



Board of Trustees Meeting Agenda
Tuesday, June 25, 2019
1:00 p.m.

- I. **Call to Order** (*Mr. Kelly Breland*)
 - A. Invocation
 - B. Pledge of Allegiance
 - C. Approval of Agenda
 - D. Approval of Minutes – *April 23, 2019*
 - E. Employee of the Quarter (*July - September 2019*)

- II. **Report of Administrative Committee** (*Dr. Lee Childress*)
 - A. **Retiree Representative Runoff Election Results**
 - B. **FY 2021 Administrative Budget Request**
 - C. **Board Travel Authorization**
- (NCTR/NASRA/IFEBP CAPP/Callan College)
 - D. Other

- III. **Report of Claims Committee** (*Dr. Randy McCoy*)
 - A. **New Agency Joinder Agreement**
– Greenwood-Leflore Consolidated School District
 - B. Other

- IV. **Report of Audit Committee** (*Mr. Chris Howard*)
 - A. **Eide Bailly Contract Extension**
 - B. Other

- V. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
 - A. **MDC Fund Recommendations**
 - B. **ORP Fee Review**
 - C. Other

- VI. **Report of Investment Committee** (*State Treasurer Lynn Fitch*)
 - A. **PERS Watch List Recommendation**
 - B. Other

- VII. **Municipal Plans FY 2020 COLA Certifications**

- VIII. **Disability Appeals Committee**

- IX. **Staff Reports**
 - A. **Executive Director’s Update**
 - B. **Litigation Report**
 - C. **Retiree Report**
 - D. **Investment Report**

- X. **Staff and Trustee Continuing Education**
 - A. **Conferences and Training**
 - **NCTR 19th Annual Trustee Workshop, July 21-24, 2019, Berkeley, CA**
 - **NASRA 2019 Annual Conference, August 3-7, 2019, Williamsburg, VA**
 - **NCTR 2019 Annual Conference, October 12-15, 2019, Nashville, TN**

- XI. **Election of the FY 2020 PERS Board Vice Chairman**

- XII. **Adjourn**

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The Board of Trustees of the Public Employees' Retirement System (PERS) met in the fourth floor board room of the PERS Building, 429 Mississippi Street, Jackson, Mississippi, at 1:00 p.m., Tuesday, June 25, 2019. This meeting was duly announced to the public, at 5:03 p.m., June 7, 2019, *via* the Public Meetings Notice website of the Mississippi Department of Finance and Administration.

The following PERS Board members were present at the meeting: Board Chair Kelly Breland; Mr. Bill Benson; Dr. Lee Childress; Mr. George Dale; Deputy State Treasurer Jesse Graham, representing State Treasurer Lynn Fitch; Ms. Kimberly Hanna; Mr. Chris Howard; Dr. Randy McCoy; Dr. Brian Rutledge; and Mr. Drew Snyder. Absent: none. Also attending were PERS Legislative Liaison members, Senator Sally Doty and Representative John Read.

Staff members present: Ray Higgins, Shirley Sessoms, Davetta Lee, Kenny Grissett, Andrew Hoeniges, Terri Hudson, Susan Lyon, Terrance Yarbrough, Tony Williamson, Terri Bennett, Amy Marquez, Walter Hille, Charles Nielsen, Jason Clark, Billy Means, Mason Frantom, Shelley Powers, and Mary Jones. Also attending was Special Assistant Attorney General Martin Millette.

Guest attendees were: Brad Berls, Eide Bailly; Dr. Terrell Tisdale and Mrs. Martha Tisdale, Retired Education Personnel of Mississippi; Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review; Porscha Miner and Lee Anne Robinson, Legislative Budget Office; Allan Cooper, Mississippi Department of Finance and Administration; and Cavanaugh Macdonald actuaries, Ed Koebel and Jonathan Craven.

Chairman Breland called the meeting to order at 1:00 p.m. and gave the invocation. Chairman Breland led the attendees in the Pledge of Allegiance to the United States flag.

Agenda | Chairman Breland called for a motion to approve the meeting agenda. The motion was made by Dr. McCoy, seconded by Dr. Rutledge, which motion duly passed, to approve the meeting agenda. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Minutes | Chairman Breland called for a motion to approve the minutes of the board meeting of April 23, 2019. The motion was made by Dr. Childress, seconded by Mr. Graham, which motion duly passed, to approve the minutes of the board meeting of April 23, 2019. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Employee of the Quarter | Chairman Breland presented the July through September 2019 PERS Employee of the Quarter award to Billy Means, in the PERS Management Information Systems technical services division. Chairman Breland stated that this award was being presented to Mr. Means in recognition of his hard work, professionalism, diligence, and dependability. Chairman Breland added that Mr. Means is being commended by PERS staff for being knowledgeable, efficient, patient and competent, showing pride for the PERS agency, and for demonstrating a positive and welcoming attitude.

