

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

April 27, 2022 | PERS Board Room

Page 1



Board of Trustees Meeting Agenda Wednesday, April 27, 2022 1 P.M.

- I. Call to Order (*Dr. Randy McCoy, Chair*)
 - A. Invocation
 - B. Pledge of Allegiance
 - C. Approval of Agenda
 - D. Approval of Minutes – February 23, 2022
 - E. Approval of Minutes – March 11, 2022
- II. Report of Administrative Committee (*Dr. Lee Childress*)
 - A. Certification of Board Runoff-Election Results – Public Schools and Community/Junior College Employee Representative Runoff Election
 - B. Actuarial Audit Recommendation
 - C. PERS Board of Trustees Regulation 36, Eligibility for Membership in the Public Employees' Retirement System of Mississippi (PERS) – Initial Adoption
 - D. Other
- III. Report of the Claims Committee (*Mr. Bill Benson*)
 - A. New Joinder Agreement – City of Gluckstadt and Pearl River County Soil & Water Conservation District
 - B. Update on Delinquent Contributions – Southwest Mississippi Behavioral Health Commission
 - C. Other
- IV. Report of the Legislative Committee (*Mr. George Dale*)
 - A. Other
- V. Report of Investment Committee (*Mr. Kelly Breland*)
 - A. Equity Global Value Manager Finalist Recommendation
 - B. Core Real Estate Manager Finalist Recommendation
 - C. Other
- VI. Disability Appeals Committee
- VII. Staff Reports
 - A. Referee Report
 - B. Investment Report
- VIII. Staff and Trustee Continuing Education
 - A. Board Workshop, May 17, 2022, PERS Building
 - B. 2022 Conferences and Training
 - NCTR 2022 Annual Trustee Workshop, July 24-27, Berkeley, CA
 - IFEBP CAPP
 - (i) Pensions Part I, June 6-7, Santa Monica, CA
 - (ii) Pensions Part II, June 8-9, Santa Monica, CA and
 - (iii) Pensions Part II, October 22-23, Las Vegas, NV
 - NASRA 2022 Annual Conference, August 6-10, Long Beach, CA
 - NCTR 100th Annual Conference, October 9-12, Loews Ventana Canyon, Tucson, AZ
- IX. Economic Interest Ethics Disclosures (Due May 1)
- X. Adjourn

Board Members:

Dr. Randy McCoy, *Board Chair*
Mr. Bill Benson, *Board Vice Chair*
Mr. Kelly Breland
Dr. Lee Childress
Mr. George Dale

Mr. Chris Graham
Ms. Kim Hanna
Mr. Chris Howard
Treasurer David McRae
Dr. Brian Rutledge

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

April 27, 2022 | PERS Board Room

Page 2

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Wednesday, April 27, 2022, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public, Tuesday, April 12, 2022, at 2:32 p.m., on the Public Meetings Notice website of the Mississippi Department of Finance and Administration.

BOARD MEMBER ATTENDEES

In Person: Board Chair Dr. Randy McCoy, Mr. Bill Benson, Mr. Kelly Breland, Mr. George Dale, Mr. Chris Graham, Ms. Kimberly Hanna, Mr. Chris Howard, State Treasurer David McRae, and Dr. Brian Rutledge.

Via Teleconference: None.

Absent: Dr. Lee Childress.

Current Board Vacancies: None.

LEGISLATIVE LIAISON ATTENDEES

In Person: Senator David Blount.

STAFF ATTENDEES

In Person: Executive Director Ray Higgins; Chief Investment Officer Robert Clark; Senior Deputy Administrator of Administrative Services Terri Hudson; Counsel and Policy Advisor Davetta Lee; Benefit Services Deputy Administrator Lisa Green; Member and Employer Service Deputy Administrator Mason Frantom; Member Account Support Program Administrator Chris Hudson, Retirement Services Program Administrator Terri Bennett; Benefit Payments Program Administrator Susan Lyon; Employer Reporting Program Administrator Alisa Evans; Chris Renfro, Information Technology; Chief Financial Officer Cindy Ogletree; Accounting Manager Melanie Estridge; Customer Service Program Administrator LaCarole Smith; and Communications Director Shelley Powers.

GUEST ATTENDEES

In Person: Assistant Attorney General Amy Gamble; Caleb Nicholson, Harper Rains, Knight, & Company; Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review (PEER); Lee Pittman, Kelsi Ford, and Rob Dowdle, Legislative Budget Office; and Emily Pote, Mississippi Retired Public Employees' Association.

CALL TO ORDER

Board Chair McCoy called the meeting to order at 1:01 p.m.

INVOCATION

McCoy gave the invocation.

