

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
January 31, 2018
9:30am**

Trustees Present:

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

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Ian Jones, AndCo Consultant – Conference Call
Bernard Robertson, RWA
Jane Armstrong, Phelps Dunbar
Kimberly Smith, City Attorney's Office
Jason Burge, Fishman Haygood
Katie Lasky, Lasky Murphy, LLC

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

OLD BUSINESS

Draft Policy Pension on Emergency Pay Ms. Armstrong said that she is working with Ms. Hudson on the language for the policy pension on emergency pay. Deferred

NEW BUSINESS

Date for next regular meeting The Board's next regular meeting is tentatively scheduled for February 22, 2018 at 9:30am with the location to be determined.

Amendment of NOMERS – Legal Opinion Ms. Armstrong said that the Board is bound to apply the statute as it is written, because we do not write law nor do we have the capacity to determine whether a law is lawful or unlawful. She said that the trustees had the authority to determine COLAs for retirees in the past which was at the Board's discretion, as long as the hypothetical bookkeeping account was in excess of 3½%. Ms. Armstrong said that by taking that away by statute is directly in violation of Smith versus LASERS. She said that in Smith versus LASERS it states that once you reach retirement age, whatever rights you have are locked in. Ms. Armstrong said that the City Council has taken that right away from Board's discretion for COLAs. She inquired as to whether the elimination of that discretion for people who have retired would be an elimination of a contract right which would be a violation of the state constitution. Dr. Chase said that the Board would have to wait for these things to happen for us to consider what actions can be taken. He asked Ms. Armstrong and Mr. Evans to consider whether the Board has a fiduciary duty to inform members every year about changes to the plan that affects them. Ms. Kahn said that the COLA statute would affect her because she is a retiree.

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Mr. Evans said that there are gaps within the ordinances that need to be addressed. He provided a scenario if a current member is employed left and took a refund of contributions and later was re-employed with the City what plan should that person be placed in and once they retire do they have standing in the old plan or new plan? Second, scenario if a current member leaves their contributions on deposit and retires in the future what plan would they be placed in? Ms. Armstrong said that the whole subject of rehires and separations needs to be fleshed out in a written document whether it is a procedure or going back to the City Council and asking them to do a correction to the ordinances. She said that the Board needs to determine how rehires and separations should be treated. Ms. Armstrong said that she will get with Mr. Evans to discuss alternatives related to the amendments. Mr. Evans said that he would like to provide notice to members who take their contributions out of the plan. Ms. Kahn said that transfers have not been addressed. Mr. Evans said that the Board passed a motion on transfers indicating that they must be completed within six months after terminating service with the City. Ms. Hudson asked whether there is a policy. Mr. Evans said no. Ms. Kahn inquired about the reciprocity agreement with Sewerage and Water Board as it relates to transfers. Mr. Evans said that reciprocity agreement with Sewerage and Water Board has not been addressed. He said that because of the amendments to our plan, the plans are no longer similar which will have to be revisited. Ms. Armstrong said that the state statutes on transfers need to be reviewed to make sure there are no violations.

Member Interest Rate Mr. Evans said that the last business day of 2017 was December 29th and the U.S. one year Treasury bond was 1.76%. He said that the Board needs to adopt the member account interest for 2018 based on the U.S. one year Treasury bond of 1.76%. A motion was made by Dr. Chase and seconded by Ms. Kahn to credit eligible member interest rate of 1.76% for the year 2018. Ms. Hudson asked why a motion is needed if it is part of the City Council amendments to plan. Dr. Chase withdrew his motion and Ms. Kahn withdrew her second to the motion. Dr. Chase requested that Mr. Evans post the new member interest rate to the website.

COMMITTEE REPORTS

Investment Committee – AndCo Consultant - On Conference Call

Performance Report for November 30, 2017 Mr. Jones discussed equities and fixed income year-to-date index returns, as of November 30, 2017. He said that the total NOMERS fund is \$375 million, as of November 30, 2017. Mr. Jones discussed current allocations versus the target allocations. He said that the total NOMERS fund plus LAMP account is \$387 million, as of November 30, 2017. Mr. Jones said that the year-to-date beginning market value was approximately \$345 million, net contributions -\$16 million with gains of \$46 million. He said that the total fund year-to-date returns were 14.3% as of November 30, 2017. He made a presentation on the managers' performance, as of November 30, 2017.

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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. Ms. Hudson requested to attend the NCPERS conference held in New York, May 13 – May 19, 2018. A motion was made by Dr. Chase and seconded by Ms. Gariepy to approve Ms. Hudson to attend the NCPERS conference held in New York, May 13 – 19, 2018. The motion passed with four in favor (Dr. Chase, Ms. Gariepy, Ms. Kahn and Ms. Bagneris).

Member Relations Committee Mr. Evans informed the Board that the programmer is still working on the benefit projector which will replaced the annual benefit booklet.

Contract Compliance Committee nothing to report.

Headline Risk Committee nothing to report.

Governance Committee nothing to report.

Mr. Evans talked about scheduling a Parliamentary Training for the Board. He spoke with Laura Badeaux regarding Parliamentary Training.

Staffing Committee nothing to report.

MONTHLY REPORTS

Minutes of Regular Meeting for December 19, 2017 was presented to the Board. A motion was made by Ms. Hudson and seconded by Ms. Kahn to approve the minutes of the Regular Meeting for December 19, 2017. The motion passed unanimously. (Ms. Hudson, Ms. Kahn, Ms. Bagneris, Ms. Gariepy and Dr. Chase).

Retirements for the month of January 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 January 2017. The motion passed unanimously (Ms. Hudson, Dr. Chase, Ms. Bagneris, Ms. Kahn and Ms. Gariepy).

Report of deceased retirees for the month of January 2018 was presented to the Board. The Board received the report of deceased retirees for the month of January 2018.

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

EXECUTIVE SESSION

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

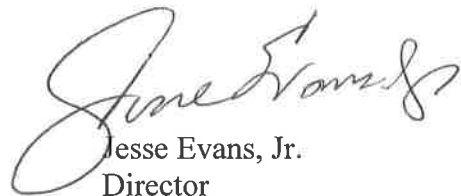
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The meeting resumed.

Fishman Haygood no action taken by the Board.

Legal Discussion of Options – Amendment of NOMERS 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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