



**Board of Trustees Meeting Agenda**  
*Tuesday, August 28, 2018*  
*1:00 p.m.*

- I. **Call to Order** (*Mr. Kelly Breland, Chairman*)
  - A. Invocation
  - B. Pledge of Allegiance
  - C. Approval of Agenda
  - D. Approval of Minutes – *June 26, 2018*
  - E. Employee of the Quarter (*October - December 2018*)
  
- II. **Report of Administrative Committee** (*Dr. Lee Childress*)
  - A. Municipal Representative Election Results
  - B. State Employees Representative Election Ballot
  - C. FY 2020 Final Budget Request
  - D. Other
  
- III. **Report of Claims Committee** (*Dr. Randy McCoy*)
  - A. Claims Hearing Recommendation Cause No. 18-10 – *July 24, 2018*
  - 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. Approval of MDC/ORP Investment Policy Statements
  - B. Other
  
- VI. **Report of Investment Committee** (*Treasurer Lynn Fitch*)
  - A. Approval of PERS Investment Policy Statement
  - B. Small Cap International Finalist
  - C. Watch List Recommendation
  - D. Other
  
- VII. **Retiree Insurance Advisory Committee Recommendations**
  - A. Approval of Administrator for the PERS sponsored Medicare Supplement Plan
  - B. Approval of Medicare Supplement Plan Rate Increase
  
- VIII. **Disability Appeals Committee**
  
- IX. **Staff Reports**
  - A. Executive Director's Update
  - B. Litigation Report
  - C. Retiree Report
  - D. Investment Report
  - E. Upcoming Agenda Items
  
- X. **Staff and Trustee Continuing Education**
  - A. NCTR Annual Conference, October 6-9, 2018, Washington, D.C.
  - B. IFEBP CAPP
    - Employee Pensions Parts I (New Orleans, LA Oct. 13-14, 2018)
  
- XI. **Adjourn**

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The Board of Trustees of the Public Employees' Retirement System met in the Fourth Floor Board Room of the PERS Building, 429 Mississippi Street, Jackson, Mississippi, at 1:00 p.m., Tuesday, August 28, 2018, with members present as follows: Board Chair Kelly Breland, Mr. Bill Benson, Dr. Lee Childress, Mr. George Dale, State Treasurer Lynn Fitch, Mr. Chris Howard, Dr. Randy McCoy, Dr. Brian Rutledge, and Mr. Drew Snyder. Absent: None.

Staff members present: Executive Director Ray Higgins, Lorrie Tingle, Shirley Sessoms, Greg Gregory, Davetta Lee, Kenny Grissett, Andrew Hoeniges, Terri Hudson, Terrance Yarbrough, Terri Bennett, Susan Lyon, Jan Cragon, Barbara Taylor, Mason Frantom, John Moody, Walter Hille, Derek Moore, Shelley Powers, and Mary Jones. Also attending was Special Assistant Attorney General Martin Millette, Office of the Attorney General.

Guest attendees were: Mr. Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review; Mr. Jesse Graham, Office of the State Treasurer; Mr. Eugene Durman, Jr., Retired Education Personnel of Mississippi; Ms. Kimberly Hanna, newly elected PERS board member; and Dr. and Mrs. Terrell Tisdale, retirees.

Chairman Breland called the meeting to order at 1:00 p.m. Mr. Breland stated that the Board and staff were deeply saddened by the passing of former PERS board member, Dr. Richard Miller. Mr. Breland advised that Dr. Miller passed away, Tuesday, August 7, 2018. Mr. Breland gave remarks about Dr. Miller and asked the Board, PERS staff, and the audience, to observe a moment of silence, in honor and recognition of Dr. Miller and his commendable service to the PERS Board of Trustees, to the members and retirees he represented while serving on the Board, and to the countless children and families he served in his profession as a pediatric surgeon.

Mr. Benson gave the invocation and led the attendees in the Pledge of Allegiance to the United States Flag.

