

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Assessor's Conference Room
1300 Perdido Street, 4th Floor
June 22, 2016
9:36 a.m.**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Ms. Courtney B. Bagneris, Active Representative
Ms. Marina M. Kahn, Retiree Representative

Absent Trustees:

Mr. Norman S. Foster, Treasurer/CFO

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
Jane Armstrong, Phelps Dunbar
Michael A. Conefry, Conefry & Company, LLC
Beverly Gariepy, Deputy Director of Finance
Stephen Daste, FFC Capital
Adrienne Recasner
Elise Cobb-Wright
Ed Shanklin, Gavion
Dorien Nunez

The chairman called the meeting to order at 9:36 am.

PRESENTATIONS

Annual Actuarial Valuation Mr. Conefry summarized the key facts from the December 31, 2015 annual actuarial valuation. He said that the 2017 total contribution rate is 27.490% which includes an employee rate of 6% and employer of 21.490%. A motion was made by Dr. Chase and seconded by Ms. Bagneris to approve the 2017 employer contribution rate of 21.490% and the employee contribution rate of 6% and forward the contribution rate letter to the City Council. The motion passed unanimously.

Adrienne Recasner made public comments.

Pre-2013 Members' DROP Interest Rate Mr. Conefry presented a letter dated June 22, 2016 indicating the Pre-2013 Members' DROP Interest Rate of 6.6199% effective for the period of September 1, 2016 through August 31, 2017. A motion was made by Ms. Hudson and seconded by Dr. Chase to adopt the Pre-2013 Members' DROP interest rate of 6.6199% for the period of September 1, 2016 through August 31, 2017. The motion passed unanimously.

OLD BUSINESS

RFP for 5-year Actuarial Study Mr. Evans handed out the revised RFP for the 5-year actuarial study regarding technical criteria and experience. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approve the RFP for the 5-year actuarial study. The motion passed unanimously.

NEW BUSINESS

Discussion on COLA Bonus deferred to the Member Relations Committee.

Date for next Regular Meeting the Board tentatively scheduled its next regular meetings for Wednesday, July 20th at 9:30 am location to be determined.

COMMITTEE REPORTS

Investment Committee – The Bogdahn Group

Opportunistic Manager Selection Mr. Jones summarized the four opportunistic managers by fund types, return targets, expected volatility, hurdle rates, management fees, incentive fees and fund terms. He discussed the annualized returned from inception to 12/31/15. The Board discussed the presentations of the opportunistic managers' (Alternative Investment Partners, Siguler Guff & Company, Corbin Capital Partners, L.P., and EnTrustPermal). A motion was made by Dr. Chase and seconded by Ms. Kahn to select Corbin Capital Partners as the opportunistic manager and fund in the amount of \$20 million. Where to take the funds was not determined. The motion passed with three in favor (Dr. Chase, Ms. Kahn and Ms. Bagneris) one opposed (Ms. Hudson).

Impact of cash flows on Asset Allocation deferred.

Partners Group Proxy Vote Mr. Jones summarized the Partners Group proxy vote and informed the Board of the fee increase from 1.25% to 1.5%. A motion was made by Ms. Hudson and seconded by Dr. Chase to vote against the fee for Partners Group on the proxy vote on fee increase from 1.25% to 1.5%. The motion passed unanimously. The Board voted on the other proxy items; 1) Approval of the New Limited Liability Company Agreement for the Master Fund, 2) Approval of the reorganization of the master-feeder structure into a single fund with multiple classes of interests, 4) Approval of the minimum repurchase Threshold for the master fund The Board also voted to withhold 5) To transact such other business as may properly come before the Special Meeting or any adjournment thereof.

Wasatch Collective Investment Trust Mr. Jones informed the Board of the current investment in Wasatch Emerging Markets Small Cap Mutual Fund with a fee of 1.91%; however, Wasatch offered a collective investment trust with a fee of 1.5%. He said that the Board could lower the fees on investment with Wasatch. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to accept Wasatch's offer to join the collective investment trust with a fee of 1.5%. The motion passed unanimously.

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Review status of International Equity Manager Search Mr. Jones said that the Board terminated Wentworth Hauser and the funds were placed in an index which initiated an equity search. He handed out and discussed a list of 16 managers for the International Equity search. Mr. Jones informed the Board he is prepared to move forward with the search for an active manager or leave the funds in the index. Deferred.

Budget Committee - Trustees Conference Review & Approval – no requests.

Member Relations Committee nothing to report.

Contract Compliance Committee nothing to report.

Headline Risk Committee nothing to report.

Staffing Committee Mr. Evans informed the Board that one new person has been added to Retirement staff and he is doing a good job. He thanked the Board for allowing him to hire temporary employees to catchup the back log. Mr. Evans said that the Board originally approved the hire of three temporary employees but he did not want to violate the City's guideline or rules for procurement. He informed the Board that bids were done for temporary employment, in order to follow the City's procurement process with a limit of \$15,000 for professional services. Mr. Evans said that this will allow for one temporary employee for the remainder of the year. He suggested that an RFQ for professional services would allow him to hire additional staff related to his original request within the amount of \$60,000 for at least three temporary employees. Mr. Evans said that Board approval will be needed for this RFQ for professional services. A motion was made by Ms. Hudson and seconded by Ms. Kahn to allow Mr. Evans to put out an RFQ for professional services for accounting work. The motion passed unanimously.

MONTHLY REPORTS

Minutes of Regular Meeting for May 25, 2016 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 May 25, 2016. The motion passed unanimously (Dr. Chase, Ms. Kahn, Ms. Bagneris, and Ms. Hudson).

Retirements for the month of June 2016 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 June 2016. The motion passed unanimously (Dr. Chase, Ms. Kahn, Ms. Bagneris, and Ms. Hudson).

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

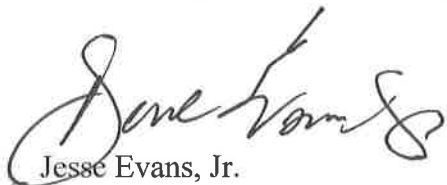
Member Refunds Report for the month of May 2016 was presented to the Board. The Board received the member refunds report for the month of May 2016.

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

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

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

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