

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
April 19, 2017
9:35am**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Ms. Beverly Garipey, Treasurer/CFO
Ms. Marina M. Kahn, Retiree Representative
Ms. Courtney B. Bagneris, Active Representative

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Janet H. Easterling, Administrative Support Supervisor
Ian Jones, AndCo Consultant
Kimberly K. Smith, City Attorney's Office
Joyce Joseph, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Sharonda R. Williams, Fishman Haygood
Todd Ecker, Finance
Howard Rodgers
Peter Reichard

The chairman called the meeting to order at 9:35 am.

OLD BUSINESS

Retirement Board Election Mr. Evans informed the Board that Ms. Bagneris accepted the nomination as the active employee representative for a three year term and will be sworn in at the July meeting.

NEW BUSINESS

NCPERS – Certification of Delegates Mr. Evans said that the National Conference on Public Employee of Retirement Systems invited the Board members to participate as voting delegates at the 2017 Annual Conference & Exhibition held May 21-24 in Hollywood, Florida. Ms. Hudson said that she would like to attend the NCPERS conference. Mr. Evans said that he would like to be a delegate at NCPERS. Ms. Hudson said that she would like to attend the Accredited Fiduciary (NAF) Program at NCPERS which is held May 20-21, 2017. Mr. Evans said that the certification of delegates form is due April 25th, 2017. Dr. Chase suggested that Mr. Evans notify NCPERS that 3 individuals will be attendees with 2 voting delegates and 1 alternate.

Regular Meeting
Board of Trustees
April 19, 2017
Page 2

Tier 2.1 Personal Financial Disclosure Statement Mr. Evans informed the Board that the Tier 2.1 personal financial disclosure statement is due before May 15th. Ms. Bagneris said that she completed her Tier 2.1 personal financial disclosure statement with the Louisiana Board of Ethics. Mr. Evans informed the Board that Mr. Foster completed his annual Tier 2.1 personal financial disclosure statement. Mr. Evans requested that Board members forward a copy of the completed Tier 2.1 personal financial disclosure statement to the Retirement office.

Ms. Kahn arrived to the meeting.

Date for next regular meeting The Board's next regular meeting is tentatively scheduled for May 12, 2017 at 9:30am with the location to be determined.

COMMITTEE REPORTS

Investment Committee – AndCo Consultant

Performance Report for February 28, 2017 Mr. Jones handed out and discussed the 2017 Market Environment index returns, as of April 14, 2017. He made a presentation on the performance report ending February 28, 2017 for the managers'. Mr. Jones discussed the year-to-date index returns for equities and fixed income. He said that the asset allocation total value of the fund was approximately \$362 million at the end of February 2017. He informed the Board that the fund's target allocation underperformed by -3.7% in equities and -1.1 in fixed income and outperformed in real estate and alternatives. Ms. Kahn inquired about investment projections of returns for the last three or five years for the fund. Mr. Jones said that he can prepare an asset allocation review and use capital market assumptions of equities, fixed income, alternatives and real estate. Dr. Chase inquired about manager name Macquarie on page 8. Mr. Jones said that Macquarie is Delaware's new name.

Ms. Gariepy arrived to the meeting.

Global Tactical Asset Allocation (GTAA) Mr. Jones made a presentation on Global Tactical Asset Allocation (GTAA). He said that GTAA managers' have a lot of flexibility to invest around the globe and can invest in a multitude of asset classes.

Mr. Evans asked Mr. Jones to discuss the risk profile of GTAA investments. Mr. Jones said that the risk profile is between equities and fixed income. Mr. Jones said that GTAA over time has had better returns than equities. He said that the risk will be less than equities and greater than fixed income. Dr. Chase said that he is in favor of moving into GTAA but be cautious as to where to take funds. He said that after talking with Mr. Evans and Mr. Jones the funds would come from hedge funds. Mr. Evans informed the Board that the investment policy statement needs to be modified to include the GTAA. Ms. Kahn said that more education is needed on GTAA investments before the Board take any action. Ms. Bagneris, Ms. Hudson and Ms. Gariepy agreed with Ms. Kahn that more education is needed on this type of investment. The Board agreed to invite Wasatch to the June Board meeting.

