

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, 4W05
May 12, 2017
9:35am**

Trustees Present:

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

Absent Trustees:

Ms. Beverly Gariepy, Treasurer/CFO

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Ian Jones, AndCo Consultant
Kimberly K. Smith, City Attorney's Office
Jane Armstrong, Phelps Dunbar
Sharonda R. Williams, Fishman Haygood
Jason Burger, Fishman Haygood
Bernard Robertson, RWA, LLC Consultant
Tim DeLange, Bernstein Litowitz Berger & Grossman, LLP
Amanda Rekemeier, Bernstein Litowitz Berger & Grossman, LLP
Koy Burke, Bernstein Litowitz Berger & Grossman, LLP
Dorian Nunez, OMNI Research

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

PRESENTATION

Securities Litigation and Public Fund Responsibility- Berstein Litowitz Berger & Grossman, LLP Mr. DeLange gave background information on the firm. He said that they provide portfolio monitoring and litigation services to NOMERS. Ms. Rekemeier discussed the Portfolio WATCH monitoring platform with Berstein Litowitz Berger & Grossman, LLP. She said that they provide quarterly reports to clients on securities litigation cases. Ms. Rekemeier talked about two ways that clients log-in directly to the website with a login ID and password. Mr. DeLange discussed the four categories of shareholder litigations; securities class actions, corporate governance & derivative litigation, breach of duty class actions and direct actions.

NEW BUSINESS

Interest Paid on Refunds Mr. Evans talked about interest paid on refunds and referenced chapter 114 section 202 "indicates that interest shall be credited to each member account as of each December 31st". Mr. Evans discussed the Board using the one year US Treasury bond rate for interest paid on refunds, which is 1.3% currently. He said that the interest rate paid on refunds would decrease from 3.5% to 1.3%. Mr. Evans said that the 3.5% interest rate has been in place for over two decades or longer. He said that the appropriate thing to do is to tie the interest paid on contributions to the to one year US Treasury bond rate. Ms. Hudson suggested that this item be forwarded to the Member Relations Committee.

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Date for next regular meeting The Board's next regular meeting is tentatively scheduled for June 23, 2017 at 9:30am with the location to be determined.

COMMITTEE REPORTS

Investment Committee – AndCo Consultant

Performance Report for March 31, 2017 Mr. Jones handed out and discussed the 2017 Market Environment index returns, as of May 5, 2017. He made a presentation on the performance report ending March 31, 2017 for the managers'.

Asset Allocation Review Mr. Jones discussed the asset allocation assumptions and what is included such as, asset classes, returns, risks and correlations. He made a presentation on the Asset Allocation Review as of May 12, 2017. Mr. Jones talked about how the forecast returns and risk of asset allocation assumptions are determined. He said that the fund expected return for one-year is 6.60% and the fund expected risk for one-year is 10.70%. Ms. Kahn said that this chart helps her understand the fund targets. Mr. Jones said that many plans have discussed the possibility at some point of lowering the interest rate assumption based on capital market assumptions of lower expected returns. He said that lowering the interest rate assumption increases the City's contributions which is a challenge.

Mr. Jones informed the Board that he will talk with Mr. Evans on the investment manager to invite to the next meeting.

Budget Committee - Trustees Conference Review & Approval no requests.

Member Relations Committee Ms. Bagneris informed the Board that employees did a great job and represented themselves and their interest regarding the proposed plan changes by Councilwoman Head at the Governmental Affairs meeting.

Mr. Evans informed the Board that staff has diligently tried to confirm that retirees receiving benefits are alive. He said that benefits will be turned off for 15 members starting June 1, 2017. Staff has exhausted our ability to local them by mail and phone. Mr. Evans said that if the benefit is turned off, the retiree will contact the retirement office if he/she is alive. He informed the Board that there are two software programs that perform an audit of the payroll looking for deceased members. Mr. Evans informed the Board that staff also goes through the newspaper obituaries every day.

Contract Compliance Committee Mr. Evans said that AndCo contract was sent overnight and may be in the Retirement office.

Headline Risk Committee nothing to report.

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Staffing Committee Ms. Bagneris informed the Board that she received information to raise Mr. Evans salary to the level of the other bureau chiefs in the Department of Finance from Allison Lee.

MONTHLY REPORTS

Retirements for the month of May 2017 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 May 2017. The motion passed unanimously.

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

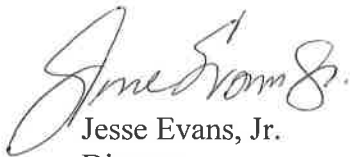
EXECUTIVE SESSION

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

The meeting resumed.

Fishman Haygood A motion was made by Dr. Chase and seconded by Ms. Bagneris to authorized attorneys' to enter into negotiations with the City to receive repayment of unpaid contributions and language to ensure future payments are mandatory contributions. The motion passed with four in favor.

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

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