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

**Minutes** | Mr. Breland asked for approval of the minutes of the board meeting of June 26, 2018. The motion was made by Dr. Rutledge, seconded by Mr. Snyder, which motion duly passed, to approve the minutes of the June 26, 2018, board meeting. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Employee of the Quarter** | Mr. Breland announced that the October through December 2018 PERS Employee of the Quarter Award was being presented to Mr. John Moody, Lead Systems Administrator, in the PERS Management Information Systems division. Mr. Breland advised that Mr. Moody was being recognized for being a hard worker, for his thorough knowledge of his field, and for his dedication and his helpfulness to co-workers in his department, as well as other PERS staff throughout the agency.

**Administrative Committee** | Dr. Lee Childress, Administrative Committee Chair, reported that the Committee met Tuesday, August 28, 2018.

**Municipal Employees' Rep Election Results**

Dr. Childress reported that staff presented the Municipal Employees' Representative Election Results. He advised that Ms. Kimberly Hanna is the apparent winner of the election with 619 votes.

**Official Declaration of the Vote  
 2018 Municipal Employee Representative  
 Certified Results**

Provided by Election-America, Inc.

2018 Municipal Employee Representative		
Race	Candidate/Choice	Votes
Municipal Employee Representative	Kimberly W. Hanna	619
	William "Bill" H. Stone	221
	Arianne E. Linville	118

The motion was made by Dr. Childress, seconded by Mr. Benson, which motion duly passed, to certify the results of the Municipal Employee Representative Election. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**State Employees' Rep Election Ballot**

Dr. Childress reported that staff presented the State Employees' Representative Election Ballot for approval. He advised that there are two candidates on the ballot, Mr. Ryan Blakeney and Mr. Kelly Breland.

The motion was made by Dr. Childress, seconded by Ms. Fitch, which motion duly passed, to approve the State Employees' Representative Election Ballot presented by staff. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum A – State Employees Representative Election Ballot*)

**FY2020 Final Budget Request**

Dr. Childress reported that staff presented the PERS FY2020 Final Administrative Budget Request for approval.

The motion was made by Dr. Childress, seconded by Mr. Howard, which motion duly passed, to approve the PERS FY 2020 Final Administrative Budget Request. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum B –FY2020 Final Budget Request*)

Dr. Childress reported that staff submitted the Property Audit Results letter from the Office of the State Auditor (OSA). He advised that the OSA letter states that all property items were verified and that staff was to be commended for a thorough job of maintaining inventory. Dr. Childress advised that this report was for informational purposes, and no board action was required.

Chairman Breland introduced and welcomed Ms. Kimberly Hanna, the newly elected municipal employees' representative to the PERS board. Mr. Breland advised that Ms. Hanna would be sworn in later in the day.

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**Claims Committee** | Dr. Randy McCoy, Claims Committee Chair, reported that the Committee met Tuesday, August 28, 2018.

**Claims Hearing Recommendation** | Dr. McCoy reported that the Committee conducted a Claims Hearing, Tuesday, July 24, 2018, for PERS Cause #18-10. He advised that the Committee voted to reverse in part and affirm in part, the Final Administrative Determination of the PERS executive director. He advised that, as a result, the claimant's request for PERS to restore four years of creditable service to her account be denied in part and granted in part, and that one year of service credit be restored to her account.

The motion was made by Dr. McCoy, seconded by Mr. Benson, which motion duly passed, to approve the decision of the Claims Committee, to reverse in part and affirm in part, the Final Administrative Determination of the PERS executive director, and allow one year of service credit to be restored to the claimant's account, rather than four years, as requested by the claimant. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Audit Committee** | Mr. Chris Howard, Audit Committee Chair, reported that the Committee met Tuesday, August 28, 2018.

**Eide Bailly Contract Extension** | Mr. Howard reported that staff presented the contract extension information for the PERS contract with Eide Bailly LLP for professional audit services. He advised that the recommendation of staff is for PERS to exercise the one-year renewal option included in the existing contract, thereby extending the contract term to provide for continuation of professional audit services to include services specific to the FY2019 financial statements.