**Regular Meeting
Board of Trustees
April 19, 2017
Page 3**

Budget Committee - Trustees Conference Review & Approval Mr. Evans said in the package is NCPERS 2017 annual conference & exhibition held May 20-24, 2017 in Hollywood Florida. A motion was made by Dr. Chase and seconded by Ms. Kahn to approve Ms. Hudson, Ms. Gariepy and Mr. Evans to attend NCPERS 2017 annual conference & exhibition held May 20-24, 2017 in Hollywood, Florida. The motion passed unanimously.

Member Relations Committee Ms. Bagneris informed the Board that a Member Relations Committee meeting was held April 11, 2017 in the City Council Chamber. She said that some employees were not able to make the meeting but were able to stream it on their computers. Ms. Bagneris received a number of calls and comments from members who had less than ten years of creditable service, expressing concern regarding the proposed change and how it would affect them. She said that another Member Relations Committee meeting will be held before the Governmental Affairs meeting. Dr. Chase inquired as to the vesting period changed from 10 to 5 year vesting. Ms. Bagneris said that many of the higher earning employees do not intend to be long term government employees. They are attached to some elected official, who do not vest with 10 years. She said changing vesting to 10 years takes the higher earning employees out of the plan. Ms. Kahn said that it makes sense to change the vesting to 10 years for new employees because it has been costly to the fund. Dr. Chase said that the Board made recommendations for plan changes in 2015 and no action was taken by Councilmember Head. Mr. Evans explained the Board's 2015 recommendations of plan changes. Ms. Armstrong said that for the plan to be continually qualified there are some rules on what can be the normal retirement age. She said that age 65 and 5 years of service is a safe harbor which supports the 30 years of service, and IRS safe harbor. Ms. Armstrong said that if the plan does not have age 65 and 5 years, there will be a problem with 30 years of service. Mr. Evans asked Ms. Armstrong to vet Councilmember Head's revised summary of ordinance calendar no. 31,833. He also, asked Mr. Conefry to score Councilmember Head's revised summary of ordinance calendar no. 31,833.

Public comments made by Todd Ecker.

Contract Compliance Committee Mr. Evans said that AndCo contract needs to be review and sign at the next Board meeting.

Headline Risk Committee nothing to report.

Staffing Committee Ms. Bagneris needs information from Civil Service to raise Mr. Evans salary to the level of the other bureau chiefs in the Department of Finance.

MONTHLY REPORTS

Minutes of Regular Meeting for March 15, & Special Meeting for April 3, 2017 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 March 15, & Special Meeting for April 3, 2017. The motion passed unanimously.

Retirements for the month of April 2017 were presented to the Board. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to ratify the retirements for the month of April 2017. The motion passed unanimously.

Report of deceased retirees for the month of April 2017 was presented to the Board. The Board received the report of deceased retirees for the month of April 2017.

Status Report on Transfers for the month of March 2017 was presented to the Board. The Board received the status report on transfers for the month of March 2017.

Member Refunds Report for the month of February 2017 was presented to the Board. The Board received the member refunds report for the month February 2017.

Employer Contribution Reports for the month of February 2017 were presented to the Board. The Board received the Employer Contribution Reports for the month of February 2017. Mr. Evans said that the Board may want to revisit paying interest on refunds. Dr. Chase requested that interest paid on refunds be placed on the next month agenda.

Ms. Kahn asked whether the Board invested in EIF funds. Mr. Evans said yes, the Board invested in two EIF funds.

EXECUTIVE SESSION

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

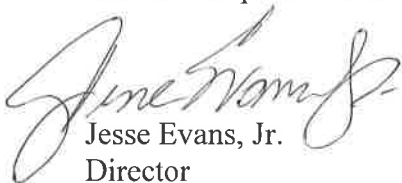
The meeting resumed.

Klausner, Kaufman, et al v. Dr. Edgar Chase, et al no action taken by the Board.

Fishman Haygood no action taken by the Board.

A motion was made by Ms. Bagneris and seconded by Ms. Hudson to approve the Accidental Disability Retirement for **Kaston Anderson** based on the Board's physician report. The motion passed unanimously.

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



Jesse Evans, Jr.
Director
JE/jhe