

**Regular Meeting  
Board of Trustees  
Of the Employees' Retirement System  
Of the City of New Orleans  
Purchasing Conference Room  
1300 Perdido Street, Room 4W05  
September 23, 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  
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  
Joyce Joseph, City Attorney's Office  
Jane Armstrong, Phelps Dunbar  
Vinay Mendiratta, York Capital Management  
Rick Kohly, Millennium Management, LLC  
John Washington

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

**NEW BUSINESS**

**Separation Retirement** Mr. Evans briefly explained separation retirement. He said that a member left City employment in 2004 and recently applied for a separation retirement. Mr. Evans said that the member's retirement benefit was calculated using the highest 60 months; however, the member is requesting that the highest 36 months be used to calculate his benefit which was in placed at the time he left employment. Mr. Evans said that as of January 2015, retirement benefits are calculated using the highest 60 months based on an ordinance adopted by the City Council. He said that the member is also requesting back pay from the time he became eligible, which was 2012. Mr. Evans said that the statute states that the member must make application for retirement. He said that using the highest 36 months is appropriate for this member. Ms. Armstrong agreed with Mr. Evans, because a member has to apply for retirement. A motion was made by Mr. Foster and seconded by Ms. Bagneris to direct staff to interpret the final average calculation ordinance as applicable when the member was eligible. The motion passed. Ms. Armstrong will draft a letter and forward to Mr. Evans to address this member's requests.

**Date for next Regular Meeting** Mr. Evans will poll the Board regarding the next regular meeting.

**Regular Meeting  
Board of Trustees  
September 23, 2015  
Page 2**

**MONTHLY REPORTS**

Minutes of Regular Meetings for July 13, & August 12, 2015 were presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Bagneris to approve the minutes of the Regular Meeting for July 13, 2015. The motion passed unanimously. A motion was made by Ms. Bagneris and seconded by Mr. Foster to approve the minutes of the Regular Meeting for August 12, 2015. The motion passed unanimously.

Retirements for the month of September 2015 were presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Bagneris to ratify the retirements for the month of September 2015. The motion passed unanimously.

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

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

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

Employer Contribution Reports for the months of June & July 2015 were presented to the Board. The Board received the Employer Contribution Reports for the months of June and July 2015.

**COMMITTEE REPORTS**

Member Relations Committee Mr. Evans informed the Board that the Member Relations Committee had a meeting on yesterday. He said that in the package is the COLA Policy that was recommended by the Member Relations Committee. A motion was made by Ms. Bagneris and seconded by Ms. Hudson to approve the COLA policy. The motion passed unanimously.

Mr. Evans informed the Board that a motion is needed to add COLA Bonus to the agenda. A motion was made by Ms. Bagneris and seconded by Ms. Kahn to add COLA Bonus to the agenda. The motion passed unanimously.

**Regular Meeting  
Board of Trustees  
September 23, 2015  
Page 3**

**COLA Bonus** Ms. Kahn said that she is in favor of giving a COLA Bonus to retirees, and there is a formula to give more to individuals who have been retired longer with lower salaries. She said that some of the retirees are having a hard time financially due to healthcare cost. Mr. Evans said that he will provide scenarios for the COLA bonus at the next meeting; however, the Board needs to vote at this meeting as to whether a COLA bonus will be given to retirees. Dr. Chase talked about healthcare cost and inflation for retirees. Mr. Foster expressed concern with the Board giving a COLA when the funding levels have declined in the last couple years. He said that Board's fundamental responsibility is managing the plan. Ms. Hudson expressed concern with giving a COLA Bonus, because some retirees' salaries were so low at the time they retired. A motion was made by Ms. Kahn and seconded by Ms. Hudson to grant a COLA Bonus not to exceed the dollar amount that was given in 2014. The motion passed with four in favor (Ms. Kahn, Ms. Hudson, Ms. Bagneris and Dr. Chase) one opposed (Mr. Foster).

**Purchase of Creditable Service – Layoffs after Hurricane Katrina** deferred.

**Investment Committee – The Bogdahn Group**

**Presentations**

**York Capital Management** – Mr. Mendiratta gave an overview of the firm. He said that York Capital manages \$26 billion in assets. Mr. Mendiratta said that the firm is global event driven. He discussed the firm's philosophy, principles and strategy. Mr. Mendiratta talked about the opportunities in challenging markets. He discussed hedge fund strategy and investing.

**Millennium Management** – Mr. Kohly gave an overview of the firm. He said that Millennium manages \$31 billion in assets. Mr. Kohly said that Millennium has semi-annual audits, in order to be more transparent for investors. He said that Millennium's goal is to achieve absolute returns with minimal risk. Mr. Kohly said that Millennium execute 3 to 5 million trades a day and a bottom up manager.

**EXECUTIVE SESSION**

A motion was made by Mr. Foster and seconded by Ms. Hudson to go into executive session. The motion passed unanimously.

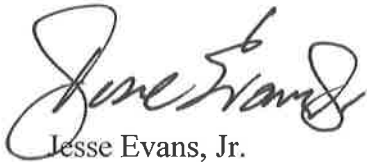
The meeting resumed.

A motion was made by Ms. Bagneris and seconded by Ms. Hudson to approve the Ordinary Disability for **Frank Petta** based on the Board's physician report. The motion passed unanimously.

**Regular Meeting  
Board of Trustees  
September 23, 2015  
Page 4**

**Review Current Asset Allocation Structure** Mr. Jones made a presentation on asset allocation recommendations of the portfolio. He recommended that the Board increase Real Estate target to 5% in the portfolio. No action taken by the Board.

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



Jesse Evans, Jr.

Director

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