

**Regular Meeting  
Board of Trustees  
Of the Employees' Retirement System  
Of the City of New Orleans  
Purchasing Conference Room  
1300 Perdido Street, 4W05  
April 17, 2019  
9:30 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 IV  
Ian Jones, AndCo Consultant  
Kimberly Smith, City Attorney's Office  
Dorian Nunez

The chairman called the meeting to order at 9:30am.

**NEW BUSINESS**

**Date for next regular meeting** The Board's next regular meeting is tentatively scheduled for May 15, 2019 at 9:30am the location to be determined.

**COMMITTEE REPORTS**

**Investment Committee – AndCo Consultant**

**Performance Report for February 28, 2019** Mr. Jones discussed the year-to-date market updates for equities and fixed income index returns, as of February 28, 2019. He said that the S&P500 was up 11.48% and the Russell Midcap was up 15.54% and Russell 2000 was up by 17% for the first quarter of 2019. Mr. Jones said that the international market EAFE was up by 9.29% and the EM index was up by 9%. He discussed the year-to-date market update for equities and fixed income index returns, as of April 12, 2019. He said that the S&P500 returned 16.67% and Russell 2000 returned 17.98%, growth stocks were up by 19.53%, value stocks were up by 14.74%, EAFE was up by 12.67% and the EM index was up by 13.25%.

Mr. White arrived to the meeting.

Mr. Jones talked about placing \$10 million in LAMP account or fixed income for benefit payments for the year instead of liquidating funds every month. Mr. Evans said that during hurricane season two months of benefits payments are set aside to cover payroll. Mr. Jones suggested trimming funds from the equity managers to set aside \$10 million to cover payroll for the year. A discussion followed. No action taken by the Board.

**Regular Meeting**  
**Board of Trustees**  
**April 17, 2019**  
**Page 2**

Mr. Jones said that the year-to-date beginning market value of the fund was approximately \$350 million, net contributions -\$3.3 million with loss of \$26 million and the ending market value was \$373 million plus the LAMP assets of \$15.6 million for a total of \$388 million. He said that the comparative performance shows a rate of return of 7.6% for the quarter. Mr. Jones made a presentation on the investment managers' performance, as of February 28, 2019.

Ms. Kahn arrived to the meeting.

**Revised Investment Policy Statement – GTAA Allocation** Mr. Jones handed out and discussed the one page Investment Policy Statement revisions which captured the domestic equity targets from 44% to 42.54%, non-U.S. fixed income target from 25% to 22%, new target allocation to GTAA of 7.5% and hedge funds target from 5% to 2%. A motion was made by Dr. Chase and seconded by Ms. Hudson to adopt the revised Investment Policy Statement, dated for April 17, 2019. The motion passed unanimously (Dr. Chase, Ms. Hudson, Ms. Bagneris, Ms. Kahn, and Mr. White).

**Funding Liquidity** Mr. Jones recommended that funds be taken from Vanguard Extended Market Equity Index, if funds are needed for the next 30 thirty days. A motion was made by Dr. Chase and seconded by Ms. Hudson to take funds from Vanguard Extended Market Equity Index, if funds are needed for the next thirty days. The motion passed with four in favor (Dr. Chase, Ms. Hudson, Ms. Kahn and Ms. Bagneris)

Mr. Jones handed out and discussed the professional turnover at Macquarie. Mr. Evans talked about Macquarie's good relative performance. Ms. Jones suggested a possible search to replace Macquarie because of the turnover. Dr. Chase said that he is not in favor of replacing Macquarie at this time but would like to place them on the watch list.

**Budget Committee - Trustees Conference Review & Approval** Dr. Chase said that Macquarie is a Gold corporate sponsor of National Association of Securities Professional (NASP) conference Mr. Evans informed the Board about the upcoming NASP 30th Annual Conference June 24-26, 2019 held in Baltimore, Maryland. A motion was made by Ms. Hudson and seconded by Dr. Chase to approve Ms. Bagneris and Mr. White to attend the NASP 30th Annual Conference June 24-26, 2019 held in Baltimore, Maryland. The motion passed with three in favor (Ms. Hudson, Dr. Chase and Ms. Kahn). A motion was made by Ms. Hudson and seconded by Ms. Kahn to approve Dr. Chase to attend the NASP 30th Annual Conference June 24-26, 2019 held in Baltimore, Maryland. The motion approved with four in favor (Ms. Hudson, Ms. Kahn, Ms. Bagneris and Mr. White).

