

BOARD OF TRUSTEES' MEETING

OCTOBER 18, 2017

MEETING MINUTES

EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

ROLL CALL

The Board of Trustees of the Employees' Retirement System of Sewerage and Water Board of New Orleans (ERS SWBNO) met on Wednesday, October 18, 2017 at 10:30 AM in the Board Room at 625 St. Joseph Street. The General Counsel, Mr. Nolan Lambert, called the roll and confirmed the following members were present: Trustee Alan Arnold, Trustee Robin Barnes, Trustee Chris Bergeron, Trustee Marion Bracy, Trustee Stacy Horn Koch, Trustee Director Ralph Johnson, Trustee Joseph Peychaud, Trustee Chante Powell, Trustee Marvin Russell, and Trustee John Wilson.

The following member(s) were absent: Trustee Tamika Duplessis and Mayor Mitch Landrieu.

Staff present included: Ms. Sharon Judkins, Deputy Director, Administration; Mr. Nolan Lambert, Special Counsel; Mr. Harold Marchand, Mr. James Thompson, Legal Department; Dr. Tim Viezer, Chief Investment Officer, and Ms. Jasmin Lawrence, Board Relations Staff.

Mr. Lambert recommended that in the absence of the Mayor, the Board appoint an Interim Chairperson and suggested that Trustee Peychaud serve in that capacity. Trustee Arnold moved to appoint Trustee Peychaud as Interim Chairperson and Trustee Bracy seconded the motion. The motion carried.

APPROVAL OF PREVIOUS BOARD MINUTES

There were no previous Board of Trustee minutes.

PENSION COMMITTEE

Key Pension Committee Agenda Topics:

Action Items:

- R-109-2017 - Asset Allocation Targets for Employees' Retirement System of the Sewerage & Water Board of New Orleans
- R-110-2017 - Miscellaneous Updates of the Investment Policy Statement for the Employees' Retirement System of the Sewerage & Water Board of New Orleans
- R-114-2017 - Mission Statement for the Employees' Retirement System of the Sewerage & Water Board of New Orleans
- R-115-2017 - Adoption of the CFA Code of Conduct for Members of a Pension Scheme Governing Body by the Employees' Retirement System of Sewerage & Water Board of New Orleans

Executive Session:

- Disability Retirement Application

Information Items:

- Deputy Director of Administration Discussion on Rehiring Retirees
- Chief Investment Officer's Presentation

Information Items:

- LSA R.S. 11:3821
- CFA Code of Conduct for Members of a Pension Scheme Governing Body
- CFA Code of Ethics and Standards of Professional Conduct
- ERS SWBNO Investment Policy Statement
- Pension Committee Meeting Presentation October 7, 2015
- Pension Committee Minutes for October, November, and December 2015.
- RFP for Asset-Liability Study Consulting Services

Interim Chair Peychaud reported on the October 16, 2017 Pension Committee meeting. The Pension Committee meeting agenda included a disability retirement application, an informational discussion on rehiring retirees, four action items, and two updates on consultants. The Committee met in executive session to consider a disability retirement application. Upon re-entering regular session, the Committee voted to accept Human Resources' recommendation. Ms. Judkins informed the Committee that reviewed the ERS SWBNO Rules and Regulations and concluded that SWBNO Human Resources could rehire retirees without actuarially impacting the pension if those rehired retirees worked less than 17.5 hours per week. The Committee reviewed four resolutions (listed below) and voted to recommend all four for the Board's approval.

Trustee Arnold complimented Chairman Peychaud's summary. Trustee Wilson moved that Board approve the Pension Committee report and approve the corresponding resolutions. Trustee Russell seconded the motion. The motion carried.

CORRESPONDING RESOLUTIONS

The following resolutions were adopted in conjunction with approval of the Committee report as follows:

R-109-2017 - Asset Allocation Targets for Employees' Retirement System of the Sewerage & Water Board of New Orleans

R-110-2017 - Miscellaneous Updates of the Investment Policy Statement for the Employees' Retirement System of the Sewerage & Water Board of New Orleans

R-114-2017 - Mission Statement for the Employees' Retirement System of the Sewerage & Water Board of New Orleans

R-115-2017 - Adoption of the CFA Code of Conduct for Members of a Pension Scheme Governing Body by the Employees' Retirement System of Sewerage & Water Board of New Orleans

EXECUTIVE SESSION

There was no executive session during the Board of Trustees' October 18, 2017 meeting.

INFORMATION ITEMS

The following items were submitted for informational purposes only:

- LSA R.S. 11:3821
- CFA Code of Conduct for Members of a Pension Scheme Governing Body
- CFA Code of Ethics and Standards of Professional Conduct
- ERS SWBNO Investment Policy Statement
- Pension Committee Meeting Presentation October 7, 2015
- Pension Committee Minutes for October, November, and December 2015.
- RFP for Asset-Liability Study Consulting Services

ANY OTHER MATTERS

Trustee Arnold asked for the benefit of the Trustees who were not members of the Pension Committee that Ms. Judkins elaborate on the rehiring of retirees. Ms. Judkins stated that according to the ERS SWBNO Rules and Regulations, a retiree rehired to work less than 17.5 hours per week would not be considered a member of the Employees' Retirement System and therefore would not impact the pension. Mr. Mike Conefry – who serves as actuary – confirmed this interpretation. The rehired retiree would continue to receive their pension.

Trustee Arnold asked and Ms. Judkins confirmed that the retiree would go through the regular application process. Trustees Arnold and Peychaud inquired as to the pay level rehired retirees would be paid. Ms. Judkins answered that Civil Service allows the rehired retiree to be paid between the entry level and mid-point pay levels, dependent upon credentials and the recommendation of the hiring manager. Trustee Russell noted that retirees could be rehired full-time, but payment of the pension would be halted and the employee would contribute to a supplemental plan, but the pension paid when the rehired retiree returned to retirement could not exceed 100% of salary. Trustee Arnold noted for the record that rehiring retirees was not discussed at the Pension Committee and inquired how the salary for final retirement was calculated. Trustee Bergeron inquired whether the rehiring of retirees at half-time would apply to rehiring supervisors. Ms. Judkins stated that SWBNO would not in most circumstances hire half-time supervisors but under certain circumstances they may be used. Trustee Bracy noted that the discussion was probably a management rather than governance issue, better left to Human Resources and Legal.

ADJOURNMENT

There being no further business to come before the Board, Trustee Bracy moved to adjourn. Trustee Johnson seconded. The meeting adjourned at approximately 10:47 AM.