Administrative Committee | Administrative Committee Chair Lee Childress reported that the committee met Tuesday, June 25, 2019. Dr. Childress reported that PERS Executive Director Ray Higgins recognized two PERS employees for their years of service to PERS.

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**Certification of Retiree Rep
 Run-off Election Results**

Dr. Childress reported that the committee reviewed the Retiree Representative Run-off Election Results presented by staff. He advised that the committee approved certification of the run-off election results.

2019 PERS Retiree Representative - Board of Trustees		
Race	Candidate/Choice	Votes
Retiree Representative	Dr. Randy D. McCoy	13,764
	Wayne T. Myrick	6,936

The motion was made by Dr. Childress, seconded by Mr. Benson, which motion duly passed, to certify the results of the Retiree Representative Run-off Election. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**FY 2021 Administrative
 Budget Request**

Dr. Childress reported that the committee reviewed the initial PERS FY 2021 Administrative Budget Request presented by staff.

The motion was made by Dr. Childress, seconded by Mr. Howard, which motion duly passed, to approve the PERS FY 2021 initial Administrative Budget Request, including the PERS Technology System Budget Request and the PERS Building Repair and Maintenance Budget Request. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. *(Addendum A – PERS FY 2021 Total Administrative Budget Request)*

**Board Travel
 Authorization**

Dr. Childress reported that the Committee reviewed and approved the FY 2020 staff and Board of Trustees' travel authorizations for the conferences and meetings sponsored by the National Council on Teacher Retirement (NCTR), the National Association of State Retirement Administrators (NASRA), the Certificate of Achievement in Public Plan Policy (CAPPP) program sponsored by the International Foundation of Employee Benefit Plans (IFEBP), and the Callan College.

The motion was made by Dr. Childress, seconded by Mr. Graham, which motion duly passed, to authorize approved staff and any Board Member to attend conferences or meetings sponsored by NCTR, NASRA, the IFEBP CAPPP program, and the Callan College, during FY 2020. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Claims
 Committee**

Claims Committee Chair Randy McCoy reported that the committee met Tuesday, June 25, 2018.

**Joinder Agreement – Greenwood
 Leflore Consolidated School District**

Dr. McCoy advised that the committee reviewed and approved the New Agency Joinder Agreement of the Greenwood-Leflore Consolidated School District.

<u>Entity</u>	<u>Coverage Requested</u>	<u>Effective Date</u>
Greenwood-Leflore Consolidated School District	Social Security Coverage	June 30, 2019
	Retirement Coverage	July 1, 2019

Greenwood-Leflore Consolidated School District

H.B. 987, regular session of 2016, mandated that there be an administrative consolidation of the Leflore County School District and the Greenwood Municipal Separate School District to create Greenwood-Leflore Consolidated School District, by July 1, 2019. The consolidation affects 750 employees in the two school districts.

Greenwood-Leflore Consolidated School District is requesting Social Security and retirement coverage for its employees. Staff recommends approval of Social Security coverage, effective June 30, 2019, and retirement coverage, effective July 1, 2019.

The motion was made by Dr. McCoy, seconded by Ms. Hanna, which motion duly passed, to approve the New Agency Joinder Agreement of the Greenwood-Leflore Consolidated School District, as presented by staff, to provide this school district with Social Security coverage effective June 30, 2019, and PERS Retirement coverage effective July 1, 2019. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Audit
Committee**

Acting Audit Committee Chair Kelly Breland reported that the committee met Tuesday, June 25, 2019.

**Eide Bailly
Contract Extension**

Mr. Breland reported that the committee reviewed and approved the recommendation of staff to extend the Eide Bailly LLP contract for professional audit services.

Proposed One-Year Extension of Contract for Professional Audit Services

Current Contract Details

- Three-year contract dated April 6, 2016
- Signed by PERS, Eide Bailly LLP, and Office of the State Auditor of Mississippi
- Scope is to provide professional audit services with respect to PERS's fiscal years 2016, 2017, and 2018 financial statements
- Cost of services not to exceed \$602,250 for three-year contract period:
FY 2016 - \$195,000
FY 2017 - \$200,750
FY 2018 - \$206,500
- Two one-year options to renew, first option was exercised in 2018 for audit services for FY 2019, at a cost of \$212,250

Requested Action

- Exercise remaining one-year option to renew
- Scope remains the same but is for services specific to FY 2020 financial statements
- State Auditor's Office agrees with and will be a party to the extension
- FY 2020 fee remains the same as for 2019 at \$212,250

The motion was made by Dr. Childress, seconded by Mr. Benson, which motion duly passed, to approve the recommendation of staff to exercise the one-year extension of the PERS contract with Eide Bailly LLP for professional audit services. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

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**Defined
Contribution
Committee**

Defined Contribution Committee Chair Brian Rutledge reported that the committee met Monday, June 24, 2019.

