

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
November 18, 2015
9:30 a.m.**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Mr. Norman S. Foster, 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, The Bogdahn Group
Kimberly Smith, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Michael Conefry, Conefry & Company
David Muller, Ashmore Group
Ty Brandt, Omni
Dorian Nunez, Omni
Brian Firstley
Stephen Daste
Carlette Graves
Toni Hackett

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

OLD BUSINESS

Edward Reynolds - Separation Retirement Mr. Evans and Ms. Armstrong will draft a letter regarding the Board's position on this case.

RFP for Special Legal Counsel no change.

NEW BUSINESS

Date for next Regular Meeting the Board tentatively scheduled its next regular meeting for Wednesday, December 16th at 9:30 am to be held in Purchasing Conference Room 4W05.

**Regular Meeting
Board of Trustees
November 18, 2015
Page 2**

Ms. Kahn arrived to the meeting.

COMMITTEE REPORTS

Investment Committee – The Bogdahn Group

Mr. Jones briefly summarized the Market Environment returns as of November 13, 2015.

Quarterly Executive Summary Report - Mr. Jones made a presentation on the quarterly executive summary report ending September 30, 2015 for the managers' performance. He informed the Board that three equity managers have negative performance thru September 30, 2015 (Southeastern, Cornerstone and Wentworth Hauser).

Presentation by Ashmore - Mr. Muller gave an overview of the firm and made a presentation on the portfolio as of September 30, 2015.

Review of Opportunistic Managers - Mr. Jones summarized the review of the Opportunistic Managers search. He received information from 50 managers for the search. Mr. Jones informed the Board that two fund-to-fund managers (EnTrust and Corbin) and two single strategy hedge fund managers (Anchorage Capital and Sankaty) were selected for further review. He said that one of the filter used for the single strategy criteria for the managers they must have a 10-years track record. Mr. Jones said that EnTrust and Sankaty are closed end vehicles meaning that you are locked in for a certain period of time. He said that the Corbin and Anchorage Capital are open end vehicles meaning you are allocated to them for as long as you want until you request liquidity. Mr. Jones discussed the managers' performance (EnTrust, Corbin, Anchorage Capital and Sankaty). He informed the Board that EnTrust and Sankaty's final close date is the end of the first quarter of 2016. After further discussion, the Board deferred action until later date.

Revised Investment Policy Statement- Mr. Jones provided the Board with a revised investment policy statement to reflect the motions made at the last meeting.

Public comments made by Dorian Nunez.

Trustees Conference Review & Approval – Mr. Evans said that in the Board package is information on the LATEC Investment Education Symposium held February 3-5, 2016 at the New Orleans Astor Crowne Plaza, IFEBP Portfolio Concepts and Management held May 2-6, 2016 in Philadelphia; and the IFEBP International and Emerging Market Investing held July 25-27, 2016 in California.

**Regular Meeting
Board of Trustees
November 18, 2015
Page 3**

Member Relations Committee – Review of Possible Plan Changes Ms. Bagneris informed the Board that the Member Relations Committee met to review the possible plan changes. She said that the Committee's final recommendations to the Board regarding possible plan changes; 1) Minimum Retirement Eligibility Age 62 and 20 years of Service, 65 and 10 years of Service, 30 years of Service at any Age for future employees only, and 2) Reduce Option 4 Annuity from 7.5% to 6% per rewrites to Chapter 114. Mr. Evans said that changing the minimum years of service to 10 will change the 5-year vesting. Ms. Bagneris talked about the possibility of increasing the employee contribution rate by a half of percent every five years starting in 2025. Ms. Hudson expressed concerns regarding increasing employee contribution rate. Mr. Conefry summarized the memo dated November 18, 2015 regarding the Member Relations Committee recommendations of plan changes. Ms. Armstrong discussed Policy 4 Annuity being actuarial equivalent according to Chapter 114 which means that the mandate to use 6%. Mr. Evans requested that the Board make a motion in order to change the Option 4 Annuity from 7.5% to 6% effective January 1, 2016. A motion was made by Ms. Bagneris and seconded by Ms. Kahn to change the Option 4 Annuity from 7.5% to 6% effective January 1, 2016. The motion passed unanimously. Dr. Chase requested the Member Relations Committee continue discussion regarding increasing the employee contribution rate based on information to be provided by Mr. Conefry. A motion was made by Dr. Chase and seconded by Ms. Kahn to recommend for discussion the plan changes; Minimum retirement eligibility age 62 and 20 years of service, 65 and 10 years of service, 30 years of service at any age and changing vesting period to 10 years, all future employees only. The motion passed with four in favor (Dr. Chase, Ms. Kahn, Ms. Hudson and Ms. Bagneris) one against (Mr. Foster). The Board instructed Mr. Evans to provide the recommendations of the plan change discussions to the City Council.

Contract Compliance Committee – Tax Attorney Mr. Evans said that Tax Attorney contract needs to be executed.

Headline Risk Committee nothing to report.

Staffing Committee Mr. Evans informed the Board that two positions were put in the 2016 Retirement budget.

MONTHLY REPORTS

Minutes of Regular Meeting for October 23, 2015 were 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 October 23, 2015. The motion passed unanimously.

**Regular Meeting
Board of Trustees
November 18, 2015
Page 4**

Retirements for the month of November 2015 were presented to the Board. A motion was made by Ms. Kahn and seconded by Mr. Foster to ratify the retirements for the month of November 2015. The motion passed unanimously.

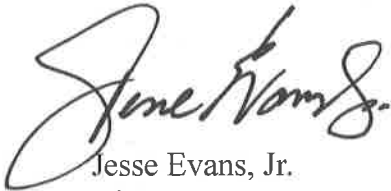
Report of deceased retirees for the month of November 2015 was presented to the Board. The Board received the report of deceased retirees for the month of November 2015.

Member Refunds Report for the month of October 2015 was presented to the Board. The Board received the member refunds report for the month of October 2015.

Status Report on Transfers for the month of October 2015 was presented to the Board. The Board received the status report on transfers for the month of October 2015.

Employer Contribution Report for the month of September 2015 was presented to the Board. The Board received the Employer Contribution Report for the month of September 2015.

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



Jesse Evans, Jr.

Director

JE/jhe

G:\FIRT\JANET\2015 Draft Minutes\min 11 18 15