

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
February 17, 2016
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
Brian Green, the Bogdahn Group
Kimberly Smith, City Attorney's Office
Jane Armstrong, Phelps Dunbar
John Weiler, Weiler & Rees
Dustin McCarty, Wasatch Advisors
John A. Washington
Dorian Nunez, Omni Research
Carletta Graves, Clerk of Council

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

NEW BUSINESS

Date for next Regular Meeting the Board tentatively scheduled its next regular meeting for Wednesday, March 30th at 9:30 am to be held in Purchasing Conference Room 4W05.

COMMITTEE REPORTS

Investment Committee – The Bogdahn Group

PRESENTATION

Wasatch Advisors Mr. McCarty gave an overview of the firm. He informed the Board of a leadership change from CEO/President Jeff Cardon to CEO JB Taylor and President Eric Bergeson of Wasatch Advisors effective February 1, 2016. Mr. McCarty talked about the new investment vehicles with lower fees that are being reviewed by Mr. Jones. He summarized the

Regular Meeting
Board of Trustees
February 17, 2016
Page 2

firm's objective and strategy. Mr. McCarty talked about the investment process and the multi-factor mode/screening of stocks. He discussed the DuPont model screening and the deep due diligence. Mr. McCarty made a presentation on the five-year portfolio performance and annual returns as of December 31, 2015.

Ms. Kahn arrived to the meeting.

Review Status of Opportunistic Managers Mr. Evans said that Mr. Jones submitted the RFP for an Opportunistic Credit and/or Opportunistic Hedge Manager search that needs to be approved by the Board. A motion was made by Ms. Bagneris and second by Dr. Chase to approve the RFP for an Opportunistic Credit and/or Opportunistic Hedge Manager search. The motion passed unanimously.

Mr. Green handed out and discussed the S&P intra-year declines versus calendar year returns for the last 36 years. He said the S&P was positive 27 of the 36 years. Mr. Green said that high price earning stocks outperformed low price stocks. He talked about the Newton's Law of Motion as it relates to investments.

Mr. Foster left the meeting.

Mr. Green briefly summarized the Market Environment returns as of February 12, 2016. He said that investment performance for equities were negative, fixed income, treasuries and bonds were positive for January.

Monthly Flash Report - Mr. Green made a presentation on the monthly flash report ending December 31, 2015 for the managers' performance.

Mr. Green discussed the WHV transition to Rivington Select International Equity. He discussed the Board's options as it relates to the portfolio transition. Mr. Green suggested that the Board terminate WHV and transfer the funds into an index fund. A motion was made by Ms. Kahn and seconded by Ms. Bagneris to terminate WHV and transfer funds into a Vanguard Index Fund. The motion passed with four in favor (Ms. Kahn, Ms. Bagneris, Ms. Hudson and Dr. Chase).

**Regular Meeting
Board of Trustees
February 17, 2016
Page 3**

Budget Committee - Trustees Conference Review & Approval – Mr. Evans emailed the Board members a lists conferences. Ms. Hudson requested to attend the National Conference on Public Employee Retirement Systems (NCPERS) scheduled for May 14–19, 2016 in San Diego, California. A motion was made by Dr. Chase and seconded by Ms. Hudson to approve Ms. Hudson to attend the NCPERS conference schedule for May 14-19, 2016 in San Diego, California. The motion passed with four in favor (Dr. Chase, Ms. Hudson Ms. Kahn and Ms. Bagneris). Dr. Chase requested to attend the Michigan Annual Public Employees Retirement System (MAPERS) conference September 18-20, 2016 in Mackinac Island. A motion was made by Dr. Chase and seconded by Ms. Hudson to approve Dr. Chase to attend the MAPERS Conference September 18-20, 2016 in Mackinac Island. The motion passed with four in favor (Dr. Chase, Ms. Hudson Ms. Kahn and Ms. Bagneris).

Member Relations Committee nothing to report.

Contract Compliance Committee

Tax Attorney – Ms. Armstrong said that the contract is done.

The Bogdahn Group – Mr. Evans said that the contract will need to be executed by Dr. Chase.

Headline Risk Committee nothing to report.

Staffing Committee nothing to report.

MONTHLY REPORTS

Minutes of Regular Meeting for January 20, 2016 were presented to the Board. A motion was made by Ms. Kahn and seconded by Ms. Bagneris to approve the minutes of the Regular Meeting for January 20, 2016. The motion passed with four in favor (Ms. Kahn, Ms. Bagneris, Ms. Hudson and Dr. Chase).

Retirements for the month of February 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 February 2016. The motion passed with four in favor (Ms. Bagneris, Dr. Chase, Ms. Kahn and Ms. Hudson).

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

**Regular Meeting
Board of Trustees
February 17, 2016
Page 4**

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

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

Employer Contribution Reports for the months of November & December 2015 were presented to the Board. The Board received the Employer Contribution Reports for the months of November & December 2015.

EXECUTIVE SESSION

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

The meeting resumed.

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



Jesse Evans, Jr.
Director
JE/jhe