

**Regular Meeting  
Board of Trustees  
Of the Employees' Retirement System  
Of the City of New Orleans  
Purchasing Conference Room  
1300 Perdido Street, 4W05  
July 19, 2018  
9:30am**

**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  
Brad Hess, AndCo Consultant  
Bernard Robertson, RWA  
Kimberly Smith, City Attorney's Office  
Jane Armstrong, Phelps Dunbar  
Talbot Quinn, Phelps Dunbar  
Jason Burge, Fishman Haygood  
Ed Shanklin  
Dorian Nunez, OMNI  
Carlette Graves  
Lori Duvernay

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

**Member Benefit Review** Ms. Smith said that the advice dated June 6, 2018 on NOMERS benefits for rehired employees was written by Alex Chasick from the City Attorney's Office. She said that the short answer regarding the advice on how to treat benefits for rehired employees is, the decision is up to the Board, because it is not addressed in the 2017 Ordinance #27,607. Mr. Evans said that based upon the advice from the City Attorney's Office regarding how benefits for rehired employees can be treated, it is at the Board's discretion. Dr. Chase inquired as to how Civil Service handles rehired employees. Ms. Hudson said that Civil Service rules allows for reinstatement of an employee and makes the employee whole regarding benefits. She said that the reinstatement process is requested by the department. Ms. Armstrong asked is there a limitation on reinstatement period for an employee. Ms. Hudson said that there is no limitation, if an employee is reinstated with the same department and position. Ms. Bagneris suggested that this item be forwarded to the Member Relations Committee to draft a policy. A discussion followed. Mr. Evans suggested that a Member Relations Committee be scheduled before the next Board meeting.

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**NEW BUSINESS**

**Date for next regular meeting** The Board's next regular meeting is tentatively scheduled for August 15, 2018 at 9:30am with the location to be determined.

**COMMITTEE REPORTS**

**Investment Committee – AndCo Consultant**

**Performance Report for May 31, 2018** Mr. Jones handed out and discussed the 2018 market environment index returns, dated for July 13, 2018. He made a presentation on the investment performance report dated, May 31, 2018. Mr. Jones said that the year-to-date beginning market value was approximately \$378 million, net contributions -\$4.7 million with gains of \$4.0 thousand and the ending market value of \$377 million. He said that the LAMP account assets were approximately \$13.2 million, as of May 31, 2018. Mr. Jones said that the year-to-date returns for the fund was 1.2 percent, as of May 31, 2018. He made a presentation on the year-to-date managers' performance, as of May 31, 2018.

Mr. Nunez made public comments.

**Funding Liquidity** no action.

**Status of RFP for Global Tactical Asset Allocation (GTAA)** Mr. Jones made a presentation on the GTAA manager search. He said that fourteen (14) managers responded to the GTAA search and three (3) managers (MKP Opportunity Master Fund, Standard Life Global and Westwood Income Opportunity Fund) were eliminated due to not providing details on historic asset allocation and all investments are in US. dollars. Mr. Jones said that eleven (11) managers were asked to respond to the full questionnaire and Highland Global Allocation Fund elected not to respond. He said that five (5) managers were eliminated after review Newton/Dreyfus, Putnam and William Blair Marco – track records trailed the broad global benchmark, Wellington's fee exceeds the stipulated maximum of 1%, and Northern Trust – had a change in professional staffing and investment philosophy in 2014, and they did not provide historic asset allocation detail in the DDQ requested format. Mr. Jones recommended that the Board consider the following five (5) managers; Blackrock, GMO, JPMorgan, Morgan Stanley and Pimco to interview for the GTAA manager. Mr. Evans suggested that the Board interview the managers in September. The Board tentatively scheduled an investment meeting for Monday, September 10<sup>th</sup> from 9:00 am to 1:00 pm the location to be determined.

**Diversity Manager Policy Discussion** Ms. Armstrong briefly summarized the memorandum dated July 17, 2018 regarding hiring investment managers' fiduciary considerations that was emailed to the Board members. She said that this is an issue that the Department of Labor looked at historically in the private sector and recently restated their position about two months ago. She said that the Board is not bound by the opinion of the Department of Labor.

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Mr. Hess made a presentation on the diversity manager policy of the City of Philadelphia and Illinois State Pension Code. He discussed the criteria of the diversity manager for the City of Philadelphia and the Illinois State Pension Code. Mr. Hess talked about the screening criteria for minority/women owned firms. He said that the total number of minority/women owned firms is approximately 157. Mr. Hess discussed the minority/women owned firms that serve as investment managers for AndCo clients. Mr. Evans suggested that this item be forwarded to the Governance Committee to draft a diversity manager policy for the fund.

Ed Shanklin made public comment.

Dorian Nunez made public comment.

**Budget Committee - Trustees Conference Review & Approval** Dr. Chase requested to attend the 2018 Public Pension Funding Forum held in Cambridge, Maryland September 16-18, 2018. A motion was made by Ms. Hudson and Mr. White to approve Dr. Chase to attend the 2018 Public Pension Funding Forum held in Cambridge, Maryland September 16-18, 2018. The motion passed unanimously. Ms. Bagneris, Ms. Kahn, Ms. Hudson and Mr. White requested to attend 2018 LAPERS seminar September 16-18, 2018 in New Orleans. A motion was made by Dr. Chase and seconded by Ms. Hudson to approve Ms. Bagneris, Ms. Kahn, Ms. Hudson and Mr. White to attend 2018 LAPERS seminar September 16-18, 2018 in New Orleans. The motion passed unanimously. Ms. Hudson, Ms. Kahn and Ms. Bagneris requested to attend 64<sup>th</sup> Annual Employee Benefits Conference October 14-17, 2018 held in New Orleans. A motion was made by Dr. Chase and seconded by Mr. White to approve Ms. Hudson, Ms. Kahn and Ms. Bagneris to attend 64<sup>th</sup> Annual Employee Benefits Conference October 14-17, 2018 held in New Orleans. The motion passed unanimously.

**Member Relations Committee – Amendment of NOMERS** nothing to report.

**Contract Compliance Committee** Mr. Evans informed the Board that the Segal contract is in the City Attorney's Office for review.

**Headline Risk Committee** nothing to report.

**Governance Committee** nothing to report.

**Staffing Committee** Mr. Evans informed the Board that he has a meeting with Mr. White on Tuesday regarding staffing in the Retirement Office.

## **MONTHLY REPORTS**

**Minutes of Regular Meeting for June 19, 2018** was presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Hudson to approve the minutes of the Regular Meeting for June 19, 2018. The motion passed unanimously.

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Retirements for the month of July 2018 was presented to the Board. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to ratify the retirements for the month of July 2018. The motion passed unanimously.

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

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

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

**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 - Update no action taken.

Member Benefit Review A motion was made by Ms. Hudson and seconded by Ms. Bagneris to not recoup the overpayment to Clara Butler. The motion passed unanimously.

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



Jesse Evans, Jr.

Director

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