

**Regular Meeting
Board of Trustees
Of the Employees' Retirement System
Of the City of New Orleans
Purchasing Conference Room
1300 Perdido Street, Room 4W05
August 21, 2013
9:00 a.m.**

Trustees Present:

Dr. Edgar L. Chase, III, Chairman
Ms. Lisa M. Hudson, Vice Chairperson
Mr. Norman S. Foster, Treasurer/CFO
Ms. Courtney B. Bagneris

Absent Trustee:

Mr. Robert Gebrian

Others Present:

Jesse Evans, Jr., Director of Employees' Retirement System
Janet H. Easterling, Adm. Support Supervisor, Employees' Retirement System
Kimberly Smith, City Attorney's Office
Michael Conefry, Conefry & Company
Brett Hazen, The Bogdahn Group
Luther Speight, Luther Speight & Company, LLC
Melvin Baker, OCD

The chairman called the meeting to order at 9:00 am.

Dr. Chase requested to move to monthly reports on the agenda. The Board agreed.

MONTHLY REPORTS

Minutes of Regular Meeting for July 17, 2013 were presented to the Board. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approve the minutes for July 17, 2013. The motion passed with four in favor.

Retirements for the month of August 2013 were presented to the Board. A motion was made by Ms. Bagneris and seconded by Dr. Chase to ratify the retirements for the month of August 2013. The motion passed with four in favor.

Report of deceased retirees for the month of August 2013 was presented to the Board. The Board received the report of deceased retirees for the month of August 2013.

Member Refund Report for the month of June 2013 was presented to the Board. The Board received the member refund report for the month of June 2013.

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Status Report on Transfers for the month of July 2013 was presented to the Board. The Board received the status report on transfer for the month of July 2013.

Employer Contribution Report for the month of July 2013 was presented to the Board. The Board received the Employer Contribution Report for the month of July 2013.

PRESENTATIONS

Annual Actuarial Valuation Mr. Conefry summarized the key facts from the December 31, 2012 annual actuarial valuation. The Board received the 2012 annual actuarial valuation.

DROP Interest Rate Mr. Conefry presented a letter dated August 16, 2013 indicating the 2013 DROP Interest Rate of 1.8510% effective for the period of September 1, 2013 through August 31, 2014. A motion was made by Ms. Hudson and seconded by Ms. Bagneris to approve the DROP interest rate of 1.8510% for the period of September 1, 2013 through August 31, 2014. The motion passed with four in favor.

A motion was made by Dr. Chase and seconded by Ms. Hudson to move to new business on the agenda. The motion passed with four in favor.

Actuarial Information Requests Mr. Conefry discussed a schedule of active employees eligible to retire under the current plan versus alternative plans (Rule of 70 and Rule of 65) and costs. No action taken by the Board.

2012 Audit Report Mr. Speight made a presentation on the 2012 Audit Report for the Employees' Retirement System as of December 31st. Mr. Evans will draft the management response related to the 2012 audit finding which is due by August 31st. The Board acknowledged receipt of the 2012 audit report.

Mr. Foster left the meeting.

The Board agreed to take a break.

The meeting resumed.

OLD BUSINESS

Rewrites of Chapter 114 – Pending Meeting with Council Staff no change.

City Council Motion to Employ Special Counsel no change.

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NEW BUSINESS

The Board tentatively schedule its next regular meeting for Wednesday, September 18th at 9:00 am to be held in Purchasing Conference Room 4W05.

COMMITTEE REPORTS

Investment Committee - The Bogdahn Group

Mr. Foster returned to the meeting.

Portfolio Review Mr. Hazen handed out the Monthly Flash Report, Quarterly Executive Summary Report and Investment Performance Review as of June 30, 2013. He made a presentation on the Monthly Flash Report as of June 20, 2013.

Draft Investment Policy Statement Mr. Hazen presented a draft investment policy statement. The Board requested that a copy of the draft investment policy statement be forwarded to Ms. Armstrong. The Board deferred for additional review.

Ms. Bagneris left the meeting.

BUDGET COMMITTEE

Trustees Conference Review & Approval Mr. Evans informed the Board about a Southeast Institutional Investor Forum to be held in Atlanta, Georgia on Tuesday, October 29th. A motion was made by Mr. Foster and seconded by Ms. Hudson to approve all Board members attendance at the Southeast Institutional Investor Forum held in Atlanta, Georgia on October 29th. The motion passed with three in favor. A motion was made by Mr. Foster and seconded by Dr. Chase to approve Mr. Evans attendance at the Southeast Institutional Investor Forum held in Atlanta, Georgia on October 29th. The motion passed with three in favor.

Pension System nothing to report.

Contract Compliance Committee Mr. Evans informed the Board that the First Eagle contract was forwarded to Ms. Armstrong for review.

Headline Risk Committee nothing to report.

Member Relations nothing to report.

Staffing Committee nothing to report.

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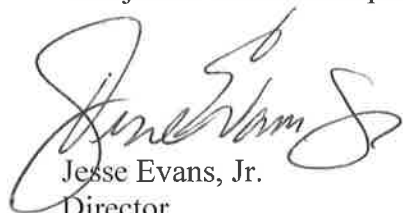
EXECUTIVE SESSION

A motion was made by Mr. Foster and seconded by Ms. Hudson to go into executive session. The motion passed with three in favor.

The meeting resumed.

A motion was made by Dr. Chase and seconded by Ms. Hudson to approve the Ordinary Disability for **Cardice Lee** based on the Board's physician report. The motion passed with three in favor.

There being no further business, a motion was made by Ms. Hudson and seconded by Mr. Foster to adjourn. The motion passed with four in favor.



Jesse Evans, Jr.
Director

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