**MDC Watch List & MDC
Fund Recommendations**

Dr. Rutledge reported that the committee reviewed staff's recommendations for the Mississippi Deferred Compensation (MDC) Plan Watch List. He advised that staff submitted search criteria and candidate profile information to begin a search for a replacement for the RBC Small Cap Core fund in the MDC Plan, using the Small Cap Core criteria.

The motion was made by Dr. Rutledge, seconded by Mr. Graham, which motion duly passed, to approve the search and the search criteria recommended by staff for a Small Cap Core U.S. Equity manager to replace the RBC Small Cap Core fund in the MDC Plan. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Dr. Rutledge reported that the committee approved the request of staff to begin a replacement search for the Boston Company Mid Cap Opportunistic fund in the MDC Plan, using the Mid Cap Core U.S. Equity manager search criteria.

The motion was made by Dr. Rutledge, seconded by Dr. McCoy, which motion duly passed, to approve the recommendation of staff of a search and of the search criteria to find a replacement for the Boston Company Mid Cap Opportunistic fund in the MDC Plan, using the Mid Cap Core U.S. Equity manager search criteria. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum B1 – MDC Watch List*) (*Addendum B2 – MDC Small & Mid Cap U.S. Equity Search Criteria*)

ORP Fee Review

Dr. Rutledge reported that the committee reviewed the Optional Retirement Plan (ORP) Fee Review project conducted by Callan and presented by staff. He advised that the committee voted to approve the staff recommendation based on the Callan study that included reduced fees for ORP participants and a modified service delivery model. He advised that the committee also authorized staff to move forward with further negotiations for reduced fees.

The motion was made by Dr. Rutledge, seconded by Mr. Snyder, which motion duly passed, to approve the results of the ORP Fee Review project and to authorize staff to move forward with further negotiations for reduction of fees in the ORP Plan. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum C – ORP Fee Review*)

**Investment
Committee**

Acting Investment Committee Chair Jesse Graham reported that the committee met Monday, June 24, 2019.

**PERS Watch List
Recommendation**

Mr. Graham reported that the committee reviewed and approved the recommendation submitted by staff for the PERS Watch List. He advised that staff recommended that Mondrian Small Cap International be removed from the PERS Watch List.

The motion was made by Mr. Graham, seconded by Dr. Rutledge, which motion duly passed, to approve the removal of Mondrian Small Cap International from the PERS Watch List. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

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**Municipal Plans FY2020
COLA Certifications**

Mr. Grissett presented a listing of the municipalities that have statutory authority to pay Cost-of-Living Adjustments (COLAs) for FY 2020. Mr. Grissett advised that staff was requesting Board approval to pay these COLAs for the following municipalities that have been certified by the actuary and authorized by the respective governing authorities.

Municipality	Authority	Resolution	Status
Biloxi General and Biloxi Fire & Police	HB 1775 April 13, 2009 HB 1776 April 13, 2009	<ul style="list-style-type: none"> ○ For years beginning after July 1, 2001, the cost-of-living increase shall equal the sum of (i) three percent (3%) of the annual retirement allowance for each full fiscal year in retirement after June 30, 2001, and through June 30, 2008, and for each full fiscal year in retirement after June 30, 2008, before the member reaches age fifty-five (55), plus (ii) three percent (3%) compounded by the number of full fiscal years in retirement after June 30, 2008, in which the member is age fifty-five (55) or older, multiplied by the amount of the annual retirement allowance; the total number of fiscal years in which a member or beneficiary thereof may receive an annual cost-of-living increase is twenty years, and the maximum cumulative percentage of all annual cost-of-living increases received during that twenty-year period shall not exceed sixty-four and four-tenths percent of the annual retirement allowance ○ Allows lump sum or monthly (over 12 months) COLA payment 	Standing Resolution
Clarksdale	HB 246 May 7, 1992	<ul style="list-style-type: none"> ○ COLA based on the change in the CPI at a maximum of 2½% of the annual benefit for each fiscal year in retirement after 6/91 ○ Paid in a lump sum or in 2 to 6 monthly installments (January through June) 	Not certified by the actuary
Clinton	HB 1542 April 9, 1991 HB 1919 April 10, 1997	<ul style="list-style-type: none"> ○ COLA at a maximum of 2½ % of the annual benefit for each fiscal year in retirement after 6/90 for service retirees only (not to exceed 10%) based on the changed in the CPI ○ Paid in a lump sum or over 2 to 6 months (January – June) 	FY 2020 Resolution
Columbus	HB 1724 April 11, 1996	<ul style="list-style-type: none"> ○ COLA to all retirees and beneficiaries based on the change in the CPI at a maximum of 2½% of the annual benefit for each fiscal year in retirement after 6/95 with a maximum COLA of 25% ○ Paid in a lump sum or in 2 to 6 monthly installments from January to June 	FY 2020 Resolution

