

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
October 26, 2016
9:32 a.m.**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Mr. Norman S. Foster, Treasurer/CFO
Ms. Courtney B. Bagneris, Active Representative
Ms. Marina M. Kahn, Retiree Representative

Absent Trustee:

Ms. Lisa M. Hudson, Vice Chairperson

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Janet H. Easterling, Administrative Support Supervisor
Ian Jones, the Bogdahn Group
Yoon Lee, the Bogdahn Group
Joyce Joseph, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Chris Reynolds, Cornerstone Investment Partners
Rick Van Nestrand, Cornerstone Investment Partners
Dean Morris, Cornerstone Investment Partners
Thomas Meagher, NOFF&RF
Theodore Sanders, LAMP
Dorien Nunez, Omni
Roy Guercio, Comptroller

The chairman called the meeting to order at 9:32 am.

OLD BUSINESS

RFP for Investment Consultant Mr. Evans said that the RFP for Investment Consultant has been published by the Purchasing Bureau and the deadline is November 1st.

N.O. Firefighters' Pension & Relief Fund staff – Request to join the plan Mr. Evans said that a legal opinion on the admission of the Firefighters' Pension Board Employees was received from the City Attorney's Office dated August 23, 2016. Dr. Chase read the conclusion which states "To be eligible for membership in the New Orleans Municipal Employees' Retirement System, an individual must be a full-time or eligible part-time employee of the City or its boards. Employees of the City's attached boards are part of the City's Executive Branch, and eligible for membership in NOMERS, but any such employee is subject to administrative procedures governing all Executive Branch and City employees." Mr. Meagher said that the N.O. Firefighters' Pension Board requested these members be allowed to join NOMERS.

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He said the N.O. Firefighters' Pension Board is connected to the Department of Finance which is stated in the City's Charter. Mr. Meagher said that there are three members who will pay their share. He talked about outside Boards that are members of NOMERS. Ms. Bagneris asked who is responsible for the employer share. Mr. Meagher said that the N.O. Firefighters' Pension Board will pay the employer portion. Mr. Foster said that this request to join NOMERS is a City Council decision. He said that the N.O. Firefighters' Pension Board does not follow the rules of the City's travel policy, the Mayor and the Chief Administrative Officer do not approve unclassified hires and they do not follow the administrative policies set up by the CAO. Ms. Bagneris said that the members of the N.O. Firefighter Pension Board do not fit into the Civil Service classified/unclassified pay plan. She said that there are still questions about how this works related to the legal opinion. Dr. Chase suggested that the questions raised by Ms. Bagneris and Mr. Foster be forwarded to the N.O. Firefighter Pension Board and Alex Chasick of the City Attorney's Office.

MONTHLY REPORTS

Minutes of Regular Meetings for August 24, & September 21 2016 was presented to the Board. A motion was made by Ms. Bagneris and seconded by Mr. Kahn to approve the minutes of the Regular Meetings for August 24, & September 21, 2016. The motion passed with four in favor.

Retirements for the month of October 2016 were presented to the Board. A motion was made by Ms. Bagneris and seconded by Dr. Chase to ratify the retirements for the month of October 2016. The motion passed with four in favor.

Report of deceased retirees for the month of October 2016 was presented to the Board. The Board received the report of deceased retirees for the month of October 2016.

Member Refunds Report for the month of September 2016 was presented to the Board. The Board received the member refunds report for the month of September 2016.

Status Report on Transfers for the month of September 2016 was presented to the Board. The Board received the status report on transfers for the month of September 2016.

Employer Contribution Reports for the month of August 2016 were presented to the Board. The Board received the Employer Contribution Reports for the month of August 2016.

NEW BUSINESS

N. O. Industrial Development Board staff – Request to join the plan The Board requested a legal opinion.

Date for next regular meeting The Board's next regular meeting is scheduled for November 30, 2016 at 9:30am with the location to be determined.

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Mr. Foster left the meeting.

COMMITTEE REPORTS

Investment Committee – The Bogdahn Group

Monthly Flash Report - Mr. Jones made a presentation on the monthly flash report ending August 31, 2016 for the managers' performance. He discussed the year-to-date index returns of the equities and fixed income. Mr. Jones said that the total fund was approximately \$350,419,769 at the end of August 31, 2016. He said that the fund was up about 7.1%.

Presentation – Cornerstone Investment Partners – Mr. Reynolds gave an overview of the firm. Mr. Nestrland discussed the investment philosophy and investment process. Mr. Morris made a presentation on the investment portfolio as of September 30, 2016.

Status of agreement with Corbin Opportunistic Credit Fund Mr. Jones informed the Board that the transfer of assets were completed.

Discuss TCW Collective Investment Trust deferred.

Review summary of private equity investment deferred.

Budget Committee - Trustees Conference Review & Approval Ms. Kahn made a request to attend the National Foundation of Benefits Conference in Orlando, Florida dated for November 13 - 16, 2016. A motion was made by Dr. Chase and seconded by Ms. Bagneris to approve Ms. Kahn to attend the National Foundation of Benefits Conference in Orlando, Florida dated November 13 -16, 2016. The motion passed with three in favor.

Member Relations Committee nothing to report.

Headline Risk Committee – City Council Budget Committee – Information Request Mr. Evans said that the information request from the City Council Budget Committee is similar to some of the items of the last request. Mr. Evans informed the Board that he has been in communication with Council President Head regarding some items in the Bureau of Governmental Research (BGR) report regarding pension plans changes. Dr. Chase requested that Mr. Evans prepare a summary of possible plan changes based on the BGR report for the Board. Mr. Evans said that the Board has already implemented some of the recommended changes in the BGR report.

Contract Compliance Committee Mr. Evans said that a motion is needed from the Board to allow him to enter into negotiations with Fishman Haygood, the firm selected for Special Legal Counsel. A motion was made by Ms. Bagneris and seconded by Ms. Kahn to authorized Mr. Evans to enter into negotiations with Fishman Haygood for Special Legal Counsel. The motion passed with three in favor.

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Staffing Committee Mr. Evans informed the Board that he requested three positions in the 2017 budget for the Retirement Office. He said that one of the temporary employees got a job with the State.

EXECUTIVE SESSION

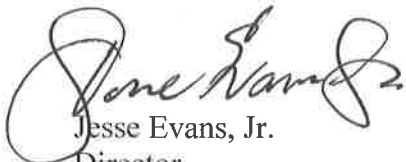
A motion was made by Dr. Chase and seconded by Ms. Bagneris to go into executive session. The motion passed with three in favor.

The meeting resumed.

Klausner, Kaufman, et al v. Dr. Edgar Chase, et al no action taken by the Board.

A motion was made by Ms. Bagneris and seconded by Ms. Kahn to approve the Ordinary Disability Retirement for **Nicole Boutte** based on the Board's physician report. The motion passed with three in favor.

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



Jesse Evans, Jr.

Director

JE/jhe

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