

# SEWERAGE & WATER BOARD OF NEW ORLEANS

## BOARD OF TRUSTEES MEETING WEDNESDAY, NOVEMBER 18, 2020

**10:30 AM**

**[NOVEMBER 2020 BOARD OF TRUSTEES ATTENDEE LINK](#)**

CALL IN#: [+1 504-224-8698](tel:+15042248698) UNITED STATES, NEW ORLEANS  
(TOLL)

CONFERENCE ID: 944 333 585#

PUBLIC COMMENT WILL BE ACCEPTED VIA EMAIL TO  
[BOARDRELATIONS@SWBNO.ORG](mailto:BOARDRELATIONS@SWBNO.ORG). ALL PUBLIC COMMENTS MUST BE RECEIVED PRIOR TO 11:00 AM  
ON NOVEMBER 18, 2020. COMMENTS WILL BE READ VERBATIM INTO THE RECORD.

LaToya Cantrell, President • Tamika Duplessis, President Pro Tem • Jay H. Banks, Councilmember  
Joseph Peychaud • Robin Barnes • Ralph Johnson • Alejandra Guzman • Maurice Sholas  
• Janet Howard • Lynes Sloss • Adam Kay  
Latressia Matthews • Christopher Bergeron • Harold Heller

---

---

### FINAL AGENDA

---

---

#### **1. ROLL CALL**

#### **2. APPROVAL OF MINUTES dated August 19, 2020**

#### **3. CORRESPONDING RESOLUTIONS**

- Approval of Resolution (R-113-2020) January 1, 2020 Cost of Living Adjustment for Board Pensioners of 1.533% on the first ten-thousand dollars (\$10,000) of eligible pensioners' original Retirement Allowance.
- Approval of Resolution (R-141-2020) 2020 Sewerage and Water Board's Contribution to the Employees' Retirement System of the Sewerage and Water Board of New Orleans totaling \$12,694,504 comprised of: Normal Cost - \$4,947,747 plus Unfunded Actuarial Liability - \$7,746,757.
- Approval of Resolution (R-142-2020) Acceptance of the 2020 Experience Study of Rudd & Wisdom presented to the Pension Committee on September 10, 2020, effective after December 31, 2020.

- Approval of Resolution (R-140-2020) The Board of Trustees of the Sewerage and Water Board of New Orleans in Reference to the Employees' Retirement System of the Sewerage and Water Board will commit to a Recommended Closed Amortization Period and the Member contribution shall be counted at its full contribution of 6%.

#### **4. PUBLIC COMMENT**

#### **5. ADJOURNMENT**

*This teleconference meeting is being held pursuant to and in accordance with the provisions of Section 4 of Proclamation Number JBE 2020-30, extended by Proclamation 159 JBE 2020, pursuant to Section 3 of Act 302 of 2020.*



**“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 27, 2020

The Board of Trustees met on Tuesday, October 27, 2020 via Microsoft Teams. The meeting convened at approximately 8:30 A.M.

## **Present:**

Dr. Tamika Duplessis, President Pro Tempore  
Councilmember Jay Banks  
Director Janet Howard  
Director Lynes Sloss  
Director Robin Barnes  
Director Ralph Johnson  
Director Alejandra Guzman  
Director Joseph Peychaud  
Director Maurice Sholas  
Mr. Adam Kay  
Ms. Latressia Matthews

## **Absent:**

Mayor Latoya Cantrell  
Mr. Harold Heller

Also, in attendance: Mr. Ghassan Korban, Executive Director; Ms. Yolanda Grinstead, Special Counsel; Mr. Ed Morris, Deputy Special Counsel; Mrs. Christy Harowski, Chief of Staff

Director Joseph Peychaud read the Pension Committee minutes to the record and motioned for approval. Director Sholas made a motion. Ms. Matthews seconded. The motion carried.

Director Peychaud asked for a motion to approve the minutes dated August 19, 2020. Director Johnson made a motion. Ms. Matthews seconded. The motion carried.

