

**REGULAR MEETING
BOARD OF TRUSTEES
CITY OF NEW ORLEANS EMPLOYEES' RETIREMENT SYSTEM
CITY HALL, FOURTH FLOOR PURCHASING CONFERENCE ROOM
JULY 20, 2022**

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Trustees Present:

Ms. Courtney B. Bagneris, Active Employees' Representative
Ms. Amy B. Trepagnier, Trustee
Mr. Norman L. White, Treasurer/CFO
Ms. Marina M. Kahn, Retired Employees' Representative
Mr. Kim T. DeLarge, Sr., Trustee

Others Present:

Jesse Evans, Jr., Director, Employees' Retirement System
Ian Jones, AndCo Consulting
Kimberly Smith, City Attorney's Office
Michael Williams, Phelps Dunbar
Malichi Waterman, Segal Consulting
Bernard Robertson, Robertson Wealth Advisors
Joe Gill, First Eagle Investments

Mr. Evans called the meeting to order at 9:41 am after roll call.

MONTHLY REPORTS

Meeting Minutes - Regular Meeting - June 11, 2022

A motion was made by Ms. Bagneris and seconded by Ms. Kahn to approve the June 11, 2022 regular meeting minutes. The motion passed with all in favor (Ms. Bagneris, Ms. Trepagnier, Ms. Kahn, and Mr. DeLarge).

Board to Ratify Retirement Allowances

A motion was made by Ms. Bagneris and seconded by Ms. Kahn to approve the retirement allowances for the month of July. The motion passed with all in favor (Ms. Bagneris, Ms. Trepagnier, Ms. Kahn and Mr. DeLarge).

Refund Report - Marked received

Transfer Report - Marked received

Contribution Report - Marked received

Deceased Member Report - Marked received

Date for the next regular meeting - The board's next regular meeting is scheduled for Wednesday, August 17th at 9:30am in-person.

Actuary Presentation - Contribution Rate 2023

Mr. Waterman discussed the preliminary valuation results as of January 1, 2022. He noted the increase in the actuarial value of assets from \$439.1M to \$452.4 and an increase in market value of assets from \$460M to \$510M. Compared to the assumed rate of return of 7.25%, the market value of assets return was 15.77% and the actuarial value rate of return was 8.12%.

Mr. Waterman and Segal recommended a transition to a 5-year straight line amortization of each year's market investment gain or loss and the implementation of a 20% corridor. A motion was made by Ms. Bagneris and seconded by Ms. Kahn to accept the Segal recommendation to transition to a 5-year straight line amortization of each year's market investment gain or loss and implementation of a 20% corridor. The motion passed with all in favor. (Ms. Bagneris, Ms. Trepagnier, Ms. Kahn, and Mr. DeLarge).

A brief discussion followed.

A motion was made by Ms. Bagneris and seconded by Ms. Kahn to approve the recommended employee contribution rate of 6% and the recommended employer contribution rate of 17.18% for 2023. The motion passed with all in favor. (Ms. Bagneris, Ms. Trepagnier, Ms. Kahn, Mr. DeLarge).

Mr. Evans paused to ask for any public comments. There were no public comments.

COMMITTEE REPORTS

Review First Eagle - First Eagle International Value Strategy

Mr. Gill provided a detailed update of the fund's investment with First Eagle. He described the current marketplace on those factors that have aided them in overcoming some of the short-term challenges and allowed them to outperform the index. He discussed the fund's market exposure and noted the investment in gold as a positive contributing asset class. Mr. Gill noted that the portfolio was positioned to navigate through market challenges.

Discuss status of International Equity Manager request for proposal

Mr. Jones suggested that based upon the current manager mix and the current market environment, the fund would be well served spending time on understanding the strategy and current positioning of the current incumbent managers instead of introducing new managers to the mix.

Mr. White joined the meeting.

Discuss status of International Equity Manager request for proposal - con't

A motion was made by Ms. Bagneris and seconded by Ms. Kahn to cancel the RFP for an international equity manager. The motion passed with all in favor. (Ms. Bagneris, Ms. Trepagnier, Ms. Kahn, and Mr. DeLarge).

Mr. Jones will contact all managers who submitted to the RFP and advise them of the cancellation.

Reviewed funding of JP Morgan Global Transport Income Fund and Investment Policy Statement Target Allocation Adjustments

Mr. Jones noted that the JP Morgan Global Transport Fund was funded with liquidity provided by the equity index allocations. He recommended that at the meeting in August alternative funding methods should be reviewed. He further noted that new target allocations need to be adopted for the infrastructure allocation. These allocations will be reviewed during the August meeting.

Budget Committee

Mr. Evans advised the board of the upcoming International Foundation of Employee Benefits annual conference. He asked that board members review the conference information and advise during the August meeting if they would like to attend.

Member Relations Committee

Ms. Bagneris advised the board of a member who worked through the Hurricane Katrina period when mirrored payrolls were used but the employee was not given credit for a period of time the member had continuous employment. The retirement office will further investigate with the assistance of the information provided by Ms. Bagneris.

Contract Compliance Committee

Nothing new to report.

Headline Risk Committee

Unrelated to the City of New Orleans Employees' Retirement System, an accountant for the fire pension plan was sentenced to three-plus years in prison for theft of retirement system funds.

Regular Meeting
Board of Trustees
July 20, 2022
Page - 4

Governance Committee
Nothing new to report.

Staffing Committee
Nothing new to report.

There being no further business, a motion was made by Ms. Kahn and seconded by Ms. Bagneris to adjourn. The motion passed with all in favor. (Ms. Bagneris, Ms. Trepagnier, Ms. Kahn, Mr. DeLarge, and Mr. White).

The meeting ended at 11:12 am

Jesse Evans, Jr.
Director