudson suggested that the Member Relations Committee continue to have ongoing discussions regarding the possible plan changes. Dr. Chase said that he would like to see some of these changes effective January 1, 2016 for new hires. Ms. Bagneris said that the Member Relation Committee will schedule a meeting immediately regarding the possible plan changes to including 30 years and out. She said that the Member Relations committee will provide the Board with recommendations of possible plan changes.

Public Comments made by Jeniece Black.

**Contract Compliance Committee – Tax Attorney** Mr. Evans informed the Board that he received Tax Attorney Contract from Ms. Armstrong for review.

**Headline Risk Committee** nothing to report.

**Staffing Committee** nothing to report.

**OLD BUSINESS**

**Edward Reynolds - Separation Retirement** Mr. Evans said that the Board discussed Mr. Reynolds request regarding the calculation of separation retirement. He said that at the last meeting the Board voted to direct staff to interpret the final average calculation ordinance as applicable when the member was eligible. Mr. Evans said that the statute states that the member must make application for retirement. Mr. Reynolds addressed the Board regarding separation calculation for Retirement. He said that Chapter 114-201 requires that an active member must make application 30-90 days prior to retirement date but Chapter 114-215 does not have a requirement to make application for separation retirement. Mr. Reynolds said that Chapter 114-215 states “To receive a retirement allowance at such age he becomes eligible.....In such case, the member shall receive a service retirement allowance beginning when he becomes eligible for

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retirement”. Mr. Reynold said that age is what trigger retirement not application. He said that it is a mandated whenever you have the word shall. Ms. Armstrong said that the following sentence in Chapter 114-215 states “Should the member have served at least ten years before such separation, he shall be entitled to receive a full service retirement allowance beginning when he reaches the age of 60 years or at any age after 60 which he may elect”. She said that the statute has to be harmonized when looking at all parts instead of focusing on one word. Ms. Armstrong said that the word “shall” meant that you shall be entitled to retire. Mr. Reynolds said that Chapter 114-215 is ambiguous because it is subject to different interpretations. He said that because Chapter 114-215 is ambiguous and should be in the retiree favor. Ms. Armstrong said that the Chapter 114 has been restated to remove any ambiguity and omissions. She said that the restated Chapter 114-124 states “A member shall apply to the Trustees for his retirement allowance. Such application shall be made not more than 90 and not less than 30 days before his Retirement Date”. Mr. Foster suggested the Mr. Reynolds submit his comments in writing to Mr. Evans.

**RFP for Special Legal Counsel** Mr. Evans said that the Selection Committee met and recommended to the full Board Weiler & Rees for special legal counsel. He said that the Board needs to make a motion to go into negotiation with Weiler & Rees for special legal counsel. A motion was made by Ms. Hudson and seconded by Dr. Chase to go into negotiation with Weiler & Rees for special legal counsel. The motion passed unanimously.

**COLA Bonus** Mr. Evans informed the Board about the letter that was received from Councilmember Stacy Head regarding the Board granting a COLA. Mr. Evans discussed three estimates for the 2015 BOLA Bonus. Ms. Kahn and Ms. Hudson expressed concerns with giving a COLA bonus. Mr. Foster and Ms. Bagneris expressed concerns with not giving a COLA based on the COLA Policy. Dr. Chase said that he is in favor of giving a COLA bonus. A motion was made by Dr. Chase and seconded by Ms. Kahn to approve the 2015 December COLA in the amount of \$2.50 for 1<sup>st</sup> ten years, \$3.50 for next ten years and \$5.00 for twenty-one plus years, and an additional \$400 for retirees with 30 years or more in retirement with a minimum \$50. The motion passed with three in favor (Dr. Chase, Ms. Kahn and Ms. Hudson) one opposed (Mr. Foster) and one abstain (Ms. Bagneris).

**NEW BUSINESS**

**NCPERS Code of Conduct** deferred.

**Date for next Regular Meeting** the Board tentatively scheduled its next regular meeting for Wednesday, November 18<sup>th</sup> at 9:30 am to be held in Purchasing Conference Room 4W05.

Member Relations Committee tentatively scheduled its next meeting for November 12<sup>th</sup> at 10:00 am to be held in Purchasing Conference Room 4W05.

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**MONTHLY REPORTS**

Minutes of Regular Meeting for September 23, 2015 were presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Bagneris to approve the minutes of the Regular Meeting for September 23, 2015. The motion passed unanimously.

Retirements for the month of October 2015 were presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Bagneris to ratify the retirements for the month of October 2015. The motion passed unanimously.

Report of deceased retirees for the month of October 2015 was presented to the Board. The Board received the report of deceased retirees for the month of October 2015.

Employer Contribution Reports for the month of August 2015 was presented to the Board. The Board received the Employer Contribution Reports for the months of August 2015.

**EXECUTIVE SESSION**

A motion was made by Dr. Chase and seconded by Ms. Bagneris to go into executive session. The motion passed unanimously.

The meeting resumed.

Klausner, Kaufman versus NOMERS No action taken by the Board.

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



Jesse Evans, Jr.

Director

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