

**Regular Meeting  
Board of Trustees  
Of the Employees' Retirement System  
Of the City of New Orleans  
Purchasing Conference Room  
1300 Perdido Street, 4W05  
February 21, 2019  
9:33 am**

**Trustees Present:**

Dr. Edgar L. Chase, III, Chairman  
Ms. Lisa M. Hudson, Vice Chairperson  
Mr. Norman L. White, 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, AndCo Consultant – Conference Call  
Bernard Robertson, RWA  
Kimberly Smith, City Attorney's Office  
Jason Burge, Fishman Haygood  
Katie Lasky, Lasky Murphy  
Dorian Nunez

The chairman called the meeting to order at 9:34 am.

**NEW BUSINESS**

**Date for next regular meeting** The Board's next regular meeting is tentatively scheduled for March 20, 2019 at 9:30am the location to be determined.

**2019 Member Interest Rate** Mr. Evans informed the Board that the member interest policy is in the package. He said that each year the Board has to vote on the member interest rate. Mr. Evans said that as of December 31, 2018 the closing rate of the U.S. one year Treasury bond was 2.63%. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approved member interest rate of 2.00% for the year 2019. The motion passed with three in favor (Ms. Hudson, Ms. Bagneris and Dr. Chase).

**COMMITTEE REPORTS**

**Governance Committee** nothing to report.

Mr. White arrived to the meeting.

**Staffing Committee** Dr. Chase said that Mr. Evans requested additional positions in the 2019 budget. Mr. Evans informed the Board that once Mr. White, the Director of Finance, meets with each bureau chief to review the budget and the availability to hire, the office will move forward with staffing additions. He said that one or two positions may have been approved in the 2019 budget.

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Dr. Chase talked about the possibility of moving funds from DROP accounts with LAMP for investment purposes. The Board discussed the possibility of members earning interest after five years in DROP. Mr. Evans informed the Board that the ordinance regarding members earning interest after DROP would have to change.

Ms. Kahn arrived to the meeting.

**EXECUTIVE SESSION**

A motion was made by Dr. Chase and seconded by Ms. Kahn to go into executive session. The motion passed unanimously. (Dr. Chase, Ms. Kahn, Ms. Bagneris, Mr. White and Ms. Hudson).

A motion was made by Dr. Chase and seconded by Ms. Hudson to come out of executive session. The motion passed unanimously. (Dr. Chase, Ms. Kahn, Ms. Bagneris, Mr. White and Ms. Hudson).

**Fishman Haygood – Update** Dr. Chase said that the Board was briefed regarding changes to the consent agreement. A motion was made by Ms. Bagneris and seconded by Dr. Chase to amend the consent agreement with the City of New Orleans for the amount within the agreement to be included and appropriated in the 2020 operating budget and payment of same in January 2020. The motion passed unanimously. (Dr. Chase, Ms. Kahn, Ms. Bagneris, Mr. White and Ms. Hudson).

Mr. White left the meeting.

**Investment Committee – AndCo Consultant**

**Performance Report for December 31, 2018** Ms. Jones made a presentation on the investment managers' performance, as of December 31, 2018. He said that the plan assets plus the LAMP was approximately \$364 million as of December 31, 2018. Mr. Jones said that the year-to-date beginning market value was approximately \$378 million, net contributions -\$10.3 million with loss of \$17 million and the ending market value was \$350 million. He said that the comparative performance returns was down -4.3%, as of December 31, 2018. Mr. Jones discussed the market updates for equities and fixed income index returns, as of February 15, 2019. He said that the S&P500 returned 11% and the Russell 2000 returned 16% for the first quarter of 2019. Mr. Jones said that growth investments performed better than value investments. He said that the international market EAFE was up by 7.2% and the EM was up by 6%. Mr. Jones said that the fixed income aggregate was up by 1% and the high yield was up by 5.4% for the quarter. Mr. Evans informed the Board that Southeastern will make a presentation at the March 20, 2019 meeting.

Public Comment made by Dorian Nunez.

**Funding Liquidity** The Board agreed to take funds from Cornerstone, if funds are needed for the next thirty days.

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**Budget Committee - Trustees Conference Review & Approval** Mr. Evans said that all board members have been registered for the 2019 LATEC Conference February 27 –March 1, 2019 held in New Orleans at the Royal Sonesta.

**Member Relations Committee**

**Reciprocity Agreement with Sewerage & Water Board** Ms. Bagneris informed the Board about the February 11, 2019 Member Relations Committee with Sewerage & Water Board members, attorney and employees regarding the reciprocity agreement. She said that there were discussions about the possibility of plan changes with the Sewerage & Water Board and that there may not be a continued reciprocity agreement between retirement systems, as the plans are different. Ms. Bagneris said they talked about approaching the City Council regarding how the plan changes with NOMERS affects S&WB. She said that the Member Relations Committee will have to continue discussions with the Sewerage & Water Board regarding the reciprocity agreement.

**Policy Rehired Employees** Ms. Bagneris said that Ms. Armstrong provided a clear understanding of rehired employees at the Member Relations Committee meeting. Mr. Evans said that the administrative procedures for rehires drafted by Ms. Armstrong addressed NOMERS employees. Ms. Hudson asked Ms. Armstrong to explain why a twenty year S&WB employee is not treated as a rehire with NOMERS. Ms. Armstrong said that the status of a person who is employed at S&WB is not clear, as to them being employees of the City. She said that if the reciprocity agreement is no longer in place because of the ordinance, the issue of who can hire comes into play. Ms. Armstrong said that the Board would have to change the reciprocity agreement with S&WB. She suggested that the Board get a legal opinion from the City Attorney's Office regarding the S&WB employees. Ms. Bagneris agreed that the Board get a legal opinion from the City Attorney's Office regarding S&WB employees. Ms. Armstrong will provide procedures at the next meeting to address S&WB employees hired before January 1, 2018. Mr. Evans requested approval from the Board on the administrative procedures for rehires drafted by Ms. Armstrong. A motion was made by Ms. Hudson and seconded by Ms. Kahn to approve the administrative procedures for rehires dated February 21, 2019 effective for January 1, 2018. The motion passed with four in favor (Ms. Hudson, Ms. Kahn, Ms. Bagneris and Dr. Chase).

**Contract Compliance Committee** nothing to report.

**Headline Risk Committee** nothing to report.

**MONTHLY REPORTS**

**Minutes of Regular Meeting for January 16, 2019** were presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Kahn to approve the minutes for January 16, 2019. The motion passed with four in favor (Dr. Chase, Ms. Kahn, Ms. Bagneris and Ms. Hudson).

Retirements for the month of February 2019 was presented to the Board. A motion was made by Dr. Chase and seconded by Ms. Bagneris to ratify the retirements for the month of February 2019. The motion passed with four in favor (Dr. Chase, Ms. Bagneris, Ms. Kahn and Ms. Hudson).

Status Reports on Transfers for the months of December 2018 & January 2019 were presented to the Board. The Board received the status reports on transfers for the months of December 2018 and January 2019.

Member Refunds Report for the month of December 2018 were presented to the Board. The Board received the member refunds reports for the month December 2018.

Employer Contributions Report for the month of October 2018 were presented to the Board. The Board received the Employer Contributions Report for the month of October 2018.

There being no further business, a motion was made by Ms. Hudson and seconded by Ms. Bagneris to adjourn. The motion passed with four in favor (Ms. Hudson, Ms. Bagneris, Dr. Chase and Ms. Kahn).



Jesse Evans, Jr.

Director

JE/jhe