The motion was made by Mr. Howard, seconded by Mr. Snyder, which motion duly passed, to approve the recommendation of staff to exercise the one-year renewal option included in the existing Eide Bailly contract for professional audit services. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum C – Eide Bailly Contract Extension*)

**Defined Contribution Committee** | Dr. Brian Rutledge, Defined Contribution Committee Chair, reported that the Committee met Monday, August 27, 2018.

**Approval of MDC/ORP Investment Policy Statements** | Dr. Rutledge advised that staff presented the Mississippi Deferred Compensation Plan & Trust (MDC) Investment Policy Statement and the Optional Retirement Plan (ORP) Investment Policy Statement for review and approval of minor changes.

The motion was made by Dr. Rutledge, seconded by Ms. Fitch, which motion duly passed, to approve the MDC and the ORP Investment Policy Statements with the minor changes made by staff. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum D – MDC Investment Policy Statement*) (*Addendum E – ORP Investment Policy Statement*)

**Investment Committee** | State Treasurer Lynn Fitch, Investment Committee Chair, reported that the Committee met Monday, August 27, 2018.

**PERS Investment  
Policy Statement**

Ms. Fitch advised that staff presented the PERS Investment Policy Statement, with minor formatting revisions, for review and approval.

The motion was made by Ms. Fitch, seconded by Dr. Childress, which motion duly passed, to approve the PERS Investment Policy Statement with the minor revisions made by staff. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum F – PERS Investment Policy Statement*)

**International  
Small Cap Finalist**

Ms. Fitch reported that the Committee met Monday, August 13, 2018, and heard the finalists' presentations for the International Small Cap Equity search. She advised that after the finalists' presentations, the Committee voted at that meeting and selected Principal Global Equities for the \$300 million mandate. Ms. Fitch advised that staff is requesting approval to terminate Fidelity, the current international small cap manager in this space, once the contract negotiations with Principal are completed.

The motion was made by Ms. Fitch, seconded by Dr. McCoy, which motion duly passed, to approve the selection of Principal Global Equities for the \$300 million international small cap mandate, and to approve the termination of Fidelity, once the contract negotiations with Principal are completed. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**PERS Watch List  
Recommendation**

Ms. Fitch reported that staff presented the PERS Watch List Recommendation. She advised that staff was recommending that Acadian Asset Management be added to the Watch List, due to its underperformance for four rolling three-year periods.

The motion was made by Ms. Fitch, seconded by Dr. Childress, which motion duly passed, to approve the addition of Acadian Asset Management to the PERS Watch List. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Ms. Fitch reported that members of PERS staff, the governor's staff, and staff from the Office of the State Treasurer, all attended the Annual Rating Agencies visit in New York City. She advised that the meeting was informative and productive. Ms. Fitch thanked and commended PERS staff members for their preparation and hard work.

**Retiree Insurance Advisory  
Committee Recommendations**

Mr. Grissett reported that the Retiree Insurance Advisory Committee (RIAC) met Thursday, August 16, 2018. He advised that the Committee is requesting approval of the following recommendations. Mr. Grissett advised that the Cavanaugh Macdonald actuaries have reviewed the Transamerica renewal analysis for the PERS-sponsored Retiree Medical Insurance Plan.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF MISSISSIPPI  
BOARD OF TRUSTEES  
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**RECOMMENDATIONS FROM  
RETIREE INSURANCE ADVISORY COMMITTEE**

**PERS-Sponsored Retiree Medical Insurance Plan – underwritten and administered**

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by Transamerica/Monumental Life Insurance Company

- The Retiree Insurance Advisory Committee is recommending renewal of the PERS-sponsored Retiree Medical Insurance Plan (Medicare supplement) for calendar year 2019 with Transamerica/Monumental Life.
- The Retiree Insurance Advisory Committee is recommending renewal of the PERS Retiree Medical Insurance Plan for calendar year 2019 with a 3.3% increase in premiums. The premium will increase from \$166.17/month per enrollee to \$171.65/month and from \$332.34/month per enrollee and spouse to \$343.30.
- The Retiree Insurance Advisory Committee is recommending approval of an open enrollment period for the PERS Retiree Medical Plan to run from October 1, 2018 through November 30, 2018.
- There are currently 3,250 participants covered under the PERS-sponsored Retiree Medical Insurance Plan. Annual premiums for the plan total \$6.48 million.