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Greenville	HB 1516 May 11, 1992	<ul style="list-style-type: none"> ○ COLA based on the change in the CPI at a maximum of 2½% of the annual benefit for each fiscal year in retirement after 6/91 ○ Payable to all retirees and beneficiaries not to exceed 25% ○ Paid in a lump sum or in 2 to 6 monthly installments (January through June) 	FY 2020 Resolution
Greenwood	NA		
Gulfport	HB 1660 April 19, 2003 HB 3176 April 7, 2001	<ul style="list-style-type: none"> ○ COLA to be paid in the amount of the annual change in the CPI, using the higher of the change during the fiscal year or calendar year preceding the July 1 when payments begin, not to exceed 3% of the annual benefit for each fiscal year in retirement after 6/90 ○ Cumulative and no retiree shall receive less in one year than they received the preceding year ○ Maximum COLA of 27% ○ For those that retired prior to 7/01 and received a COLA under the provisions of HB 3176, the cumulative amount authorized under HB 1660 shall be added to the cumulative benefit paid under HB 3176, with a maximum COLA of 33% ○ Paid in a lump sum or in 12 monthly installment beginning July 1 	Standing Resolution
Hattiesburg	HB 1778 April 13, 2009 HB 1714 April 03,2019	<ul style="list-style-type: none"> ○ COLA guaranteed at 2½% of the annual benefit for each fiscal year in retirement after 6/30/90 with a maximum COLA percentage of 30%. ○ COLA guaranteed at 2½% of the annual benefit for each fiscal year in retirement after 6/30/90 with a maximum COLA percentage of 32%. ○ Paid in a lump sum or in 2 to 6 monthly installments (January through June) 	Standing Resolution
Jackson	MCA SEC 21- 29-247 (1972, as amended) HB 1510 May 11, 1992 HB 1053 April 1, 2002	<ul style="list-style-type: none"> ○ COLA based on the change in the CPI for January of each year, at a maximum aggregate increase of 19½% of the annual benefit ○ Payable in March of each year ○ Included as part of the benefit calculation for each new retiree when added to payroll 	Statutory
Laurel	HB 1656 April 19, 2003	<ul style="list-style-type: none"> ○ 2% Compounded COLA, 6% maximum COLA ○ First COLA payment made to each retiree at age 60, if retired for at least one full fiscal year ○ Paid in a lump sum 	Standing Resolution

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McComb	HB 1644 May 8, 2008	<ul style="list-style-type: none"> ○ COLA guaranteed at 2½% of the annual benefit for each fiscal year in retirement after 6/30/07 with a maximum COLA percentage of 10% ○ Paid in a lump sum in December of each year or in 12 monthly installments beginning July 1 	FY 2020 Resolution City did not authorize an increase above the 10% cap for FY 2020
Meridian General and Meridian Fire &	NA		
Natchez	NA		
Pascagoula	SB 3099 March 11, 1997	<ul style="list-style-type: none"> ○ COLA based on the change in the CPI, up to a maximum of 2½% of the annual benefit for each fiscal year in retirement after 6/89, not to exceed 15% ○ Paid in a lump sum or in 2 to 6 monthly payments from January to June 	Standing Resolution
Tupelo	SB 3138 April 11, 1996	<ul style="list-style-type: none"> ○ Ad hoc not to exceed 5% per annum 	Ad hoc "City did not authorize an increase for FY 2020"
Vicksburg	SB 3146 April 6, 2005	<ul style="list-style-type: none"> ○ 3% of annual benefit for each fiscal year in retirement after 6/30/91 ○ Paid in a lump sum or in up to 6 monthly installments from January through June 	Standing Resolution
Yazoo City	HB 749 February 25, 1998	<ul style="list-style-type: none"> ○ COLA equal to the change in the CPI, not to exceed 2½% of annual benefit for each fiscal year in retirement after 6/97 with a maximum COLA of 25% ○ Paid in a lump sum or in monthly installments not to exceed 6 months from January through June 	FY 2020 Resolution

The motion was made by Dr. McCoy, seconded by Dr. Rutledge, which motion duly passed, to approve payment of the COLAs by the aforementioned municipalities as authorized by statute and certified by the actuary, and as approved by their respective governing authorities, effective July 1, 2019. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Disability Appeals Committee Ms. Bennett presented the recommendations of the Disability Appeals Committee (DAC), which had been provided to the board members prior to the board meeting. She advised that staff was requesting approval of the recommendations of the DAC.