**ACTION ITEM**

- Resolution (R-126-2020) Extension of 2020 Continuing Education Requirements for the Board of Trustees of The Employees' Retirement System of SWBNO.
- Mr. Ed Morris explained the extension requirements and stated that information would be provided to the Trustees following the meeting.
  - **Director Peychaud presented a motion to approve R-126-2020. Director Howard moved. Director Guzman seconded. The motion carried.**

**PUBLIC COMMENT:**

None

**INFORMATION ITEMS:**

None

**ADJOURNMENT:**

There being no further business to come before the Board of Trustees, Director Peychaud made a motion to adjourn. Director Howard moved. Director Sloss seconded. The motion carried. The meeting adjourned at approximately 8:41 A.M.

Respectfully submitted,

---

Director Joseph Peychaud - Chair

**JANUARY 1, 2020 COST OF LIVING ADJUSTMENT FOR BOARD PENSIONERS**

**WHEREAS**, as provided in Article VI, Section 6.1(d)(1) of the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board of New Orleans; it is policy to provide a Cost of Living Adjustment to pensioners over age 65 based on the change in inflation for the 12-month period ending in August of the preceding year, with a maximum increase of no more than 2%; and

**WHEREAS**, the change in inflation Consumer Price Index (CPI) for Urban Wage Earners for the period of August 2018 to August 2019 was 1.533%; and

**WHEREAS**, the total annual increase to the Pension Fund of the Sewerage and Water Board of New Orleans to implement the January 1, 2020 Cost of Living Adjustment to 817 eligible pensioners is approximately \$75,096.36; and

**WHEREAS**, such funds to provide for a Cost of Living Adjustment to eligible pensioners are to be made available by the Pension Fund of the Sewerage and Water Board of New Orleans; and

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Trustees, that: the Pension Fund of the Sewerage and Water Board of New Orleans implement a 1.533% Cost of Living Adjustment increase on the first ten-thousand dollars (\$10,000) of eligible pensioners' original Retirement Allowance (that is, the annual pension benefit paid at the time of retirement), effective January 1, 2020, for eligible pensioners who attained age 65 on or before December 31, 2019. The Cost of Living Adjustment increase for a partial year of retirement after age 65 shall be pro-rated based on the actual number of days retired and over age 65 during the twelve-month period ending December 31, 2019 (that is, the number of days elapsed between attainment of age 65 and December 31, 2019).

---

I, Ghassan Korban, Executive Director, Sewerage and Water Board of New Orleans, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted at the regular meeting of said Board, duly called and held, according to law, on November 18, 2020.

---

**Ghassan Korban**  
**Executive Director**  
**Sewerage and Water Board of New Orleans**

**THE 2020 SEWERAGE AND WATER BOARD'S CONTRIBUTION TO THE EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**WHEREAS**, the Employees' Retirement System of the Sewerage and Water Board of New Orleans ("Plan") is an actuarially funded qualified government defined benefit pension plan under the Internal Revenue Code; and

**WHEREAS**, an annual Actuarial Valuation report of the Plan was presented as of December 31, 2019; and

**WHEREAS**, the aforementioned actuarial report reflects an actuarial valuation using the Entry Age Normal funding method; and

**WHEREAS**, the adopted "minimum contribution" for a plan year equals the Normal Cost plus the amount necessary to amortize the Unfunded Actuarial Liability; and

**WHEREAS**, the Normal Cost for the plan year beginning January 1, 2020 is \$4,947,747; and

**WHEREAS**, the net annual charge required for amortization of the Unfunded Actuarial Liability over a 30-year period beginning January 1, 2020 is \$7,746,757; and

**WHEREAS**, the total Plan contribution as of January 1, 2020 is \$12,694,504 (Normal Cost - \$4,947,747 plus Unfunded Actuarial Liability - \$7,746,757), which is 26.112% of the projected Earnable Compensation of \$48,616,122; and

**WHEREAS**, the annual estimated employee plan contribution as of January 1, 2020 is \$2,430,806, which is 5% of the projected Earnable Compensation based on Board Resolution R-248-2014, although actual employee contributions are 6% of projected Earnable Compensation; and

**WHEREAS**, the annual Employer Contribution reflecting the continued utilization of the Entry Age Normal funding method less the Plan determined employee contribution is \$10,263,698 for 2020, which has been displayed as a percentage contribution of 21.112% of the projected Earnable Compensation; and

**WHEREAS**, the Actuarial Valuation report includes the required "amortization" contribution for the Plan to amortize the Unfunded Actuarial Liability of \$99,176,322 over a 30-year amortization period, effective on each valuation date at 7% annual interest; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees of the Sewerage & Water Board of New Orleans hereby approves the employer contribution of the projected Earnable Compensation to be \$10,263,698 for the Plan Year beginning January 1, 2020 and will be collected through active payroll based on a percentage of 21.112% for the remainder of Plan Year 2020.

