

**REGULAR MEETING
BOARD OF TRUSTEES
CITY OF NEW ORLEANS EMPLOYEES' RETIREMENT SYSTEM
CITY HALL, DEPARTMENT OF FINANCE CONFERENCE ROOM (THIRD FLOOR)
JUNE 26, 2024**

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Trustees Present:

Ms. Amy B. Trepagnier, Trustee
Ms. Romy S. Samuel, Treasurer/CFO
Mr. Kim T. DeLarge, Sr., Trustee
Mr. Ross Bourgeois, Active Employees' Representative

Trustees Absent:

Ms. Marina M. Kahn, Retired Employees' Representative

Others Present:

Jesse Evans, Jr., Director, Employees' Retirement System
Dan Johnson, Mariner Consulting
Jeffrey Williams, Segal Group
Bernard Robertson, Robertson Wealth Management
Michael Williams, Phelps Dunbar
Caroline Perlis, Phelps Dunbar
Derek Mercadal, City Attorney's Office

Mr. Evans called the meeting to order at 9:37am after roll call.

MONTHLY REPORTS

Meeting Minutes - Regular Meeting - May 15, 2024

A motion was made by Mr. DeLarge and seconded by Ms. Samuel to approve the May 15, 2024 regular meeting minutes. The motion passed.
(Ms. Samuel, Mr. DeLarge) Ms. Trepagnier abstained.

Board to Ratify Retirement Allowances

A motion was made by Ms. Trepagnier and seconded by Ms. Samuel to approve the retirement allowances for the month of June. The motion passed with all in favor.
(Ms. Samuel, Mr. DeLarge, and Ms. Trepagnier)

Mr. Bourgeois joined the meeting at 9:40am

Contribution Report - Marked received

Mr. Evans advised that the Orleans Parish Communications District (OPCD) continues to only remit contributions for terminated and retiring employees. He indicated that they are not sending the contributions for active employees. He advised of his discussions with OPCD and their pending request for a mid-year budget adjustment to bring the delinquent contributions up to date.

The board discussed.

The board agreed that a formal delinquent letter should be sent to the Orleans Parish of Communication District with copy to the members of the City Council and the Chief Administrative Officer notifying them that the retirement system has not received the required employee and employer contributions for the active employees in 2024.

Refund Report - Marked received
Transfer Report - Marked received
Deceased Member Report - Marked received

Mr. Evans paused for public comments. There were no public comments.

NEW BUSINESS

Annual Actuarial Valuation Report - Jeffrey Williams

Mr. Williams (Segal Group) discussed the valuation results as of January 1, 2024. He noted the increase in the actuarial value of assets from \$466.4M to \$486.6 and an increase in market value of assets from \$422M to \$461.8M. Compared to the assumed rate of return of 7.25%, the market value of assets return was 12.52% and the actuarial value rate of return was 7.08%.

He indicated that on an actuarial basis the funded ratio increased from 58.83% to 58.84%. On a market basis, the funded ratio increased from 53.25% in 2023 to 55.85% in 2024.

A discussion followed.

Mr. Williams (Segal Group) advised that the pension plan is due to have a Five-Year Actuarial Experience Study. Mr. Evans advised that the retirement system has the necessary funding in the budget to have the experience study completed this year.

A motion was made by Mr. Bourgeois and seconded by Ms. Trepagnier to have the Segal Group complete the Five-Year Actuarial Experience Study. The motion passed with all in favor. (Mr. Bourgeois, Ms. Samuel, Mr. DeLarge, and Ms. Trepagnier)

Mr. Evans advised the board of the required employer contribution rate of 16.95%. He advised that per the city council ordinance, the board can include an additional .5% to provide a cost-of-living adjustment (COLA) for retirees for a total employer contribution rate of 17.45%.

Regular Meeting
Board of Trustees
June 26, 2024
Page - 3

A motion was made by Mr. DeLarge and seconded by Ms. Samuel to approve the recommended employee contribution rate of 6% and the recommended employer contribution rate of 17.45% for 2025. The motion passed with all in favor.
(Mr. Bourgeois, Ms. Samuel, Mr. DeLarge, and Ms. Trepagnier)

Mr. Williams (Segal Group) reviewed a COLA funding report that provided information on what single lump sum amount would be needed to provide a permanent 1%, 2%, and 3% COLA as an increase in the monthly benefit to all current retirees.

1% - \$32.5 million
2% - \$71 million
3% - \$115 million

The board agreed to ask the city council for another \$1 million to fund a single lump sum COLA of \$500 in 2025 and provide COLAs in 2026 and going forward based upon what is collected based upon the .5% addition to the annual required employer contribution rate.

Board Officers

Mr. Evans advised that the board has been operating without a chairperson or vice chairperson. He indicated that the auditor strongly encouraged the election of officers to these vacancies. Mr. Evans advised that the board should look to make the appropriate nominations and installment of board members in these positions within the next few meetings.

Date of the next regular meeting

The board's next regular meeting is scheduled for Wednesday, July 17th at 9:30am.

OLD BUSINESS

Securities Litigation RFQ -Next Steps

Mr. Evans circulated a copy of the RFQ and a listing of all firms who submitted. The board agreed to hold a selection committee meeting and in-person interviews on Tuesday, July 23rd for those firms who met the qualifications.

Mr. Evans paused for public comments. There were no public comments.

COMMITTEE REPORTS

Investment Committee

Review YTD market environment and April 30, 2024 performance report

Mr. Johnson reviewed the market update as of June 25th and performance through April 30, 2024. He confirmed investment policy compliance but noted some of the challenges in some of the equity sectors as the market continues to watch for a possible interest rate cut.

Review Liquidity Needs

No need to raise funds.

Review Status of Fixed Income RFP

Mr. Johnson advised that Mr. Jones has screened information for the fixed income search, and he will present the results of the screening and possible candidates to interview during the July meeting.

Mr. Evans paused for public comments. There were no public comments.

Governance Committee

Mr. Williams (Phelps Dunbar) covered Act #536, which was previously HB 15. The final passage provides that current civilian employees of the police department can remain in the City of New Orleans Employees' Retirement System, but any new civilian employees hired as of July 1, 2024 should be enrolled in the Municipal Police Employees' Retirement System (MPERS). The final passage removed any ability for the new employees to opt out of the MPERS plan and opt into the local municipal plan. The board agreed that the retirement plan will need to introduce bill(s) during the next legislative session to allow new civilian employees to join the local retirement system.

Budget Committee

Mr. Evans advised of the Louisiana Association of Public Employees' Retirement Systems (LAPERS) conference to be held in New Orleans on September 8th - 10th.

Member Relations Committee

No new items to discuss.

Contract Compliance Committee

No new contracts

Regular Meeting
Board of Trustees
June 26, 2024
Page - 5

Headline Risk Committee

No new items to discuss.

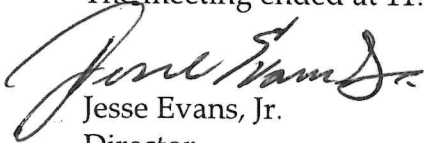
Staffing Committee

Mr. Evans advised that he would be seeking staffing during the budget process based upon the legacy planning he discussed during the May meeting.

Mr. Evans paused for public comments. There were no public comments.

There being no further business, a motion was made by Ms. Trepagnier and seconded by Mr. Bourgeois to adjourn. The motion passed with all in favor. (Mr. Bourgeois, Ms. Samuel, Mr. DeLarge, and Ms. Trepagnier)

The meeting ended at 11:07am


Jesse Evans, Jr.
Director