Mr. Breland called for a motion concerning the following recommendations of the DAC:

PERS No. 19-07: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees April 1, 2019. The Disability Appeals Committee heard sworn testimony, received evidence,

and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees this Statement of Facts, Conclusions of Law, and Recommendation that the claimant's request for non-duty-related disability benefits be denied. The Disability Appeals Committee finds that the claimant does not have a "disability" as defined in Section 25-11-113(1)(a) of the Mississippi Code, has not satisfied all statutory requirements for non-duty-related disability benefits, and is not entitled to non-duty disability benefits.

PERS No. 19-08: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees May 6, 2019. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees this Statement of Facts, Conclusions of Law, and Recommendation that claimant's request for non-duty-related disability benefits be denied. The Disability Appeals Committee finds that the claimant does not have a "disability" as defined in Section 25-11-113(1)(a) of the Mississippi Code, has not satisfied all statutory requirements for non-duty-related disability benefits, and is not entitled to non-duty disability benefits.

PERS No. 19-09: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees April 1, 2019. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees this Statement of Facts, Conclusions of Law, and Recommendation that claimant's request for duty-related disability benefits be denied. The Disability Appeals Committee found that the claimant has not satisfied the statutory requirements for duty-related disability benefits and is not entitled to same. The Disability Appeals Committee recommends that the claimant's request for duty-related disability benefits be denied.

PERS No. 19-10: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees May 6, 2019. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees this Statement of Facts, Conclusions of Law, and Recommendation that the claimant has not satisfied the statutory requirements duty-related disability benefits and, therefore, is not entitled to same. The Disability Appeals Committee recommends that the claimant's request for duty-related disability benefits be denied.

The motion was made by Dr. Childress, seconded by Dr. Rutledge, which motion duly passed, to accept the findings of the DAC and approve the DAC recommendations. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**PERS Executive
Director's Update**

PERS Executive Director Higgins advised that staff has been working on the IRS Private Letter ruling request with Ice Miller and other parties. He stated that a consensus draft has been prepared among PERS, Ice Miller, and the Attorney General's Office, for submission in the near future. Mr. Higgins advised that staff is preparing the required payment to the IRS. He added that a statement concerning the AG Opinion issue has been updated on the PERS website.

Director Higgins gave a brief update of several informational items. He advised that PERS has been awarded the Government Finance Officers' Association (GFOA) of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting (CAFR) Award for FY 2018 and the

Certificate of Transparency Award from the National Conference on Public Employee Retirement Systems (NCPERS).

Litigation Report | Mr. Millette presented a summary of the statuses of PERS litigation cases since the last board meeting of April 23, 2019. He advised that there are currently 25 cases in the appellate process. He advised that there has been activity in the following cases since the April 23, 2019, report to the Board of Trustees:

CLAIMS COMMITTEE HEARINGS:

CIRCUIT COURT:

COLEMAN v. PERS: The Disability Appeals Committee of the PERS Board of Trustees entered an Order dated February 27, 2018, denying that claimant's application for disability benefits. Coleman timely filed a Notice of Appeal with the Hinds County Circuit Clerk's office on March 21, 2018. The Administrative Record has been filed with the Court.

SMITH v. PERS: The Disability Appeals Committee of the PERS Board of Trustees entered an Order date February 27, 2018, denying claimant's application for disability benefits. Smith timely filed a notice of appeal with the Hinds County Circuit Clerk's office on March 21, 2018. PERS has filed a certified copy of the transcript of administrative record with the Circuit Clerk. Briefing has been completed.

THOMAS v. PERS: The Disability Appeals Committee of the PERS Board of Trustees entered an Order date February 27, 2018, denying that claimant's application for disability benefits. Thomas timely filed a notice of appeal with the Hinds County Circuit Clerk's office on March 27, 2018. PERS has filed a certified copy of the transcript of administrative record with the Circuit Clerk. Briefing has been completed.

