

**Regular Meeting  
Board of Trustees  
Of the Employees' Retirement System  
Of the City of New Orleans  
Purchasing Conference Room  
1300 Perdido Street, 4W05  
June 23, 2017  
9:35am**

**Trustees Present:**

Dr. Edgar L. Chase, III, Chairman  
Ms. Lisa M. Hudson, Vice Chairperson  
Ms. Beverly B. Garipey, Treasurer/CFO  
Ms. Marina M. Kahn, Retiree Representative

**Absent Trustee:**

Ms. Courtney B. Bagneris, Active Representative

**Others Present:**

Jesse Evans, Jr., Director of Employees' Retirement System  
Janet H. Easterling, Administrative Support Supervisor  
Ian Jones, AndCo Consultant  
Jane Armstrong, Phelps Dunbar  
Michael A. Conefry, Actuary  
Luther Speight, Auditor  
Jason Burge, Fishman Haygood  
Tim Viezer, Sewerage & Water Board ERS  
Jonathan Jenkins, JPMorgan Chase  
Gregory Rattler, Sr., JPMorgan Chase  
Catherine Lasky, Lasky Murphy, LLC  
Kitty Swenson, Wasatch Advisors, Inc.  
Dustin McCarty, Wasatch Advisors, Inc.  
Howard Rodgers, RWA, LLC Consultant

The chairman called the meeting to order at 9:35 am.

**PRESENTATIONS**

**Annual Actuarial Valuation** Mr. Conefry summarized the key facts from the December 31, 2016 annual actuarial valuation. He said that the 2018 total contribution rate is 29.252% which breaks down to an employee rate of 6% and employer rate of 23.252%. A motion was made by Ms. Hudson and seconded by Dr. Chase to approve the 2018 employer contribution rate of 23.2520% and the employee contribution rate of 6% and forward the contribution rate letter to the City Council. The motion passed with four in favor.

**Pre-2013 Members' DROP Interest Rate** Mr. Conefry presented a letter dated June 13, 2017 indicating the Pre-2013 Members' DROP Interest Rate of 4.6908% effective for the period of September 1, 2017 through August 31, 2018. A motion was made by Ms. Hudson and seconded by Dr. Chase to adopt the Pre-2013 Members' DROP interest rate of 4.6908% for the period of September 1, 2017 through August 31, 2018. The motion passed with four in favor.

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**Draft Independent Auditor's Report for 2016** Mr. Speight made a presentation on the 2016 draft Audit Report for the Employees' Retirement System as of December 31<sup>st</sup>. A motion was made by Ms. Gariepy and seconded by Ms. Hudson to accept the draft 2016 independent auditor's report with minor editorial changes. The motion passed with four in favor.

**NEW BUSINESS**

**Date for next regular meeting** The Board's next regular meeting is tentatively scheduled for July 19, 2017 at 9:30am with the location to be determined.

**COMMITTEE REPORTS**

**Investment Committee – AndCo Consultant**

**Presentation – Wasatch** Mr. McCarty made gave an overview of the firm. He said that their amount under management is \$15.5 billion as of May 31, 2017. Mr. McCarty discussed the Wasatch strategy and investment process. Ms. Swenson made a presentation on the portfolio.

**Performance Report for April 30, 2017** Mr. Jones handed out and discussed the 2017 market environment index returns, as of June 16, 2017. He discussed the year-to-date index returns for equities and fixed income. Mr. Jones made a presentation on the performance report ending April 30, 2017 for the managers. He said the asset allocation total value of the fund was approximately \$366 million at the end of April 2017

Ms. Hudson suggested that the Board draft procedures regarding how the Board meetings are conducted, elections rules and how the chairperson and vice chairperson are elected. Ms. Gariepy asked whether there is a Governance Committee. Dr. Chase suggested creating a Governance Committee and appointed Ms. Gariepy as chair and Ms. Hudson a member of the committee.

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

**Member Relations Committee – Member Account Interest Policy** Mr. Evans handed out two drafts on Member Account Interest Policy for Board review. He informed the Board that he and Ms. Bagneris met with Councilmember Williams who asked what plan changes does the Board recommend to strength the plan going forward. Dr. Chase said that the Board recommended plan changes in 2015 and those are the same ones we recommend today. Mr. Evans said that after the Member Relations Committee meeting next week and the July Board meeting, he will prepare a letter outlining the Board's recommendation for plan changes and prepare a draft ordinance at a future meeting to forward to the City Council to have passed this year.

**Contract Compliance Committee** Mr. Evans said that AndCo contract has been signed by Dr. Chase and is in effect as of June 1st.

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**Headline Risk Committee** Mr. Evans informed the Board about the email from the Business Council of New Orleans (BCNO) regarding ordinance calendar no. 31,383 prepared by Councilwoman Head on plan changes. Dr. Chase responded to the email from the BCNO. Mr. Evans said that the BCNO may not be aware of the Board's 2015 recommendations of plan changes that was forwarded to Councilwoman Head. Ms. Hudson said that the BCNO is advocating for Councilwoman Head's plan changes and not the Board's. Ms. Kahn said that the BCNO attended the Government Affair meeting when plan changes were discussed. Dr. Chase suggested that a letter be forward to the BCNO on the Board's recommended plan changes. Ms. Hudson suggested that the response to the BCNO be discussed at the next Member Relations Committee meeting.

**Staffing Committee** nothing to report.

**MONTHLY REPORTS**

**Minutes of Regular Meetings for April 19 & May 12, 2017** were presented to the Board. A motion was made by Ms. Kahn and seconded by Dr. Chase to approve the minutes of the Regular Meetings for April 19 & May 12, 2017. The motion passed with four in favor.

**Retirements for the month of June 2017** 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 June 2017. The motion passed unanimously.

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

**Member Refunds Report for the month of May 2017** was presented to the Board. The Board received the member refunds report for the month May 2017.

**Employer Contribution Reports for the months of March & April 2017** were presented to the Board. The Board received the Employer Contribution Reports for the months of March & April 2017.

Jonathan Jenkins and Gregory Rattler from JPMorgan Chase made public comments.

**EXECUTIVE SESSION**

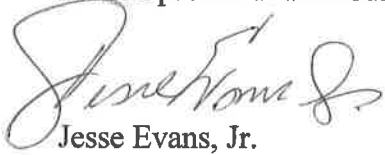
A motion was made by Ms. Hudson and seconded by Dr. Chase to go into executive session. The motion passed unanimously.

The meeting resumed.

**Fishman Haygood** no action taken by the Board.

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

A handwritten signature in cursive script, appearing to read "Jesse Evans, Jr.", written in black ink.

Jesse Evans, Jr.

Director

JE/jhe

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