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a resolution adopted at the regular  
monthly meeting of said Board, duly called and held,  
according to law, on November 18, 2020.

---

**GHASSAN KORBAN,  
EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**ACCEPTANCE OF THE 2020 EXPERIENCE STUDY OF RUDD & WISDOM**

**WHEREAS**, on January 23, 2019 the Sewerage and Water Board of New Orleans (“Board”) issued a Request for Proposal (RFP) to obtain actuarial consulting services to support the Employees’ Retirement System and activities of the Sewerage and Water Board of New Orleans; and

**WHEREAS**, on February 27, 2019, the Board’s Selection Evaluation Committee held an open public meeting and evaluated and ranked the submitted proposals; and

**WHEREAS**, as a result of the review and evaluation conducted, Rudd & Wisdom, Inc. received the highest scores and the Selection Evaluation Committee recommended the firm be awarded the contract to perform actuarial consulting services for the Sewerage and Water Board of New Orleans; and

**WHEREAS**, on March 20, 2019, the Board approved a contract with Rudd & Wisdom, and a contract between the parties was executed on April 9, 2019; and

**WHEREAS**, Rudd & Wisdom performed an Experience Study at the request of and no behalf of the Board; and

**NOW, THEREFORE BE IT RESOLVED**,, the Employees’ Retirement System of the Sewerage and Water Board of New Orleans accepts the 2020 Experience Study as recommended by Rudd & Wisdom, as the Retirement System’s actuary, in the presentation to the Pension Committee on September 10, 2020: and

**BE IT FURTHER RESOLVED**, the updated data and metrics of the 2020 Experience Study will become effective after December 31, 2020

---

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a resolution adopted at the Regular  
Monthly Meeting of said Board of Trustees duly called and held,  
according to law, on November 18, 2020.

---

**GHASSAN KORBAN, EXECUTIVE DIRECTOR**  
**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS IN REFERENCE TO THE EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD**

**WHEREAS**, the Board of Trustees desires an amendment to the Funding Policy of the Employees' Retirement System of the Sewerage and Water Board of New Orleans ("Retirement System") that would to commit to a Recommended Closed Amortization Period in Layers between 15 and 30 years ("Closed Amortization") as Recommended by Rudd and Wisdom, Inc. in the presentation to the Pension Committee on September 10, 2020; and

**WHEREAS**, The Sewerage and Water Board of New Orleans ("Board"), under the proposed Closed Amortization, will increase its annual contribution to the Retirement System for the year ended 2020 and possibly beyond; and

**WHEREAS**, as long as the Board is committed to the Closed Amortization for the Retirement System, the Member contribution shall be counted at its full contribution (currently, 6% of Earnable Compensation) and no less than 6 %; and

**WHEREAS**, the intent of recognizing the full amount of the Members' Contribution is to reduce and shall be continued to reduce the Unfunded Accrued Liability of the Retirement System and to follow accepted actuarial practices.

**NOW THEREFORE, BE IT RESOLVED**, that the Pension Committee recommends approval and the Board of Trustees approves that effective after December 31, 2020, the Retirement System's actuary will produce various calculations of the Annual Contribution to the Retirement System based on a full Member Contribution of (currently, 6% of Earnable Compensation).

---

I, Ghassan Korban, Executive Director,  
Sewerage and Water Board of New Orleans, do hereby  
certify that the above and foregoing is a true and  
correct copy of a Resolution adopted at the  
Meeting of said Board of Trustees duly called and held,  
according to law, on November 18, 2020.

---

**GHASSAN KORBAN, EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**