CIRCUIT COURT OPINIONS ISSUED:

SUPREME COURT/COURT OF APPEALS:

STAKELUM v. PERS: The PERS Board entered an Order dated February 24, 2015, upholding the Medical Board's decision to deny Stakelum's request for disability benefits. Stakelum appealed the decision to the Circuit Court of Hinds County. Stakelum filed her Brief of Appellant on April 25, 2017, and PERS filed its Brief of Appellee on August 17, 2017. On September 30, 2017, Stakelum filed a Motion to Remand to PERS to Consider Award of Social Security Disability or to take Judicial Notice Thereof. PERS filed its Response in Opposition to the motion on October 5, 2017. The Circuit Court affirmed the Decision of the Board on July 25, 2018. Stakelum timely filed a Notice of Appeal with the Supreme Court on August 24, 2018. Briefing has been completed.

BRADLEY v. PERS: On December 18, 2012, the PERS Board of Trustees entered an order adopting the recommendation of the Disability Appeals Committee that Bradley's application for duty-related disability benefits be denied. Bradley appealed the decision to the Circuit Court. On March 21, 2018, the Court entered its Order Affirming the Decision of the PERS Board of Trustees. Bradley filed a Notice of Appeal to the Supreme Court on April 17, 2018. Briefing has been completed.

LANG v. PERS: The case was remanded to PERS by the Court of Appeals for further determination on October 23, 2012. The Board approved the recommendation of the Disability Appeals Committee and

issued its Order February 25, 2014, to deny the claimant non-duty disability benefits. Following briefing by both parties, the Court entered its Order Affirming the Decision of the PERS Board of Trustees on April 3, 2018. Lang filed a Notice of Appeal to the Supreme Court on April 17, 2018. Briefing has been completed.

HICKS v. PERS: On October 24, 2017, the PERS Board of Trustees entered an order adopting the recommendation of the Claims Committee to deny Hicks claim regarding survivor benefits. Ms. Hicks appealed the decision to the Circuit Court of Hinds County on October 31, 2017. PERS filed the certified administrative record with the circuit clerk on January 2, 2018. Brief of Appellant was filed with Circuit Court on February 7, 2018. Brief of Appellee was filed February 1, 2019. The Circuit Court affirmed the Decision of the Board on June 13, 2018. Hicks filed a timely Notice of Appeal to the Supreme Court on July 9, 2018. Briefing has been completed.

THOMPSON v. PERS: The PERS Board entered an Order dated December 15, 2015, upholding the Medical Board's decision to deny Thompson's request for disability benefits. Thompson has appealed the decision to the Circuit Court of Hinds County. The Administrative Record was filed with the Clerk of the Court on March 23, 2016. Thompson filed her Brief of Appellant on April 25, 2017, and PERS filed its Brief of Appellee on June 23, 2017. On September 14, 2017, Thompson filed a Motion to Remand for a New Hearing, alleging PERS violated due process right to a fair hearing. PERS filed Response in Opposition to the motion on September 15, 2017. On March 26, 2018, Thompson filed a second Motion to Remand to Consider Social Security Determination or to take Judicial Notice Thereof. PERS filed its Response in Opposition to the motion on March 27, 2018. The Circuit Court affirmed the Decision of the Board on June 12, 2018. Thompson filed a timely Notice of Appeal to the Supreme Court on July 9, 2018. Briefing has been completed.

PINION v. PERS: The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated February 26, 2013, that the claimant's appeal for non-duty related disability should be denied. A notice of appeal was timely filed, but due to the death of the Court Reporter in attendance at the hearing, no transcript was available. The parties agreed to submit a Statement of Testimony in lieu of a transcript and the available administrative record was filed with the Clerk on April 26, 2016. The Brief of Appellant was filed July 24, 2016 and PERS' Appellee's Brief was filed September 22, 2016. The Circuit Court affirmed the Decision of the Board on June 22, 2018. Pinion filed a timely Notice of Appeal to the Supreme Court on July 19, 2018. Briefing has been completed.

PHILLIPS v. PERS: The Disability Appeals Committee of the PERS Board of Trustees determined that the claim for duty-related disability should be denied. A notice of appeal was timely filed July 26, 2011. Due to the death of the Court Reporter in attendance at the hearing, no transcript was available. The parties agreed to submit a Statement of Testimony in lieu of a transcript and the available administrative record was filed with the Clerk on April 14, 2016. The Brief of Appellant was filed May 27, 2016 and PERS' Appellee's Brief was filed July 8, 2016. The Circuit Court affirmed the Decision of the Board on June 20, 2018. Richardson, the mother of Kari Phillips, who is deceased, filed a timely Notice of Appeal to the Supreme Court on July 19, 2018. Briefing has been completed.

