

**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 9, 2015  
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  
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  
Ian Jones, The Bogdahn Group  
Kimberly Smith, City Attorney's Office  
Jane Armstrong, Phelps Dunbar  
Beverly Garipey, Finance Department  
Marina Kahn  
Dorian Nunez

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

The Board recognized to Mr. Gebrian for his service on the Board and wished him well.

Ms. Hudson arrived to the meeting.

**OLD BUSINESS**

**Rewrites of Chapter 114** Mr. Evans informed the Board that the Governmental Affair Committee recommended the rewrites of Chapter 114 to the City Council.

**Board Election for the Retiree Representative Seat** Ms. Hudson provided the results from the Board election for the retiree representative seat; Marina Kahn 321 and Robert Gebrian 312. She said that Marina Kahn has been elected for the retiree representative seat for a three year term. Mr. Evans informed the Board of the bill for the election; however, in the past it was budgeted with Civil Service. Ms. Hudson said many years ago Civil Service budgeted and paid the bill for the Board election. She said that the Finance Department has paid the bills for the last couple of Board elections. Mr. Evans said that the bill has been given to the Retirement Office to pay. Ms. Bagneris suggested that the cost for next Board election should be included in the Retirement Office budget.

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**Tax Attorney RFP – Update** Mr. Evans said that Phelps Dunbar was selected as the Tax Attorney, and Ms. Armstrong has been working with the Office of Supplier Diversity as it relates to DBE. He informed the Board that the Contract Compliance committee will review the upcoming contract for the Tax Attorney.

**NEW BUSINESS**

**IRS Determination Letter and 2015 Ordinance Amendment** Ms. Armstrong informed the Board that the IRS announced that they are discontinuing the determination letter program because of limited resources. She said that the IRS will only review plans when they are initially adopted. Ms. Armstrong said that the Board has one more opportunity to get a determination letter. That request has to be submitted to IRS by January 31, 2016. She will provide an amendment at the next Board meeting regarding the same sex marriage case as it is related to retirement. Dr. Chase said that the Board has to decide whether to request another determination letter from the IRS by January 31, 2016 or do nothing, since the determination letter program will be discontinued.

**Date for next Regular Meeting** The Board tentatively scheduled its next regular meeting for Monday, July 13, 2015 at 9:00 am to be held in the Purchasing Conference Room 4W05.

**MONTHLY REPORTS**

**Minutes of Regular Meeting for April 20, 2015** were presented to the Board. A motion was made by Mr. Gebrian and seconded by Ms. Bagneris to approve the minutes of the Regular Meeting for April 20, 2015. The motion passed unanimously.

**Retirements for the month of June 2015** were presented to the Board. A motion was made by Mr. Gebrian and seconded by Mr. Foster to ratify the retirements for the month of June 2015. The motion passed unanimously.

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

**Member Refunds Report for the month of May 2015** was presented to the Board. The Board received the member refunds report for the month of May 2015.

**Status Report on Transfers for the month of May 2015** was presented to the Board. The Board received the status report on transfers for the month of May 2015.

## **COMMITTEE REPORTS**

### **Investment Committee – The Bogdahn Group**

Mr. Jones made a presentation on the Market Environment as of June 5, 2015. He discussed the year-to-date returns for equities and fixed income.

**Performance Report** - Mr. Jones made a presentation on the Monthly Flash Report ending April 30, 2015 for the managers' performance.

**Discuss possible consolidation/changes to investment structure** Mr. Jones recommended that the Board consolidate Holland and Intech and place the funds into the Vanguard S&P 500 Index. He said that Holland has not added value to the portfolio since inception and Intech has underperformed the Index since inception. Mr. Jones also recommended that the Board consolidate Segall Bryant into the Vanguard Extended Market Fund. A motion was made by Mr. Foster and seconded by Ms. Bagneris to terminate Brevan Howard, Boronia, Canyon, GEM Realty, LIM Asia, Man AHL, PSAM WorldArb and determine later where to place the funds. The motion passed unanimous. A motion was made by Mr. Foster and seconded by Dr. Chase to terminate Holland and Intech and place the funds into the Vanguard Growth Index Fund; terminate Segal Bryant and place the funds in the Vanguard Extended Market Index. The motion passed with three in favor (Mr. Foster, Dr. Chase Mr. Gebrian) one against (Ms. Hudson) and one abstained (Ms. Bagneris).

**Status of Opportunistic Manager Search** Mr. Jones informed the Board that 40 managers responded by June 30<sup>th</sup> to the Opportunistic Manager search. Ms. Hudson inquired about funding related to this search. Mr. Jones said that the Board can take 5% from the fixed income allocation to fund this search.

Mr. Evans informed the Board that two months of funds are needed for payroll during hurricane season and requested authorization to move funds from the managers as needed. He said that liquidating funds are always the first source funds to cover payroll. A motion was made by Ms. Hudson and seconded by Dr. Chase to liquidate any index funds to cover payroll. The motion passed unanimously.

**Budget Committee** – need to schedule a meeting

**Trustees Conference Review & Approval** – no requests from the Board.

**Member Relations Committee** nothing to report.

**Contract Compliance Committee** nothing to report.

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**Headline Risk Committee – RFP for Special Legal Counsel** - Mr. Evans informed the Board that in the package is a draft request for RFP for Special Legal Counsel which was recommended by the Headline Risk Committee. A motion was Dr. Chase and seconded by Mr. Gebrian to forward the RFP for Special Legal Counsel to Purchasing with a DBE of 5%. The motion passed unanimously.

**Staffing Committee** Mr. Evans informed the Board that in July two members from Accounting Bureau will assist the office, but he is not sure how long they will be allowed to stay.

Public Comment was made by Dorian Nunez regarding transition of hedge fund managers.

**Frontier and Africa Investment Markets** Mr. Jones made a presentation on the Frontier Markets/Africa as of June 15<sup>th</sup>.

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