Current members of the Retiree Insurance Advisory Committee are as follows:

Mr. Tom Lariviere, Chairman  
Mr. Niles Calhoun  
Mr. Charles D. Daughdrill  
Mr. Joel R. Jones  
Mr. William T. (Tom) Long  
Dr. Linda Norwood  
Mr. George D. Terry

The motion was made by Mr. Dale, seconded by Dr. McCoy, which motion duly passed, to approve the aforementioned recommendations of the RIAC. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Disability Appeals  
Committee**

Ms. Bennett presented the recommendations of the Disability Appeals Committee. She reported that board members were provided the recommendations of the Disability Appeals Committee prior to the board meeting. She advised that board members were given an opportunity to state by case number any exceptions any board member had to any of the recommendations of the Disability Appeals Committee.

Mr. Breland asked for a motion concerning the following recommendations of the Disability Appeals Committee (DAC) by case number:

**PERS No. 17-34:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees July 9, 2018. 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 its Statement of Facts, Conclusions of Law, and Recommendation that the claimant was not disabled as a direct result of an accident or traumatic event resulting in a physical injury that occurred during the performance of duty, as required for duty-related disability benefits under Section 25-11-114 of the Mississippi Code, and that claimant's request for duty-related disability benefits be denied. Further, the Disability Appeals Committee finds that the claimant meets all statutory requirements for non-duty-disability benefits and recommends that claimant's request for non-duty-related disability benefits be approved without reexamination.

**PERS No. 18-09:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees May 14, 2018, and action was deferred for consideration of additional medical evidence on June

12, 2018. 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 its Statement of Facts, Conclusions of Law, and Recommendation that the claimant is disabled within the meaning of Section 25-11-113 of the Mississippi Code and, therefore, is entitled to non-duty-related disability benefits. The DAC recommends that the claimant's request for non-duty-related disability benefits be approved without reexamination.

**PERS No. 18-15:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees July 16, 2018. 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 its Statement of Facts, Conclusions of Law, and Recommendation that the claimant was not disabled as a direct result of an accident or traumatic event resulting in a physical injury that occurred during the performance of duty, as required for duty-related disability benefits under Section 25-11-114 of the Mississippi Code, and recommends that claimant's request for duty-related disability benefits be denied. Further, the Disability Appeals Committee finds that the claimant meets all statutory requirements for non-duty-related disability benefits and recommends that claimant's request for non-duty related disability benefits be approved.

The motion was made by Mr. Benson, seconded by Dr. Rutledge, which motion duly passed, to accept the findings of the Disability Appeals Committee and approve all the recommendations of the Committee. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**PERS Executive  
Director's Report**

PERS Executive Director Higgins gave a brief update of informational items, which included the recent Bond Rating Agencies visit, a media summary report, and a condolence letter sent to Dr. Suzanne Miller, due to the passing of former PERS board member, Dr. Richard Miller. Mr. Higgins advised that staff is currently considering the possibility and feasibility of conducting paperless board meetings. He reported further that staff would be planning a Board Retreat tentatively for May 2019.

**Litigation Report**

Mr. Millette presented a summary of the statuses of cases in which changes or actions have occurred since the June 26, 2018, board meeting. Mr. Millette reported that there are currently 26 cases in the appellate process. He advised that there has been activity in the following cases since the June 26, 2018, report to the PERS Board of Trustees:

**CLAIMS COMMITTEE HEARINGS:**

***WALLACE v. PERS:*** Mr. Wallace filed a Notice of Appeal from the January 10, 2018, Administrative Determination denying his request that he be awarded an additional 3.25 years of service credit for accumulated unused leave. A Claims Committee hearing was held Tuesday, June 12, 2018, at 10:30 a.m.