DAVIS v. PERS: On August 25, 2015, the Board of Trustees denied the claimant's application for disability benefits, both duty and non-duty. Davis appealed the decision to the Circuit Court of Hinds County on September 18, 2015. On September 29, 2015, the Circuit Court entered an Order granting PERS 30 days

following receipt of a certified copy of the transcript in which to file the Administrative Record. PERS filed the Administrative Record with the Circuit Court on December 11, 2015. The Brief of Appellant was filed January 20, 2017, and PERS' Brief was filed March 20, 2017. The Circuit Court affirmed the Decision of the Board on June 12, 2018. Davis filed a timely Notice of Appeal to the Supreme Court on July 9, 2018. Briefing has been completed.

BUCKHAULTS v. PERS: On September 26, 2012, the Appellant, Buckhaults, an unvested member of the PERS, filed an application for PERS duty-related disability benefits. On June 24, 2014, the Board of Trustees denied the claimant's application for disability benefits. Buckhaults appealed the decision to the Circuit Court of Hinds County. PERS filed the Administrative Record with the Circuit Court on August 24, 2015. The Circuit Court affirmed the Decision of the Board on June 26, 2018. Buckhaults filed a timely Notice of Appeal to the Supreme Court on July 19, 2018. Briefing has been completed.

CARVER v. PERS: The Medical Board approved the Claimant for non-duty related disability. The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated August 28, 2012, that his claim for duty-related disability should be denied. A notice of appeal was timely filed, but due to the death of the Court Reporter in attendance at the hearing, only a partial transcript was available. The parties agreed to submit a Statement of Testimony in lieu of a complete transcript and the available administrative record was filed with the Clerk on April 18, 2016. The Circuit Court affirmed the Decision of the Board on July 13, 2018. Carver filed a timely Notice of Appeal to the Supreme Court on July 3, 2018. Briefing has been completed.

SUPREME COURT/COURT OF APPEALS OPINIONS ISSUED:

ULRICH v. PERS: The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated April 19, 2016, that claimant's application for duty-related disability should be denied. On February 2, 2018, the Circuit Court issued its Opinion and Order affirming the decision of the PERS Board of Trustees. Ulrich filed a timely Notice of Appeal to the Supreme Court on February 26, 2018. On April 2, 2019, the Court of Appeals affirmed the decision of the Board to deny benefits to Ulrich.

PERS Securities Litigation:

- Amedisys, Inc.
- Satyam Computer Services Limited
- Merck & Co., Inc. (VIOXX)
- Green Mountain Coffee Roasters
- IN RE: Canada, Inc. v. Qualcomm *et al.*
- Sprouts Farmers Market, Inc.
- Banco Bradesco S.A.
- Stericycle, Inc. *et al.*
- TreeHouse Foods, Inc.
- Roadrunner Transportation Systems, Inc.
- Endo International, PLC
- Signet Jewelers Limited
- Valeant Pharmaceuticals International
- Volkswagen AG (Germany)

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- Dr. Reddy's Laboratories Ltd.
- Acuity Brands, Inc.
- Advance Auto Parts, Inc.
- WageWorks, Inc.
- Facebook, Inc.
- Columbia Pipeline Group, Inc.
- Nielsen Holdings plc.
- McDermott International, Inc.
- The Boeing Company

Securities-Related Cases in which PERS is a Defendant:

- In Re: Tribune Company

Retiree Report | Mr. Frantom reported that, as of the June 2019 payroll, all systems (PERS, SLRP, MHSPRS, and MRS) had a total of 110,726 retirees and survivors receiving monthly benefit payments, with a total monthly payroll of more than \$175.3 million, and a year-to-date of approximately \$2.7 billion.

Mr. Frantom provided additional breakdown information including the total number of recipients per plan, and the total number of recipients added or removed from payroll for each plan. Mr. Frantom provided the following breakdown of retirees and survivors by system and amounts paid per plan:

<u>System</u>	<u>May 2019</u>		<u>June 2019</u>	
	<u>Retirees</u>	<u>Payments</u>	<u>Retirees</u>	<u>Payments</u>
PERS	107,397	\$169,434,612.79	108,128	\$170,851,879.38
SLRP	211	\$87,907.92	211	\$87,907.92
MHSPRS	744	\$1,994,592.81	743	\$1,997,922.05
MRS	1,647	\$2,437,989.18	1,644	\$2,433,503.41
TOTAL	109,999	\$173,955,102.70	110,726	\$175,371,212.76

