

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
August 16, 2017
9:34am**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Ms. Beverly B. Gariepy, Treasurer/CFO
Ms. Marina M. Kahn, Retiree Representative
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
Kimberly Smith, City Attorney's Office
Jason Burge, Fishman Haygood
Katie Lasky, Lasky Murphy, LLC
Theodore Sanders

The chairman called the meeting to order at 9:34 am.

NEW BUSINESS

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

COMMITTEE REPORTS

Investment Committee – AndCo Consultant

Performance Report for June 30, 2017 Mr. Jones discussed the equities and fixed income index returns, as of June 30, 2017.

Ms. Kahn arrived to the meeting.

Mr. Jones informed the Board that Southeastern has a large 53% cash position. He suggested that the Board invite Southeastern to the next meeting. The Board agreed.

Mr. Jones suggested that the Board take \$2 million from Southeastern for benefit payments. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to take \$2 million from Southeastern for benefit payments. The motion passed with four in favor (Ms. Hudson, Ms. Bagneris, Ms. Kahn and Dr. Chase).

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Ms. Gariepy arrived to the meeting.

Mr. Jones informed the Board that the performance report includes the amount in the LAMP Account. Mr. Jones said that he and Mr. Evans discussed whether the amount in the LAMP account is included in the accounting of the total fund in the report from the actuary. Mr. Evans said that the Board is responsible for the full \$370 million. He said that the year-to-date beginning market value was approximately \$345 million not inclusive of the amount in the LAMP account. Distributions were in the amount of \$7.7 million, total gains of \$24.5 million and ending market value was approximately \$362 million. Mr. Jones made a presentation on the performance report ending June 30, 2017 for the managers.

Ms. Bagneris left the meeting.

Mr. Jones said that he is not impressed with Sunnymeath Ocean Partners' performance. He said that the Board talked about trimming funds from Sunnymeath Ocean Partners. Mr. Jones said that over a ten year period Sunnymeath Ocean Partners rate of return was 2.7% versus 7.26% from the Russell 3000. A motion was made by Ms. Hudson and seconded by Ms. Kahn to terminate Sunnymeath Ocean Partners, immediately. The motion passed with four in favor (Ms. Hudson, Ms. Kahn, Ms. Gariepy and Dr. Chase). A was motion made by Ms. Hudson and seconded by Dr. Chase to move funds from Sunnymeath Ocean Partners after termination to cash. The motion passed with four in favor (Ms. Hudson, Ms. Kahn, Ms. Gariepy and Dr. Chase).

Mr. Jones briefly discussed his presentation on "Where Do We Go From Here?" from the International Foundation Conference.

Dr. Chase asked that Ms. Gariepy and Mr. Evans provide a report on changing the Fund expected rate of return from 7.5% to 7.2%.

Budget Committee - Trustees Conference Review & Approval Mr. Evans said that in the package is the 5th Annual Southeast Institutional Investor Forum held October 25, 2017 in Atlanta, GA.

Member Relations Committee Mr. Evans informed the Board of a meeting with Councilmember Williams' Chief of Staff and Ms. Bagneris regarding Board's 2015 recommended plan changes. He said in the Board package is a draft copy of the Ordinance of plan changes. Mr. Evans said that he would circulate the draft ordinance of plan changes to Councilmember Williams and other Councilmembers. Ms. Hudson requested that this draft ordinance of plan changes be posted on NOMERS' website.

Contract Compliance Committee nothing to report.

Headline Risk Committee Mr. Evans informed the Board that the media has contacted him regarding whether any staffers of the Sewerage and Water Board belong to our plan.

Governance Committee Ms. Gariepy informed the Board that the Governance Committee is working on procedures and have expanded the scope to include operating procedures, procedures of conducting meetings and all policies for the fund.

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Staffing Committee nothing to report.

MONTHLY REPORTS

Minutes of Special & Regular Meetings for June 29 & July 19, 2017 were presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Hudson to approve the minutes of the Special & Regular Meetings for June 29, & July 19, 2017. The motion passed with four in favor (Dr. Chase, Ms. Hudson, Ms. Kahn and Ms. Gariepy).

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

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

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

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

EXECUTIVE SESSION

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

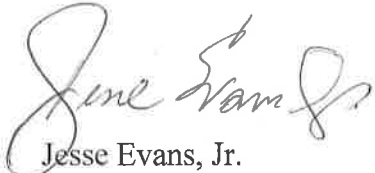
Ms. Gariepy left the meeting.

The meeting resumed.

Fishman Haygood A motion was made by Ms. Hudson and seconded by Dr. Chase to authorized Mr. Evans to work with the City Council and Purchasing Department to amend the current ordinance motion number M-15-18 to allow for an option to move the contract to a contingency agreement with the majority vote of the full Board. The motion passed with three in favor (Dr. Chase, Ms. Hudson and Ms. Kahn). A motion was made by Dr. Chase and seconded by Ms. Hudson to move forward with litigation against the City of New Orleans by authorizing legal counsel to file the necessary documents and continue to negotiate. The motion passed with three in favor (Dr. Chase, Ms. Hudson and Ms. Kahn).

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There being no further business, a motion was made by Dr. Chase 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 dark ink.

Jesse Evans, Jr.

Director

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