***COLEMAN v. PERS:*** Ms. Coleman filed a Notice of Appeal from the January 30, 2018, Administrative Determination affirming staff's decision to remove 4.00 years of service credit from her account. Following a request for a continuance by Dr. Coleman, the Claims Committee hearing has been rescheduled for Tuesday, July 24, 2018, at 9:30 a.m. The hearing was held on Tuesday, July 24, 2018, at 9:30 a.m.

**CIRCUIT COURT:**

***SMITH 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. 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 and briefing is underway.

***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 and briefing is underway.

***WALKER v. PERS:*** The Disability Appeals Committee of the PERS Board of Trustees determined that claimant's application for disability should be denied. Walker timely filed a notice of appeal with the Hinds County Circuit Clerk's office in 2013; however no transcript was ever filed. On May 25, 2018, the Circuit Court entered a Show Cause Order. A Stipulation of Dismissal was filed by the parties on June 4, 2018.

**CIRCUIT COURT OPINIONS ISSUED:**

***SHERMAN-OLIVER v. PERS:*** Upon recommendation of the Disability Appeals Committee, the PERS Board of Trustees denied Claimant's request for non-duty related disability on October 25, 2016. Sherman-Oliver timely filed her notice of appeal with the Hinds County Circuit Clerk on November 22, 2016. The Circuit Court affirmed the Decision of the Board on July 27, 2018.

***STAKELUM v. PERS:*** The PERS Board entered an Order dated February 24, 2015, upholding the Medical Board's decision to deny Thompson'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. Briefing is now complete and parties await the Court's decision. The Circuit Court affirmed the Decision of the Board on July 25, 2018.

**SUPREME COURT/COURT OF APPEALS:**

***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.

***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.

***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. 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 filed with Circuit Court on February 7, 2018. Brief of Appellee filed. 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.

***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.

***PINION v. PERS:*** The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated February 26, 2013, that claimant's 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.

***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.

***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.

**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 Brief of Appellant was filed March 1, 2017, and PERS' Brief was filed April 26, 2017. 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.

**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 Brief of Appellant was filed July 28, 2016 and PERS' Appellee's Brief was filed August 26, 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.

**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)
- Regeneron Pharmaceuticals, Inc.
- Dr. Reddy's Laboratories Ltd.
- Acuity Brands, Inc.
- Advance Auto Parts, Inc.
- WageWorks, Inc.
- Facebook, Inc.
- Columbia Pipeline Group, Inc.

**Securities-Related Cases in Which PERS Is a Defendant:**

- In Re: Tribune Company

Retiree  
Report

Mr. Frantom reported that, as of the August 2018 payroll, all systems (PERS, SLRP, MHSPRS, and MRS) had a total of 109,268 retirees/survivors receiving monthly benefit payments, with

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a total monthly payroll of more than \$171 million, and a year-to-date total of \$342 million. The breakdown of retirees/survivors by system and amounts paid per plan were presented as follows:

System	July 2018		August 2018	
	Retirees	Payments	Retirees	Payments
PERS	105,945	\$165,756,187.02	106,625	\$167,309,214.06
SLRP	207	\$86,931.28	207	\$86,931.28
MHSPRS	733	\$1,938,435.64	739	\$1,976,110.88
MRS	1700	\$2,478,348.40	1697	\$2,474,290.68
<b>TOTAL</b>	<b>108,585</b>	<b>\$170,259,902.34</b>	<b>109,268</b>	<b>\$171,846,546.90</b>

