

**Regular Meeting  
Board of Trustees  
Of the Employees' Retirement System  
Of the City of New Orleans  
Purchasing Conference Room  
1300 Perdido Street, Room 4W05  
August 20, 2014  
9:00 a.m.**

**Trustees Present:**

Dr. Edgar L. Chase, III, Chairman  
Ms. Lisa M. Hudson, Vice Chairperson  
Mr. Norman S. Foster, Treasurer/CFO  
Mr. Robert Gebrian, Retiree Representative  
Ms. Courtney B. Bagneris, Active Representative

**Others Present:**

Jesse Evans, Jr., Director of Employees' Retirement System  
Janet H. Easterling, Adm. Support. Supervisor, Employees' Retirement System  
Joyce Joseph, City Attorney's Office  
Jane Armstrong, Phelps Dunbar  
Mike Conefry, Conefry & Company, LLC  
Joe Bogdahn, The Bogdahn Group  
Stephen Daste  
Betty Chapman, One Stop Shop  
Edmonia Dorsey  
Theodore Sanders, LAMP

The chairman called the meeting to order at 9:00 am.

**PRESENTATIONS**

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**Actuarial Valuation Report** Mr. Conefry summarized the key facts from the December 31, 2013 annual actuarial valuation. The Board accepted the 2014 actuarial valuation report.

**2015 Contribution Rate** Mr. Evans informed the Board of the letter in the Board package regarding the 2015 contribution rates; employer rate of 22.578% and employee 6% that must be forwarded to the City Council on or before September 1<sup>st</sup>. A motion was made by Ms. Bagneris and seconded by Mr. Gebrian to accept the 2015 employer contribution of 22.578% and the employee contribution rate of 6% and forward the contribution rate letter to the City Council. The motion passed unanimously. Mr. Foster requested that a copy of the letter be forwarded to the Chief Administrative Office. Ms. Bagneris suggested that Mr. Evans add David Gavlinksi and remove Calvin Aguilard, because he is part-time.

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**DROP Interest Rate** Mr. Conefry presented a letter dated August 16, 2014 indicating the 2014 DROP Interest Rate of 2.3930% effective for the period of September 1, 2014 through August 31, 2015. A motion was made by Ms. Bagneris and seconded by Mr. Gebrian to accept the letter dated August 26, 2014 regarding the DROP interest rate of 2.3930% for those members in DROP prior to 2013 for the period of September 1, 2014 through August 31, 2015. The motion passed unanimously.

**Independent Auditor's Report for 2013** deferred.

**OLD BUSINESS**

**Rewrites of Chapter 114** no change.

**City Council Motion to Employ Special Counsel** no change.

**Possible Case Abandonment** Mr. Evans informed the Board that in the package is a memorandum from Jane Armstrong, dated August 1, 2014 regarding the possible dates of case abandonment regarding the case of Jerome Davis versus the City of New Orleans. Ms. Hudson asked what are the Board options regarding this case. Ms. Armstrong provided the Board with options regarding how to handle this case. Dr. Chase requested that this item continue to be discussed in executive session. Mr. Evans informed the Board that a vote is needed to add it under executive session and it must be a unanimously vote. A motion was made by Dr. Chase and seconded by Mr. Gebrian to add this item under executive session for discussion. The motion passed unanimously. A motion was made by Ms. Hudson and seconded by Mr. Gebrian to take executive session out of order. The motion passed unanimously.

**EXECUTIVE SESSION**

The board resumed the regular meeting agenda at the conclusion of the executive session.

**Mary Bates versus CNOERS** no action taken by the Board.

A motion was made by Mr. Gebrian and seconded by Ms. Bagneris to approve the Ordinary Disability for **Pamela Johnson** based on the Board's physician report. The motion passed unanimously.

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**(Cont.) Possible Case Abandonment** Dr. Chase said that the Board may have a need to employ special counsel on this case; however, the mayor's executive order states that an RFP is needed for service that exceeds \$15,000. A motion was made by Ms. Hudson and seconded by Mr. Gebrian to hire special counsel for under \$15,000, for a limited purpose, so that the case of Jerry Davis versus the City of New Orleans will not be abandoned. Mr. Foster read Chapter 114 Section 89 Legal Advisor "The city attorney shall be the legal advisor to the board of trustees; however, the board shall have the right to appoint or retain special counsel, as well as any other legal personnel that may be necessary for the proper operation of the system with approval of the city council to the extent required by the home rule charter of the city." He said the motion is not stating upon approval the Board will do these things but despite not having the approval from City Council. Ms. Hudson said that there is a possible conflict of interest with the City Attorney and the Board cannot go with the City Attorney at this time. Mr. Foster said that the Board is not going with the City Attorney. Ms. Hudson said that the Board cannot use the City Attorney to sue the City because it is a possible conflict of interest. The Board's current Tax Attorney has informed the Board of the possible conflict of interest with the City Attorney, and the Board needs to act by September 6, 2014. She said that the Board is taking an interim measure until the Council approves the request to employ special counsel. The motion passed with four in favor (Ms. Hudson, Mr. Gebrian, Ms. Bagneris and Dr. Chase) and one against (Mr. Foster). Dr. Chase requested that Mr. Evans inform the Board of the progress of this motion. Ms. Bagneris suggested that the Board request that the Actuary provide the amounts that may be owed, because it could be worked out with the Administration. Mr. Evans suggested that the Board add language to the motion about a meeting with the Administration once the information is provided by the actuary, as to the amounts that may be owed. Dr. Chase advised Mr. Evans to contact the Actuary regarding the possible amounts that may be owed. He said that if the Board needs to have a special meeting to finalize this item, we will do so.

