

**Regular Meeting
Board of Trustees
of the Employees' Retirement System
of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
June 20, 2012
9:06 a.m.**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Mr. Norman S. Foster, Treasurer/CFO
Ms. Lynne Schackai
Ms. Courtney B. Bagneris

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Janet H. Easterling, Adm. Support Supervisor, Employees' Retirement System
Kimberly Smith, City Attorney's Office
Michael Kreeger, Morgan Stanley Smith Barney
Robert Gebrian
Mary Zamora, Purchasing CPO

The chairman called the meeting to order at 9:06 am.

Dr. Chase requested to amend the agenda. A motion was made by Ms. Hudson and seconded by Dr. Chase to move item 3- RFP for Investment Consultant under old business to item 1 on the agenda and to discuss scheduling a special meeting for reviewing the responses received for RFP. The motion passed unanimously. Ms. Zamora addressed the Board regarding three companies exceeding the ten page limit regarding the RFP for Investment Consultant. She said that the three companies are PFM, CSG and Greenleaf. Ms. Zamora requested that the Board deem PFM, CSG and Greenleaf non-responsive, due to the ten page requirement for the RFP. Dr. Chase inquired about the RFP process of notifying the three companies that their proposals are deemed non-responsive due to the ten page requirement. Ms. Zamora said that as the Chief Procurement Officer, she will forward letters to the PFM, CSG and Greenleaf informing them that they did not meet the requirement for the RFP. She informed the Board that the letters will be sent out today. Dr. Chase requested that the Board schedule a special meeting on June 29th at 8:30 for the Investment Process Committee to review the RFP proposals. A motion was made by Ms. Hudson and seconded by Ms. Schackai to schedule a special meeting on June 29th at 8:30 to review the RFPs for Investment Consultant. The motion passed unanimously.

NEW BUSINESS

The Board agreed to schedule its next regular meeting for Wednesday, July 18th at 9:00 am pending meeting place.

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The Board agreed to schedule a special meeting for Tuesday, July 17th at 8:30 am for interviews related to Investment Consultant, pending meeting place.

OLD BUSINESS

Rewrites of Chapter 114 Ms. Armstrong informed the Board that there is no change on the status of item. Mr. Foster asked Ms. Armstrong for a side-by-side of the original language and rewrites language of Chapter 114, so that it can be provided to the Council staff. Ms. Armstrong said that she will provide a side-by-side of the rewrites in thirty days.

City Council Motion to Employ Special Counsel Mr. Evans informed the Board that Ms. Schackai and Ms. Bagneris attend a meeting with Councilmember Head on Monday. He said that Councilmember Head suggested having two motions; 1) to employ outside counsel to handle Mr. Davis' attorney fees and 2) to employ outside counsel for an on-going basis. Dr. Chase asked whether the two motions regarding the Board employing outside counsel would be introduced at the next City Council meeting. Ms. Bagneris said that the two motions may be approve at the June 28th City Council meeting. Mr. Evans said that the drafts of the motions were given to Council Research Office and Barbara Avalos will be working on the motions. Dr. Chase said that he and Ms. Bagneris will be speakers to address the City Council regarding the motions.

MONTHLY REPORTS

Minutes of Meeting deferred.

Retirements for the month of June 2012 were presented to the Board. A motion was made by Ms. Schackai and seconded by Ms. Hudson to approve the retirements for the month of June 2012. The motion passed unanimously.

Report of deceased retirees for the month of June 2012 was presented to the Board. The Board received the report of deceased retirees for the month of June 2012.

Status Report on Transfers as of May 2012 was presented to the Board. The Board received the Status Report on Transfers as of May 2012.

Employer Contribution Report for the month of May 2012 was presented to the Board. The Board received the Employer Contribution Report for the month of May 2012.

COMMITTEE REPORT

Budget Committee Mr. Foster said that a Budget Committee meeting is needed to discuss funding for the Five Year Actuarial Study. Mr. Evans informed the Board that the five year actuarial study will be presented at the next regular Board meeting. He said that funds for the five year actuarial study were budgeted in 2011 but not in 2012. Dr. Chase asked how much is needed for the five year actuarial study. Mr. Evans said that \$23,000 is needed. Mr. Foster said that the budget committee will meet and discuss funding for the five year actuarial study.

Trustees Conference Review and Approval Dr. Chase gave a summary of what was covered at the International Foundation conference he attended on May 20-24, 2012. Mr. Evans suggested that in the future Board members make presentations on the conferences they attend. Dr. Chase said that he received a certificate from the International Foundation indicating that he attended the conference.

Mr. Foster presented information from a Louisiana Legislative Audit Report dated May 2012. He discussed the highlights in the report. Mr. Foster said that the report is concentrated on documentation of Board activity. Mr. Kreeger said that the Investment Policy Statement includes information regarding educational requirements for Board members. Mr. Foster continued to discuss the highlights in the report. Mr. Evans informed the Board that last week there was an investment training session for Mr. Gebrian. Mr. Foster said that there is information on new board member curriculum in the full report of the Louisiana Legislative Audit Report. He said that the curriculum in the report focuses on the fund ordinances, IRS information, fiduciary duties and investments.

2011 Audit Mr. Evans said that the auditors are in the office now and should complete the 2011 audit today. He said that the auditor will present the 2011 Audit at the next meeting.

Mr. Evans informed the Board that the Annual Actuarial Valuation and the Five Year Actuarial Study will be presented at the next meeting.

Investment Committee – Morgan Stanley Smith Barney Mr. Kreeger said that the investment committee meeting will cover continuing education and update on redemption of fund-to-funds. The Board agreed to schedule its next investment committee meeting for Tuesday, July 11th at 9:00 am to be held at Morgan Stanley Smith Barney, 1100 Poydras Street, Suite 3250 New Orleans, Louisiana. He made a presentation on Asset Class Review dated May 21, 2012. He discusses the daily market barometer dated May 31st and June 18th. Mr. Kreeger informed the Board that the fund was up 8.24% for the first quarter of 2011.

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Contract Compliance Committee – Status of Contract for Custodian Bank Ms. Smith informed the Board that there will be a conference call today with JPMorgan's legal division regarding the contract. She said that the current term of the contract is three years with an extension clause to include two one-year options. Ms. Smith asked whether the Board wanted a 2-year or 3-year extension period in this contract. The Board agreed that the contract should include two one-year extension options.

Headline Risk Committee nothing to report.

Member Relations nothing to report.

Staffing Committee Mr. Evans informed the Board the Dwayne Harris is no longer working in the Retirement Office.

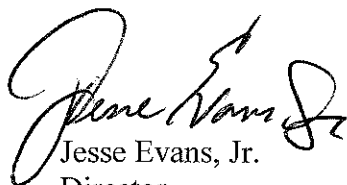
EXECUTIVE SESSION

A motion was made by Ms. Schackai and seconded by Ms. Hudson to go into executive session to discuss any on-going litigation. The motion passed unanimously.

The meeting resumed.

Jerome Davis' attorney fees A motion was made by Ms. Schackai and seconded by Ms. Bagneris to request that the City Attorney request an extension on the demand letter regarding Jerome Davis' attorney fees. The motion passed with four in favor (Ms. Schackai, Ms. Bagneris, Ms. Hudson and Dr. Chase) and one abstained (Mr. Foster).

There being no further business, a motion was made by Ms. Schackai and seconded by Ms. Hudson to adjourn. The motion passed.



Jesse Evans, Jr.
Director
JE/jhe