ALL SYSTEMS		COMBINED DAILY AND MONTHLY RETIREE PAYROLL		
MONTH	YEAR	DAILY PAYROLL**	MONTHLY PAYROLL	PAYROLL TOTALS
		\$	\$	\$
JULY	2018	\$53,320,192.64	\$170,259,902.34	\$223,580,094.98
AUGUST	2018	\$0.00	\$171,846,546.90	\$171,846,546.90
SEPTEMBER	2018	\$0.00	\$0.00	\$0.00
OCTOBER	2018	\$0.00	\$0.00	\$0.00
NOVEMBER	2018	\$0.00	\$0.00	\$0.00
DECEMBER	2018	\$0.00	\$0.00	\$0.00
DECEMBER 15th	2018		\$0.00	\$0.00
JANUARY	2019	\$0.00	\$0.00	\$0.00
FEBRUARY	2019	\$0.00	\$0.00	\$0.00
MARCH	2019	\$0.00	\$0.00	\$0.00
APRIL	2019	\$0.00	\$0.00	\$0.00
MAY	2019	\$0.00	\$0.00	\$0.00
JUNE	2019	\$0.00	\$0.00	\$0.00
<b>YTD</b>		<b>\$53,320,192.64</b>	<b>\$342,106,449.24</b>	<b>\$395,426,641.88</b>

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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.

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

**Investment Report** | Mr. Hoeniges presented the Report of Investments for the period ending July 31, 2018. He reported that as of July 31, 2018, the market value of the PERS investment portfolio was \$28.6 billion, and as of August 27, 2018, the market value of the PERS investment portfolio was \$28.7 billion.

Mr. Hoeniges reported that PERS currently has 38 investment managers managing 56 different portfolios. He reported that the total Securities Lending earnings for the period ending July 31, 2018, was \$1.8 million.

Mr. Hoeniges presented the Consolidated Portfolio Summary:

**Consolidated Portfolio Summary**  
As of: 07/31/2018

<b>Asset Class</b>	<b>Book Value</b>	<b>% of Total Book Value</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
Domestic Equity	4,781,401,119.66	21.05%	7,778,784,128.92	27.19%
Fixed Income	5,631,210,715.75	24.80%	5,570,785,768.48	19.47%
International Equity	7,949,292,902.90	35.00%	9,540,345,640.92	33.35%
Real Estate	1,838,452,417.86	8.09%	2,826,734,151.33	9.88%
Private Equity	1,654,434,754.00	7.28%	2,072,025,712.89	7.24%
Cash & Cash Equivalent In-House	416,397,647.52	1.83%	416,397,647.52	1.46%
Cash & Cash Equivalent Manager	439,862,668.29	1.94%	400,660,496.71	1.40%
<b>Total</b>	<b>22,711,052,225.9</b>	<b>100.00%</b>	<b>28,605,733,546.77</b>	<b>100.00%</b>

Mr. Hoeniges presented the list of FY 2019 fund transfers and the list of investment transactions processed since the June 26, 2018, PERS board meeting. He requested board certification of the investment transactions and board approval of the Investment Report.

The motion was made by Dr. Childress, seconded by Mr. Snyder, which motion duly passed, to approve the Investment Report presented by staff and to certify the investment transactions and fund transfers for

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FY 2019, to date. Voting for: Benson, Breland, Childress, Dale, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Mr. Higgins advised that for informational purposes staff included a listing of the upcoming board meeting agenda items for the future Board of Trustees meetings.

Mr. Higgins advised that the National Council on Teacher Retirement (NCTR) Annual Conference will be held October 7-9, 2018, in Washington, D.C., and the International Foundation of Employee Benefit Plans Certificate of Achievement in Public Plan Policy, Employee Pensions Part I training session will be conducted in New Orleans, Louisiana, October 13-14, 2018.

Dr. McCoy advised that the newly elected PERS board member, Ms. Kimberly Hanna, would be sworn in after the adjournment of the board meeting.

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

There being no additional business, the meeting adjourned at 1:38 p.m.

Respectfully Submitted,



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



Kelly Breland  
*Chair*  
PERS Board of Trustees

HRH:maj