

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
November 15, 2017
9:30am**

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:

Ms. Beverly B. Garipey, Treasurer/CFO

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Janet H. Easterling, Administrative Support Supervisor
Tony Kay, AndCo Consultant
Bernard Robertson, RWA
Jane Armstrong, Phelps Dunbar
Kimberly Smith, City Attorney's Office
Jason Burge, Fishman Haygood
Katie Lasky, Lasky Murphy, LLC
Theodore Sanders, LAMP

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

OLD BUSINESS

Draft Policy Pension on Emergency Pay The Board reviewed the draft policy for pension on emergency pay prepared by Ms. Armstrong. Dr. Chase asked whether the City Attorney's office reviewed the draft policy pension on emergency pay. Mr. Evans said no. Ms. Bagneris said that there has been current changes to the CAO's policy on emergency pay. Ms. Bagneris will forward the current changes to the policy on emergency plan to Mr. Evans. Mr. Evans said that he will forward to Ms. Armstrong and the City Attorney's office for review.

Draft Policy - Foreign Tax Refund Claims The Board reviewed the draft policy – foreign tax refund claims. Deferred until other Board members arrive.

COMMITTEE REPORTS

Investment Committee – AndCo Consultant

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Performance Report for September 30, 2017 Mr. Kay discussed equities and fixed income year-to-date index returns, as of September 30, 2017. He said that the total NOMERS fund plus LAMP account is \$380 million, as of September 30, 2017. Mr. Kay said that the year-to-date beginning market value was approximately \$345 million, net contributions -\$13 million with gains of \$38 million. He made a presentation on the managers' performance, as of September 30, 2017. Dr. Chase talked about inviting real estate managers to make a presentation to the Board. Mr. Evans informed the Board that Cornerstone is coming to his office tomorrow at 11:30 and invited other trustees to attend the meeting.

Ms. Kahn arrived to the meeting.

Amendment to Cornerstone Fee Rate Mr. Kay talked about the fee rate amendment for Cornerstone. He said that Cornerstone's new fee rate will be .35 of 1% of all assets under management for their investment services. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approve the new fee rate for Cornerstone of .35 of 1% of all assets under management for investment services. The motion passed with four in favor (Ms. Hudson, Ms. Bagneris, Ms. Kahn and Dr. Chase).

Southeastern Investment Policy Statement Draft Amendment Mr. Kay said that page 2 shows the redlined changes of the investment policy statement draft amendment. He said that it is just an addendum to Southeastern Asset Management not a full policy change. Mr. Kay said that under the general restrictions removed "letter stock and other unregistered securities" and under domestic equities removed "on the major U.S. exchanges, including the NASDAQ Stock Market" and add "on US markets". A motion was made by Ms. Hudson and seconded by Ms. Bagneris to adopt the changes to the Investment Policy Statement and addendum related to Southeastern Asset Management. The motion passed with four in favor (Ms. Hudson, Ms. Bagneris, Ms. Kahn and Dr. Chase). Mr. Evans said that Dr. Chase will sign off on the Investment Policy effective today at the next Board meeting.

Mr. Evans handed out and discussed the 2017 Annual Benefit Booklet for members of the system to Board members. He informed the Board that this may be the last annual benefit booklet for members because of an online tool that will provide this information to members.

Budget Committee - Trustees Conference Review & Approval Mr. Evans informed the Board about the upcoming 2018 LATEC Conference February 7-9, 2018 held in New Orleans. He will provide more information about the LATEC Conference to Board members.

Member Relations Committee Mr. Evans informed the Board that Councilmember Head plans to move forward with her ordinance as written on November 30, 2017 at the City Council meeting. He informed the Board that he met yesterday with Director of the Business Council, Coleman Ridley, does not support Councilmember Head's Ordinance as written. Mr. Evans said that Mr. Coleman's reply was why the rush. He informed Mr. Coleman that the Board has been discussing plan changes since 2014. Mr. Evans said per conversation with Councilmember Head's Chief of Staff, she is moving forward with her ordinance as written. He informed the Board that in conversation with Councilmember Williams, he said that it is not the time for plan changes.

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Contract Compliance Committee nothing to report.

Headline Risk Committee Mr. Evans informed the Board that Councilmember Head was on the Newell Norman radio show on WWL and made the statement that the pension plan was woefully underfunded.

Governance Committee nothing to report.

Ms. Kahn talked about members being vested in a retirement system before transfer-in time from another system. Mr. Evans said that in order to transfer-in time from another system, the person must be a contributing member at the time of the request. He said that the transfer rule does not state that the transfer must be completed in a specific time. Ms. Hudson suggested creating a policy on transfers regarding a specific time. Ms. Armstrong said that two things; 1) it has to be in accordance with state law regarding transfers and 2) state law states that each system is empowered to adopt additional rules and procedures. She will research and provide information at the next Board meeting.

Staffing Committee nothing to report.

Draft Policy - Foreign Tax Refund Claims (Continue) Mr. Evans said that this policy gives him the discretion to work with JPMorgan and investment managers' to reclaim those monies related to foreign tax refund claims. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approve the Foreign Tax Refund Claims Policy. The motion passed with four in favor (Ms. Hudson, Ms. Bagneris, Ms. Kahn and Dr. Chase).

NEW BUSINESS

Date for next regular meeting The Board's next regular meeting is tentatively scheduled for December 20, 2017 at 9:30am with the location to be determined.

MONTHLY REPORTS

Minutes of Regular Meeting for October 18, 2017 & Special Meeting for October 25, 2017 were presented to the Board. A motion was made by Ms. Hudson and seconded by Dr. Chase to approve the minutes of the Regular Meeting for October 18, 2017. The motion passed with four in favor (Ms. Hudson, Dr. Chase, Ms. Bagneris and Ms. Kahn). A motion was made by Ms. Hudson and seconded by Dr. Chase to approve the minutes of the Special Meeting for October 25, 2017. The motion passed with four in favor (Ms. Hudson, Dr. Chase, Ms. Bagneris and Ms. Kahn).

Retirements for the month of November were presented to the Board. A motion was made by Ms. Hudson and seconded by Dr. Chase to ratify the retirements for the month of November 2017. The motion passed with four in favor (Ms. Hudson, Dr. Chase, Ms. Bagneris and Ms. Kahn).

Report of deceased retirees for the month of November 2017 was presented to the Board. The Board received the report of deceased retirees for the month of November 2017.

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Status Report on Transfers for the month of October 2017 was presented to the Board. The Board received the status report on transfers for the month of October 2017.

Employer Contribution Report for the month of September 2017 were presented to the Board. The Board received the Employer Contribution Report for the month of September 2017.

EXECUTIVE SESSION

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

The meeting resumed.

Fishman Haygood no action taken by the Board.

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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