



**“RE-BUILDING THE CITY’S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY”**

# **EMPLOYEES’ RETIREMENT SYSTEM OF THE Sewerage & Water Board OF NEW ORLEANS**

*LaToya Cantrell, President*

625 ST. JOSEPH STREET  
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER  
[www.swbno.org](http://www.swbno.org)

October 07, 2021

The Pension Committee met virtually on Thursday, October 07, 2021, via Microsoft Teams. The meeting convened at approximately 9:03 A.M.

## **Present:**

Director Joseph Peychaud  
Director Ralph Johnson  
Ms. Latressia Matthews  
Mr. Kenneth Davis, Sr.  
Mr. Mubashir Maqbool

## **Other Board Members Present:**

N/A

## **Absent:**

Director Maurice Sholas  
Mr. Harold Heller  
Councilmember Jay H. Banks  
Director Alejandra Guzman

Also, in attendance: Special Counsel Mrs. Yolanda Grinstead; Deputy Special Counsel Mr. Ed Morris; Mr. Ghassan Korban, Executive Director; Mr. Edgar Lewis, Chief Financial Officer; Mr. Kweku Obed and Mr. Jesus Jimenez, Marquette Associates, Inc.; Mr. Mitchell Bilbe and Mr. Christopher Johnson, Rudd and Wisdom, Inc.

Special Counsel Yolanda Grinstead gave an opening statement that a quorum was reached, but the new Pension Committee members, Mr. Davis and Mr. Maqbool were unable to vote at this time until training is completed. All action items will be received at the next Pension Committee Meeting.

## **PRESENTATION ITEMS**

Director Peychaud thanked the previous Pension Committee members, Mr. Chris Bergeron and Mr. Adam Kay for their service to the committee and welcomed Mr. Davis and Mr. Maqbool to the committee. Director Peychaud introduced Rudd and Wisdom, Inc. who provided the COLA update and highlights from 2020/2021 and what is to come.

## COLA

- Historically,
- Pension Committee recommends COLA increase
- Annual Resolution is adopted by Board of Trustees to enact COLA
- COLA that was effective January 1, 2020
- Resolution R-113-2020
- Executed on November 18, 2020
- COLA increase paid retroactively to beginning of year based on number of bi-weekly payments year-to-date
- Bi-weekly payments increased prospectively
- Similar action should be followed for January 1, 2021 COLA

## Experience Study

- February 2020 – published Actuarial Experience Study
- December 2020 – Board of Trustees adopted new assumptions and Funding Policy
- May 2021 – Drafted Stand-Alone Funding Policy adopted by Board of Trustees
- May 2021 – Completed 2021 valuation reflecting new assumptions and funding policy
- June 2021 – issued annual employee benefit statements using updated template and various benefit projection dates for each active member
- Next on the horizon
- Pension Portal?
- Web-based pension benefit calculation tool for both administrators and Members
- Next Experience Study not scheduled until 2024

Mr. Kweku Obed of Marquette Associates gave an overview of the executive summary. Mr. Obed presented the asset allocation of Portfolio E recommendations and goals to be accepted at the next Pension Committee meeting. The goals are:

- Reduce fixed income exposure to enhance expected risk/return trade-offs
- Revisit the U.S./Non-U.S. equities allocation split
- Reduce equity style biases in favor of a core approach

- Evaluate efficacy of hedge funds allocation (cost and performance)
- Optimize real estate allocation by adding a core open ended private real estate allocation vs a “proxy” allocation (REITs)
- Consider global infrastructure and private equity allocations to reduce public market volatility and enhance diversification

Looking ahead, Marquette Associates would like to see the Sewerage and Water Board go forward with:

- Approval of asset allocation
  
- Investment manager searches and selection
  
- Revise and review the investment policy statement
  
- Implementation

### **ACTION ITEMS**

- Resolution (R-115-2021) – Resolution for the acceptance of the 2021 Actuarial Report of Rudd & Wisdom
- Resolution (R-116-2021) – Resolution for the acceptance of January 1, 2021 Cost of Living Adjustment for Board Pensioners
- Resolution (R-117-2021) – Resolution to authorize transfer of U.S. Large Cap Growth Investment Funds from iShares S&P 500 Growth ETF account to BlackRock Russell 1000 Index Fund, resulting in approximately \$53,000 worth of annual fee savings
  - Director Psychaud made a motion to defer the action items to the next scheduled Pension Committee meeting. Director Johnson accepted the motion. Ms. Matthews seconded. The motion carried.

### **PUBLIC COMMENT**

None.

### **INFORMATION ITEMS**

The information items were received and briefly discussed by Mr. Kweku Obed on the return summary.

### **ADJOURNMENT:**

There being no further business to come before the Pension Committee, Director Psychaud made a motion to adjourn. Director Johnson accepted. Ms. Matthews seconded. The motion carried. The meeting adjourned at approximately 9:53 A.M.

Respectfully submitted,

---

Mr. Joseph Psychaud, Chair