

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
May 20, 2015
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
Kimberly Smith, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Robert McClendon, The Times Picayune/Nola.com

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

OLD BUSINESS

Rewrites of Chapter 114 Mr. Evans informed the Board that the rewrites of Chapter 114 will be presented at the Governmental Affair meeting on May 28, 2015.

Board Election for the Retiree Representation Seat Ms. Hudson informed the Board that the election deadline for retirees to submit ballots is Friday, May 22nd by the close of business.

Tax Attorney RFP – Update Mr. Evans said that the Selection Committee had a meeting regarding the RFP for Tax Attorney and the Board decided to go into negotiations with Phelps Dunbar.

NEW BUSINESS

Date for next Regular Meeting The Board tentatively scheduled its next regular meeting for Tuesday, June 9, 2015 at 9:00 am to be held in the Purchasing Conference Room 4W05.

MONTHLY REPORTS

Mr. Foster arrived to the meeting.

Minutes of Regular Meeting for March 18, 2015 were presented to the Board. A motion was made by Mr. Gebrian and seconded by Ms. Bagneris to approve the minutes of the Regular Meeting for March 18, 2015. The motion passed unanimously.

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

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

COMMITTEE REPORTS

Investment Committee – Mr. Evans said that at the Investment Committee meeting held on May 13, 2015, Mr. Ian Jones (Bogdahn Group) recommended that the Board add \$5 million to Mesirow Financial Private Equity Fund VI, in order to move closer to the target allocation in the portfolio. Ms. Hudson asked for the funding source to increase the private equity. Mr. Evans said that Mr. Jones also recommended that the Board consider a search for an Opportunistic Hedge manager. He said that the Board would reduce the fixed income allocation by 5%, in order to fund the Mesirow Private Equity and the Opportunistic Hedge manager search. A motion was made by Dr. Chase and seconded by Ms. Hudson to move \$5 million to Mesirow. The motion passed with four in favor (Dr. Chase, Ms. Hudson, Mr. Gebrian and Ms. Bagneris) and one abstained (Mr. Foster).

Mr. Evans handed out information on the Opportunistic Hedge Search and informed the Board that it will be posted on NOMERS website and in various investment publications. He discussed the mandate and criteria for the Opportunistic Hedge search. Ms. Bagneris expressed her concerns with hiring another manager and the Board not discussing the amount of fees being paid to the managers. She said that the Board needs to look for ways to cut expenses before reshuffling investments. Ms. Bagneris said that a fee structure for managers is needed to determine the amount being paid per year to managers. Mr. Evans said that at the last meeting the Board discussed consolidating and/or terminating managers. He said that information regarding consolidation, trimming, and/or termination of managers will be provided at the June Board meeting. A motion was made by Mr. Gebrian to approve a RFP for an Opportunistic Hedge manager search. Mr. Foster said that he would second the motion with an amendment to include looking at passive investments. Dr. Chase did not agree with Mr. Foster's amendment. A motion was made by Mr. Foster and seconded by Ms. Bagneris to approve a RFP for an Opportunistic Hedge manager search and include looking at passive investments. Motion failed. Mr. Evans talked about passive equity investments in the fund. A motion was made by Mr. Gebrian and seconded by Dr. Chase to approve a RFP search for an Opportunistic Hedge manager with a mandate for \$20 million. The motion passed with four in favor (Mr. Gebrian, Dr. Chase, Ms. Bagneris, Ms. Hudson) and one opposed (Mr. Foster). Mr. Foster talked about the Board spending more time on asset allocation for the fund.

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Budget Committee – Mr. Evans requested that the Board members attend the meeting regarding the budget.

Trustees Conference Review & Approval - requests from the Board on conferences.

Staffing Committee Mr. Evans informed the Board that he spoke with one of the Finance Bureau Chiefs who will allow two of his employees to assist in the catchup of retirement calculations for DROP members.

Member Relations Committee Mr. Evans informed the Board he has been working with Mr. Conefry on the Annual Actuarial Valuation. He said that a number of items were forwarded to Mr. Conefry to score for possible plan changes which should be received after the audit is complete.

Contract Compliance Committee Mr. Evans informed the Board about upcoming contract to host the AS400.

Headline Risk Committee Mr. Foster said that at the next Board meeting he will bring a couple of motions from the Fire Fighters' Pension Board meeting regarding vendors of a state or statewide system to report expenditures on behalf of the fund. He will propose a request to this Board to follow that same procedure.

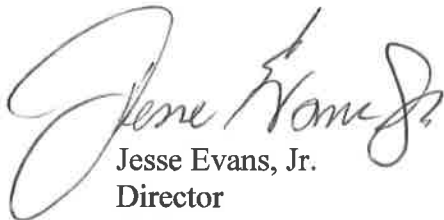
EXECUTIVE SESSION

A motion was made by Dr. Chase and seconded by Mr. Gebrian to go into executive session. The motion passed unanimously.

The meeting resumed.

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

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



Jesse Evans, Jr.
Director
JE/jhe