**Procedure on Transfers** deferred.

**Draft RFP for Tax Consultant** A motion was made by Dr. Chase and seconded by Mr. Gebrian to move forward with the RFP for tax consultant. The motion passed unanimously.

**NEW BUSINESS**

**Date for next Regular Meeting** The Board tentatively scheduled its next regular meeting for Wednesday, September 17<sup>th</sup> at 9:00 am to be held in Purchasing Conference Room 4W05.

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**MONTHLY REPORTS**

**Minutes of Regular Meeting for July 16<sup>th</sup>** were presented to the Board. A motion was made by Dr. Chase and seconded by Mr. Gebrian to approve the minutes for June 16<sup>th</sup>. The motion passed unanimously.

**Retirements for the month of August 2014** were presented to the Board. Mr. Gebrian asked whether the Board approves the new benefit amounts for those members who elect an option at the end of DROP and have their benefits recalculated. Mr. Evans said no. Mr. Gebrian suggested adding the Policy Option 4 benefits to the report. A motion was made by Mr. Gebrian and seconded by Dr. Chase to amend the monthly retirement report to reflect Policy Option 4 benefit amounts. The motion passed unanimously. A motion was made by Mr. Gebrian and seconded by Ms. Bagneris to ratify the retirements for the month of August 2014. The motion passed unanimously.

**Report of deceased retirees for the month of August 2014** was presented to the Board. The Board received the report of deceased retirees for the month of August 2014.

**Employer Contribution Reports for the months of June & July 2014** were presented to the Board. The Board received the Employer Contribution Reports for the months of June & July 2014.

**COMMITTEE REPORTS**

**Investment Committee – The Bogdahn Group**

**Performance Report** - Mr. Bogdahn made a presentation on the Monthly Flash Report ending June 30<sup>th</sup> for the managers' performance.

Mr. Foster left the meeting.

**Budget Committee** Mr. Gebrian requested that Mr. Evans include staffing in the budget.

**Contract Compliance Committee**- Mr. Evans informed the Board that Ms. Armstrong has been reviewing the investment contract.

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**Headline Risk Committee** – Mr. Evans informed the Board that there was a Headline Risk Committee meeting on August 14<sup>th</sup> regarding possible litigation. The presenters were Motley Rice and Wolf, Handenstein, Adler, Freeman & Hertz, LLP in executive session. Also, there was an update on personnel changes at Labaton Sucharow regarding the Celestica Case. He said the question before the Board is whether the Board wants to move from Labaton Sucharow to Joe Fonti's newly formed firm Bleichmar, Fonti Tountas & Auld, LLP. Ms. Bagneris said that the committee did not make a recommendation to the Board to move from Labaton Sucharow to Joe Fonti newly formed firm Bleichmar, Fonti Tountas & Auld, LLP on this issue. A motion was made by Ms. Bagneris and seconded by Ms. Hudson to move from Labaton Sucharow to Joe Fonti newly formed firm Bleichmar, Fonti Tountas & Auld, LLP on the Celestica case. Mr. Evans informed the Board of the City's Procurement process and the Board's policy on litigation. Ms. Bagneris withdrew the motion. Ms. Bagneris informed the Board about FedEx issue and the committee did not take any action. Mr. Evans informed the Board that the two firms Motley Rice and Wolf, Handenstein, Adler, Freeman & Hertz, LLP asked to be allowed to requested books and records regarding the FedEx case. A motion was made by Ms. Hudson and seconded by Mr. Gebrian to allow Motley Rice to make a books and records request in the FedEx case. The motion passed with four in favor (Ms. Hudson, Mr. Gebrian, Ms. Bagneris and Dr. Chase). Ms. Bagneris asked whether the Board has engagement letters with both firms. Mr. Evans said that the Board had an engagement letter with Motley Rice. He will contact the three other firms and request an engagement letter to monitor investments.

**Member Relation Committee – COLA** – A motion was made by Ms. Bagneris and seconded by Mr. Gebrian to give retirees the December 15, 2014 COLA with the amount to be determined at a later date. The motion passed unanimously.

**Staffing Committee** - nothing to report.

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



Jesse Evans, Jr.  
Director

JE/jhe