PLEDGE OF ALLEGIANCE

McCoy led the Pledge of Allegiance.

AGENDA

- **Motion:** To approve the meeting agenda.
 - **Made by:** Benson.
 - **Seconded by:** Howard.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**

MINUTES

- **Motion:** To approve the minutes of the February 23, 2022, PERS Board of Trustees' meeting.
 - **Made by:** McRae.
 - **Seconded by:** Graham.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**
- **Motion:** To approve the minutes of the March 11, 2022, PERS Board of Trustees' meeting.
 - **Made by:** Dale.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

April 27, 2022 | PERS Board Room

Page 3

- **Seconded by:** Graham.
- **Discussion:** None.
- **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
- **Voting against:** None.
- **Absent:** Childress.
- **Duly Passed.**

REPORT OF THE ADMINISTRATIVE COMMITTEE

McCoy reported that the Administrative Committee met the morning of April 27, 2022, and approved the following items for Board consideration.

Certification of Board Runoff Election – Public Schools and Community/Junior Colleges Representative

McCoy presented the Board with the results of the public schools and community/junior college representative runoff election for the term that runs from May 1, 2022, to April 30, 2028. He reported that Dr. Jay R. Smith and Dr. Edward Lee Childress were scheduled for this election, as neither candidate received a majority of the votes in the initial election. The runoff vote counts were as follows:

Dr. Jay R. Smith 1,676

Dr. Edward Lee Childress 1,114

- **Motion:** To approve the runoff election results for the public schools and community/junior college representative term that runs from May 1, 2022, to April 30, 2028.
 - **Made by:** Graham.
 - **Seconded by:** Benson.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**

Actuarial Audit Update

McCoy presented the Board with staff's recommendation to approve the engagement of the actuarial consulting firm Cheiron to perform actuarial audit services consistent with the approach and cost for the last actuarial audit for a fee of \$100,000 with results to be presented to the PERS Board at its August 2022 meeting. (*Addendum A - Actuarial Audit Summary and Recommendation*)

- **Motion:** To approve Cheiron actuarial consulting to perform actuarial audit services for a fee of \$100,000 with results to be presented to the PERS Board at its August 2022 meeting.
 - **Made by:** McCoy.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**

PERS Board of Trustees Regulation 36, *Eligibility for Membership in the Public Employees' Retirement System of Mississippi (PERS)*

McCoy presented the Board with staff-recommended minor changes to PERS Board Regulation 36, *Eligibility for Membership in the Public Employees' Retirement System of Mississippi (PERS)*, for initial adoption. (*Appendix B – PERS Board of Trustees Regulation 36*)

- **Motion:** To approve initial adoption of staff-recommended changes to PERS Board Regulation 36, *Eligibility for Membership in the Public Employees' Retirement System of Mississippi (PERS)*.
 - **Made by:** McCoy.
 - **Seconded by:** McRae.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

April 27, 2022 | PERS Board Room

Page 4

- **Voting against:** None.
- **Absent:** Childress.
- **Duly Passed.**

McCoy also reported that the committee heard an update on the PERS Call Center during its morning meeting, as well an update on pending litigation, an update on the upcoming annual PEER report on PERS, and an update on potential discussion topics for the board workshop May 17.

REPORT OF THE CLAIMS COMMITTEE

Committee Chair Benson reported that the Claims Committee met the morning of April 27, 2022, and approved the following item for Board consideration.

New Joinder Agreements

Benson presented new joinder agreements for the city of Gluckstadt and Pearl River County Soil & Water Conservation District. Staff recommended that the city of Gluckstadt be approved for retirement coverage with the effective date of May 1, 2022, and that Pearl River County Soil & Water Conservation District be approved for Social Security and PERS retirement coverage with effective dates of April 30, 2022, and May 1, 2022, respectively. (*Appendix C – New Joinder Agreements*)

- **Motion:** To approve the city of Gluckstadt for retirement coverage with the effective date of May 1, 2022, and approve Pearl River County Soil & Water Conservation District for Social Security and PERS retirement coverage with effective dates of April 30, 2022, and May 1, 2022, respectively.
 - **Made by:** Benson.
 - **Seconded by:** Hanna.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Howard, Hanna, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**

Update on Delinquent Contributions

Benson reviewed the remaining delinquent contributions due from Southwest Mississippi Behavioral Health Commission (SWMBHC) of \$78,495.09. The Board certified \$109,157.96 in delinquent contributions at the February 2022 board meeting, \$119,827.39 at the December 2021 board meeting, \$142,857.25 in delinquent contributions at the August 2021 board meeting, and \$101,867.57 at the October 2021 board meeting. Higgins also presented a recommendation from staff to pursue remaining payment from SWMBHC for delinquent contributions and to take any legal steps necessary to recover the amounts due. (*Appendix D – Delinquent Contributions Update*)

- **Motion:** To certify \$78,495.09 in contribution payments and penalties due from Southwest Mississippi Behavioral Health Commission (SWMBHC) and to approve staff recommendation to recover such amounts from state funds due the agency, including taking any legal steps necessary.
 - **Made by:** Benson.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Howard, Hanna, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**

REPORT OF THE LEGISLATIVE COMMITTEE

Committee Chair Dale informed the Board that the Legislative Committee met the morning of April 27, 2022, and heard, for information only, an update of legislation for the 2022 session. No committee action was taken.

