

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
January 16, 2019
9:36 am**

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
Dan Johnson, AndCo Consultant
Bernard Robertson, RWA
Kimberly Smith, City Attorney's Office
Alex Glaser, Phelps Dunbar
Jason Burge, Fishman Haygood
Katie Lasky, Lasky Murphy
Matthew Ritz, Cornerstone Investment Partners
Rick Van Nostrand, Cornerstone Investment Partners
Howard Rodgers, Regions Investment Solution
Jarrett Cohen, JECohen & Company
Steven Kennedy, REO, LLC

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

COMMITTEE REPORTS

Investment Committee – AndCo Consultant

Dan Johnson introduced himself to the Board and gave background information as a partner with AndCo.

Ms. Kahn arrived to the meeting.

Performance Report for November 30, 2018 Mr. Jones discussed the market updates for equities and fixed income index returns, as of November 30, 2018. He said that the year-to-date beginning market value was approximately \$380 million, net contributions -\$10 million with loss of \$175 thousand. The ending market value was \$367 million, and with LAMP assets the total fund was about \$381 million. He discussed the comparative performance returns, as of November 30, 2018 and ending December 31, 2017. Ms. Jones made a presentation on the investment managers' performance, as of November 30, 2018.

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Mr. White arrived to the meeting.

He suggested that the Board invite Southeastern to make a presentation on the investment portfolio. The Board agreed to invite Southeastern to the March 2019 meeting.

Presentation by Cornerstone Investment Partners Mr. Ritz gave an overview of the firm. He said that Cornerstone is a value manager. Mr. Ritz discussed the investment process and philosophy. He summarized the Cornerstone's fair value model results. Mr. Ritz discussed the investment portfolio performance results as of December 31, 2018. He talked about companies they own. Mr. Nostrand discussed what led to high volatility in the investment market. He talked about the growth versus value disparity in the market from 1995 to 2017. Mr. Nostrand discussed the price-to-earnings annual change from 1988 to 2018. He briefly discussed the portfolio update, as of December 31, 2018 and the calendar year returns since inception.

Mr. White left the meeting.

Funding Liquidity The Board agreed to take funds from Cornerstone, if funds are needed for the next thirty days.

NEW BUSINESS

Budget Committee - Trustees Conference Review & Approval Mr. Evans informed the Board about the upcoming 2019 LATEC Conference February 27 –March 1, 2019 held in New Orleans at the Royal Sonesta. A motion was made by Ms. Bagneris and seconded by Mr. White to approve all board members to attend the 2019 LATEC Conference February 27 – March 1, 2019. The motion passed unanimously.

Date for next regular meeting The Board's next regular meeting is tentatively scheduled for February 21, 2019 at 9:30am the location to be determined.

Member Relations Committee – Policy Rehired Employees Ms. Bagneris informed the Board of the challenges at the Sewerage & Water Board related to the reciprocity agreement. Mr. Evans said that he had a meeting with Sewerage & Water Board representatives regarding the reciprocity agreement. Ms. Bagneris said that the Member Relations Committee will schedule a meeting to draft something regarding this issue.

Contract Compliance Committee nothing to report.

Headline Risk Committee nothing to report.

Governance Committee nothing to report.

Staffing Committee no change.

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MONTHLY REPORTS

Minutes of Regular Meeting for December 19, 2018 were presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Bagneris to approve the minutes for December 19, 2018. The motion passed with four in favor (Dr. Chase, Ms. Bagneris, Ms. Kahn and Ms. Hudson).

Retirements for the month of January 2019 was presented to the Board. A motion was made by Ms. Bagneris and seconded by Ms. Kahn to ratify the retirements for the month of January 2019. The motion passed with three in favor (Ms. Bagneris, Ms. Kahn, and Dr. Chase. Ms. Hudson abstained).

Report of deceased retirees for the month of January 2019 was presented to the Board. The Board received the report of deceased retirees for the month of January 2019.

Status Reports on Transfers for the months of December 2018 & January 2019 were presented to the Board. The Board received the status reports on transfers for the months of December 2018 and January 2019.

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

Employer Contributions Report for the month of October 2018 were presented to the Board. The Board received the Employer Contributions Report for the month of October 2018.

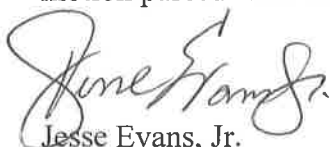
EXECUTIVE SESSION

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

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

Fishman Haygood – Update Dr. Chase said that the Board was briefed on changing the date in paragraphs 1 and 4 of the consent agreement. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to change the date in paragraphs 1 and 4 of the consent agreement. The motion passed with four in favor (Ms. Hudson, Ms. Bagneris, Ms. Kahn and Dr. Chase).

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



Jesse Evans, Jr.

Director

JE/jhe