ALL SYSTEMS		COMBINED DAILY AND MONTHLY RETIREE PAYROLL TOTALS		
		DAILY PAYROLL**	MONTHLY PAYROLL	PAYROLL TOTALS
MONTH	YEAR	\$	\$	\$
JULY	2018	\$53,320,192.64	\$170,259,902.34	\$223,580,094.98
AUGUST	2018	\$5,536,639.64	\$171,846,546.90	\$177,383,186.54
SEPTEMBER	2018	\$2,533,120.87	\$172,341,530.78	\$174,874,651.65
OCTOBER	2018	\$4,028,253.51	\$172,496,180.83	\$176,524,434.34

NOVEMBER	2018	\$2,870,955.55	\$172,544,243.83	\$175,415,199.38
DECEMBER	2018	\$1,278,741.13	\$172,651,591.70	\$173,930,332.83
DEC 15th	2018	\$0.00	\$609,508,147.46	\$609,508,147.46
JANUARY	2019	\$17,335,807.05	\$173,429,324.91	\$190,765,131.96
FEBRUARY	2019	\$4,123,514.41	\$173,660,023.14	\$177,783,537.55
MARCH	2019	\$2,776,650.30	\$173,765,898.89	\$176,542,549.19
APRIL	2019	\$4,692,895.65	\$173,833,584.21	\$178,526,479.86
MAY	2019	\$5,393,867.55	\$173,955,102.70	\$179,348,970.25
JUNE	2019	\$0.00	\$175,371,212.76	\$175,371,212.76
YTD		\$103,890,638.30	\$2,685,663,290.45	\$2,789,553,928.75

**Note: This information does not include the Refunds only Retiree Payroll (PLSO and Benefits)

The motion was made by Mr. Benson, seconded by Dr. Rutledge, which motion duly passed, to approve the Retiree Report. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Investment Report

Mr. Nielsen presented the Report of Investments for the period ending May 31, 2019. He reported that as of May 31, 2019, the net asset value of the PERS investment portfolio was \$27.5 billion. He reported that, as of close of business yesterday, June 24, 2019, the PERS portfolio net asset value was \$28.5 billion.

Mr. Nielsen reported that PERS currently has 36 investment managers, managing 56 different portfolios. He reported that the total Securities Lending earnings amount for FY 2019 totals approximately \$18 million.

Consolidated Portfolio Summary
As of : 05/31/2019

Asset Class	Book Value	% of Total Book Value	Market Value	% of Total Market Value
Domestic Equity	5,149,339,546.20	22.57%	7,439,806,061.53	27.06%
Fixed Income	5,607,962,073.68	24.58%	5,717,926,024.53	20.80%

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International Equity	7,760,967,844.44	34.02%	8,461,063,723.04	30.77%
Real Estate	1,776,404,965.70	7.79%	2,893,203,833.00	10.52%
Private Equity	1,844,750,199.89	8.09%	2,351,141,999.70	8.55%
Cash & Cash Equivalent In-House	382,795,492.49	1.68%	382,795,492.49	1.39%
Cash & Cash Equivalent Manager	291,229,667.90	1.28%	250,029,801.01	0.91%
Total	22,813,449,790.30	100.00%	27,495,966,935.30	100.00%

The motion was made by Dr. Rutledge, seconded by Mr. Graham, which motion duly passed, to approve the Investment Report presented by staff and to approve and certify the investment transactions and fund transfers performed since the last board meeting of April 23, 2019. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Staff & Trustee Conferences
& Continuing Education**

Mr. Higgins advised that the NCTR Annual Trustee Workshop will be held July 21-24, in Berkeley, California; the NASRA 2019 Annual Conference will be held August 3-7, in Williamsburg, Virginia; and the NCTR 2019 Annual Conference will be held October 12-15, in Nashville, Tennessee.

**Election of the FY 2020
Vice Chairman**

Vice Chairman Rutledge advised that the PERS Board nominating committee conferred and would like to submit the nomination of Mr. Chris Howard as the new PERS Board Vice Chairman for FY 2020. Current Vice Chairman Rutledge would be advancing to be the new PERS Board Chair, as of July 1, 2019.

The motion was made by Dr. Rutledge, seconded by Mr. Benson, which motion duly passed, to approve the nomination and selection of Mr. Chris Howard as Vice Chairman of the PERS Board of Trustees for FY 2020, effective July 1, 2019. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

There being no additional business, Chairman Breland called for a motion to adjourn the meeting.

The motion was made by Dr. Childress, seconded by Dr. McCoy, which motion duly passed, to adjourn the meeting. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

The meeting adjourned at 1:26 p.m.

Respectfully Submitted,



H. Ray Higgins, Jr.
 Executive Director
 Public Employees' Retirement System

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Kelly Breland
Chair
PERS Board of Trustees

HRH: maj