**Southeastern fee reduction** Mr. Jones said that Southeastern gave two options; 1) reduce the current fee from 75bps to 65bps on asset from \$0 – 50 million or 2) a performance based fee of 25%. A motion was made by Ms. Hudson and seconded to Ms. Kahn to accept the reduced fee of 65bps for Southeastern. The motion passed unanimously. (Ms. Hudson, Ms. Kahn, Ms. Bagneris, Mr. White and Dr. Chase).

**Regular Meeting**  
**Board of Trustees**  
**April 17, 2019**  
**Page 3**

**Member Relations Committee- Reciprocity Agreement with Sewerage & Water Board** Ms. Bagneris informed the Board that Mr. Evans has scheduled a working meeting with Sewerage & Water Board members for April 28, 2019 at 10:30am to be held in the Homeland Security Conference room 8E10.

Mr. Nunez informed the Board about a conference held by Omni. He said that the conference held by Omni is invitation only. Mr. Nunez invited the Board to attend the conference held by Omni on April 25 2019 at the Ritz Carlton.

**Contract Compliance Committee** Mr. Evans informed the Board about the amendment to the JPMorgan custodian contract with the securities litigation function. He said that JPMorgan outsourced the securities litigation function. Mr. Evans said that Ms. Smith from the City Attorney's office has reviewed the amendment to JPMorgan custodian contract. A motion was made by Ms. Hudson and seconded by Mr. White to approve the amendment to the JPMorgan custodian contract related to the securities litigation function. The motion passed unanimously. (Ms. Hudson, Ms. Kahn, Ms. Bagneris, Mr. White and Dr. Chase).

**Headline Risk Committee** nothing to report.

**Governance Committee** nothing to report. Mr. Evans informed the Board that he and Mr. White meet with the new director, Camille Hazeur of the Office of Supplier Diversity.

**Staffing Committee** Mr. Evans informed the Board that he and Mr. White met and there is money in the retirement budget for two hires. He needs to justify the need for the two positions and meet with the Deputy Director of Finance, Karla Felton. Ms. Bagneris informed the Board that one of the CAO management development specialist II has been working in the retirement office because she had an injury and could not be on the 9<sup>th</sup> floor. She said that the employee has been working in the retirement office for a couple of years. Ms. Bagneris said that she periodically checks with Mr. Evans on this employee and her progression. She said that because of her condition this employee with not be able to work on the 9<sup>th</sup> floor. Ms. Bagneris asked Ms. Hudson whether Civil Service would have an issue with moving the management development specialist II position into the retirement office at no cost to Finance department permanently. Ms. Hudson said that she would have to review the type of work the management development specialist II has been doing in the retirement office. Mr. Evans said that he included money in the budget for that the pay plan that was phased in last year for all employees. He said that because his position is unclassified, he was not included in the pay plan adjustments. Mr. Evans asked the Board to approve a 5% increase in his salary to be comparable to the other bureau chiefs in the Finance department. A motion was made by Ms. Bagneris and seconded by Ms. Hudson to approve the increase in the Pension Administrator's salary by 5% equivalent with the other bureau chiefs in Finance. The motion passed unanimously. (Ms. Hudson, Ms. Kahn, Ms. Bagneris, Mr. White and Dr. Chase).

**Regular Meeting  
Board of Trustees  
April 17, 2019  
Page 4**

**MONTHLY REPORTS**

Minutes of Regular Meeting for March 20, 2019 were presented to the Board. A motion was made by Ms. Bagneris and seconded by Ms. Hudson to approve the regular meeting minutes for March 20, 2019. The motion passed unanimously (Ms. Bagneris, Ms. Hudson, Ms. Kahn, Mr. White and Dr. Chase).

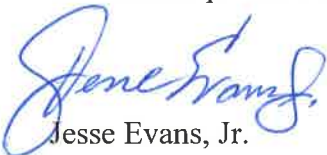
Retirements for the month of April 2019 was presented to the Board. A motion was made by Ms. Hudson and seconded by Dr. Chase to ratify the retirements for the month of April 2019. The motion passed unanimously (Ms. Bagneris, Ms. Hudson, Ms. Kahn, Mr. White and Dr. Chase).

Report of deceased retirees for the month of April 2019 were presented to the Board. The Board received the reports of deceased retirees for the month of April 2019.

Refund Members Report for the month of March 2019 were presented to the Board. The Board received the refund members report for the month March 2019.

Employer Contributions Reports for the months of January & February 2019 were presented to the Board. The Board received the Employer Contributions Reports for the months of January and February 2019.

There being no further business, a motion was made by Ms. Hudson and seconded by Dr. Chase to adjourn. . The motion passed unanimously (Ms. Hudson, Dr. Chase, Ms. Bagneris, Ms. Kahn, and Mr. White).



Jesse Evans, Jr.  
Director  
JE/jhe