

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
October 18, 2018
9:37am**

Trustees Present:

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

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Janet H. Easterling, Administrative Support Supervisor
Ian Jones, AndCo Consultant
Bernard Robertson, RWA
Kimberly Smith, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Alex Glaser, Phelps Dunbar
Jeffery Williams, Actuary – Segal Consulting
Malichi Waterman, Actuary – Segal Consulting
Katie Lasky, Lasky Murphy
Lydia Glapion-Days, Criminal District Court
Chante Powell, SWBNO Trustee
Dorian Nunez

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

NEW BUSINESS

Date for next regular meeting The Board's next regular meeting is tentatively scheduled for November 14, 2018 at 9:30am the location to be determined.

COMMITTEE REPORTS

Investment Committee – AndCo Consultant

Ms. Kahn arrived to the meeting.

Regular Meeting
Board of Trustees
October 18, 2018
Page 2

Performance Report for August 31, 2018 Mr. Jones handed out and discussed the 2018 market environment equities and fixed income index returns, dated for August 31, 2018. He recommended that the Board lower the target allocation for hedge funds to 2.5%. Mr. Jones made a presentation on the investment performance report dated, August 31, 2018, NOMERS total fund market value is \$384 million and LAMP assets of \$14 million for the total of \$399 million. He said that the year-to-date beginning market value was approximately \$378 million, net contributions -\$7.8 million with gains of \$14.6 million and the ending market value of \$384 million. Mr. Jones said that the year-to-date performance returns for the fund was up 4.1% percent at the end of August 2018. Mr. Jones discussed the managers' performance ending August 31, 2018.

Ms. Kahn stepped out.

Funding Liquidity Mr. Jones recommended that the Board take funds from Vanguard Large Cap Growth, if funds are needed within the next 30 days. A motion was made by Ms. Bagneris and seconded by Mr. White to authorized Mr. Evans to take funds that are needed for benefit payments and other investment operating expenses from Vanguard Large Cap Growth for the next 30 days. The motion passed with four in favor (Ms. Bagneris, Mr. White, Ms. Hudson, and Dr. Chase).

Ms. Kahn returned to the meeting.

Discussion of GTAA Manager Mr. Jones made a presentation on the GTAA managers' analysis. He said that five managers (BlackRock, GMO, JPMorgan, Morgan Stanley and PIMCO) made presentations to the Board. Mr. Jones discussed the primary benchmark for each manager. He said that the Board can invest 5% or 10% with one or two GTAA managers. Ms. Hudson inquired about where the funds come from to investment with GTAA manager, Mr. Evans said that the mandate was for \$20 to \$30 million dollars. Mr. Jones said that 5% of the plan is \$19 million. He recommended that the Board reduce the hedge fund allocation from 5% to 2.5% which is \$10 million. Mr. Jones recommended taking funds from fixed income. He suggested trimming from the real estate allocation and the emerging market equities and rebalancing to the target allocations. Mr. Jones said that he will make a recommendation at the next meeting to rebalance the target allocation. Ms. Hudson suggested trimming funds from the indexes instead of active managers. Mr. Jones said that the Board can trim from domestic equities indexes, Macquarie and TCW. Ms. Kahn suggested taking funds from hedge funds. Mr. White said that Mr. Jones will provide recommendations at the next meeting as to where to take the funds. He will provide more information on GMO and BlackRock at the next meeting.

Mr. White left the meeting.

Budget Committee - Trustees Conference Review & Approval Ms. Hudson made comments about investment session from IFEBP conference. Mr. Evans informed the Board of the LAMP annual conference on October 26, 2018, and he will email information.

**Regular Meeting
Board of Trustees
October 18, 2018
Page 3**

Member Relations Committee – Policy Rehired Employees Ms. Bagneris informed the Board of the Member Relations Committee meeting October 12, 2018 held in the City Council Chambers. She said that the reciprocal agreement with Sewerage and Water Board was discussed and rehire employees. Ms. Bagneris said that the Member Relations Committee and the Sewerage & Water Board members agreed to have another meeting to draft a new reciprocal agreement going forward. She said that they discussed options on how to treat DROP funds after a member completes DROP and continues working. Ms. Armstrong will research options on how to treat members DROP funds after completing DROP. Ms. Kahn inquired about how many members continue working after DROP. Mr. Evans said that less than ten members.

Contract Compliance Committee Mr. Evans asked the new actuary Jeffery Williams and Malichi Waterman to introduce themselves to the Board. He said that the Segal contract needs to be sign by Dr. Chase, and the City Attorney's office. Dr. Chase suggested that the Member Relations Committee work with the new Actuary regarding the recommendations from the five year actuarial study and the impact.

Headline Risk Committee nothing to report.

Governance Committee nothing to report.

Staffing Committee nothing to report.

MONTHLY REPORTS

Minutes of Investment Committee Meeting for September 10, 2018 and Regular Meeting for September 20, 2018 were presented to the Board. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approve the minutes of the Investment Committee Meeting for September 10, 2018 and the Regular Meeting for September 20, 2018. The motion passed with four in favor (Ms. Bagneris, Mr. White, Ms. Hudson and Dr. Chase).

Retirements for the month of October 2018 was presented to the Board. A motion was made by Ms. Hudson and seconded by Dr. Chase to ratify the retirements for the month of October 2018. The motion passed with four in favor (Ms. Bagneris, Mr. White, Ms. Hudson and Dr. Chase).

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

Member Refunds Report for the month of October 2018 were presented to the Board. The Board received the member refunds reports for the month October 2018.

Status Report on Transfers for the month of October 2018 were presented to the Board. The Board received the status report on transfers for the month of August 2018.

Employer Contribution Reports for the months of July and August 2018 were presented to the Board. The Board received the Employer Contribution Reports for the months of July and August 2018.

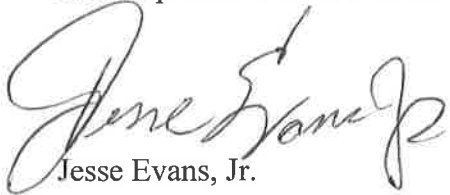
**Regular Meeting
Board of Trustees
October 18, 2018
Page 4**

EXECUTIVE SESSION

A motion was made by Ms. Hudson and seconded by Ms. Kahn to go into executive session. The motion passed with four in favor (Ms. Bagneris, Ms. Kahn, Ms. Hudson and Dr. Chase).

A motion was made by Dr. Chase and seconded by Ms. Kahn to come out of executive session. The motion passed with four in favor (Dr. Chase, Ms. Kahn, Ms. Bagneris and Ms. Hudson).

There being no further business, a motion was made by Ms. Hudson and seconded by Ms. Kahn to adjourn. The motion passed with four in favor (Ms. Hudson, Ms. Kahn, Ms. Bagneris and Dr. Chase).



Jesse Evans, Jr.
Director

JE/jhe