



**"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"**

# **Sewerage & Water Board of NEW ORLEANS**

MITCHELL J. LANDRIEU, *President*  
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April 1, 2015

TO THE HONORABLE PRESIDENT AND MEMBERS OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

The PENSION COMMITTEE of the Sewerage and Water Board of New Orleans met on Wednesday, April 1, 2015 at 10:30 a.m. in the Board Room at 625 St. Joseph Street.

## **ATTENDANCE**

**PRESENT:** Mr. Wm. Raymond Manning (Chairman), Mr. Alan Arnold, Mrs. Robin Barnes, Mr. Harold Heller, Jr., Mr. Joseph Peychaud, Mr. Gerald Tilton and Mr. John H. Wilson III

**ABSENT:** Mr. Marion Bracy and Mr. Marvin R. Russell, Jr.

Also in attendance were Director's Office, Legal, Finance and Personnel Department staff; Marcia Culotta, Stephen Daste and Octave Francis of FFC Capital Management; John Weiler of Weiler & Rees; Janice Leaumont of Capital One; Beau Coash, Sue Curran and Melissa Moesman of Pyramis Global Advisors; Theo Sanders of LAMP.

The meeting was called to order at approximately 10:31 a.m. to discuss and act upon the following matters:

## **APPROVAL OF PREVIOUS REPORTS**

The Pension Committee received the Pension Committee Report of March 4, 2015 for review and action. Mr. Wilson motioned to approve the report and Mr. Tilton seconded the motion. The motion passed.

## **ADOPTION OF REVISED EMPLOYEES' RETIREMENT SYSTEM INVESTMENT POLICY STATEMENT**

Mr. Miller noted that committee members received a draft copy of suggested changes to the Investment Policy Statement and that committee members were provided with the opportunity to submit additional changes to be included in a final draft proposal. The committee received a final draft copy of suggested changes to the Sewerage & Water Board of New Orleans Employees' Retirement System Investment Policy Statement for approval. Mr. Arnold requested that action on the policy statement be deferred to follow the presentation by Pyramis Global Advisors, as most of his questions and concerns could be addressed during that presentation. The Committee agreed and moved to the next presentation.

## **PYRAMIS GLOBAL ADVISORS-US FIXED INCOME CORE PLUS MANAGER**

Beau Coash, Sue Curran and Melissa Moesman of Pyramis Global Advisors, presented to the committee an update of the Board's Fixed Income Core Plus Investment Portfolio. Extensive discussion ensued over what constituted the appropriate benchmark for this manager. The manager requested that the benchmark remain unchanged.

## **ADOPTION OF REVISED EMPLOYEES' RETIREMENT SYSTEM INVESTMENT POLICY STATEMENT continued**

Mr. Arnold moved for a customized index for the Core Plus Manager. There was not a second to his motion. Mr. Manning moved to amend the Retirement System Investment Policy Statement on page 19 under the sub-heading "Market Indices" to replace the word "will" with "may" as it relates to the S&WB's desire to develop a customized benchmark. Mr. Peychaud seconded the motion. The motion passed. Mr. Wilson motioned to recommend acceptance of the revised Investment Policy Statement with the amendment made during the meeting and Mr. Peychaud seconded. The motion passed.

## **PROPOSED PATH FORWARD TO REVIEW INVESTMENT STRATEGIES**

Mr. Miller presented a one-year timeline of events and actions that will assist in addressing recent discussion and concerns relating to the Retirement System Investment Policy Statement:

- Review objectives, suitability and performance of each manager.
- Rebalance portfolio.
- Consider active versus passive investment strategy.
- Perform Asset Allocation Study.
- Supplement with experienced stakeholders.
- Conduce workshops for pension trustees.
- Consider and implement changes.

The timeline detailed a series of workshops and meetings that will be scheduled through March 2016.

## **FFC MONTHLY REPORT (PRESENTATION)**

Octave Francis of FFC Capital Management presented the Executive Summary Performance Table and Market Index Performance Report for the period ending February 28, 2015.

## **VOLUNTARY RETIREMENTS**

There were two (2) voluntary retirement applications submitted to the Pension Committee for review:

### **Plump, Lenita K.**

Retirement Date: 04/01/2015; Group: 0534 (DROP)

### **Williams, Stella F.**

Retirement Date: 04/09/2015; Group: 0540 (DROP)

## **2015 COMMITTEE/BOARD MEETING SCHEDULE**

The updated Committee and Board Meeting Schedule was submitted to the Pension Committee for review.

## **TOPICS FOR FUTURE DISCUSSIONS**

There were no additional topics identified for future discussions.

### **RESPONSE TO QUESTIONS**

There were no questions from Board members requiring a response.

### **OTHER MATTERS**

There were no additional items discussed at this meeting.

### **ADJOURNMENT**

Mr. Wilson motioned to adjourn the meeting and Ms. Barnes seconded the motion. The motion passed. The meeting adjourned at approximately 12:05 p.m.

Respectfully Submitted,

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Wm. Raymond Manning  
Chairman