No board action was required or taken.

REPORT OF THE INVESTMENT COMMITTEE

Committee Chair Breland reported that the Investment Committee met April 26, 2022, and heard market and performance reviews and capital market projections from Callan; global equity manager presentations from Acadian, Epoch, and Harding Loevner; and miscellaneous updates. Breland reported that the committee learned that returns as of April 26 were -2.77 percent, but he reported this performance will continue to be monitored until fiscal year end June 30. He also presented the following items for Board consideration

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

April 27, 2022 | PERS Board Room

Page 5

Equity Global Value Manager Finalist Recommendation

Breland presented the Board with a staff recommendation of LSV Asset Management as an appropriate investment for PERS' global value equity manager. (*Appendix E – Equity Global Value Manager Finalist Recommendation*)

- **Motion:** To approve LSV Asset Management as PERS' new global value manager, replacing the Northern Trust Global Equity Index.
 - **Made by:** Breland.
 - **Seconded by:** Benson.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**

Core Real Estate Manager Finalist Recommendation

Breland presented the Board with Callan and staff's recommendation of TA Realty Core Property Fund as an appropriate investment for PERS' core real estate manager with a proposed \$100 million commitment to complement the existing open-end portfolio. (*Appendix F – Core Real Estate Manager Finalist Recommendation*)

- **Motion:** To approve a \$100 million commitment to TA Realty as PERS' new core real estate manager.
 - **Made by:** Breland.
 - **Seconded by:** McRae.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
 - **Voting against:** None.
 - **Absent:** Childress.
 - **Duly Passed.**

Breland congratulated Clark on his new position out of state, stating this his "value and leadership will be remembered" once he leaves May 31, 2022.

REPORT OF THE DISABILITY APPEALS COMMITTEE

Higgins presented the recommendation to the Board of the Disability Appeals Committee (DAC). He stated that the DAC recommendation and the background information was previously submitted to the Board. (*Appendix G – Disability Appeals Summary*)

The DAC heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations for each of the following cases:

PERS No. 22-01 - This matter came on for hearing before the DAC February 14, 2022. The DAC submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the Claimant's request for non-duty related disability benefits be approved.

PERS No. 22-02 - This matter came on for hearing before the DAC February 14, 2022. The DAC submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the Claimant's request for duty-related disability benefits be approved.

PERS No. 22-04 - This matter came on for hearing before the DAC February 14, 2022. The DAC submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the Claimant's request for duty-related disability benefits be approved.

PERS No. 22-05 - This matter came on for hearing before the DAC March 7, 2022. The DAC submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the Claimant's request for non-duty-related disability benefits be denied.

- **Motion:** To accept the findings of the DAC and approve the DAC recommendations.
 - **Made by:** Benson.
 - **Seconded by:** Howard.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, and Rutledge.
 - **Voting against:** None.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

April 27, 2022 | PERS Board Room

Page 6

- o Absent: Childress.
- o Duly Passed.

RETIREE REPORT

Higgins presented the Retiree Report. He advised that the report had been provided to the board members in advance for their review. Higgins requested board approval of this report. (*Addendum H - Retiree Report*)

- **Motion:** To accept the Retiree Report.
 - o **Made by:** Benson.
 - o **Seconded by:** Breland.
 - o **Discussion:** None.
 - o **Voting for:** Benson, Breland, Dale, Graham, Howard, Hanna, McCoy, McRae, and Rutledge.
 - o **Voting against:** None.
 - o **Absent:** Childress.
 - o **Duly Passed.**

INVESTMENT REPORT

Higgins presented the Investment Report. He advised that this report had been provided to the Board in advance. He requested board approval of this report, as well as of all trades and transactions performed by the PERS Investments division since the February 23, 2022, board meeting. (*Addendum I - Investment Report*)

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the February 23, 2022, board meeting.
 - o **Made by:** Breland.
 - o **Seconded by:** Rutledge.
 - o **Discussion:** None.
 - o **Voting for:** Benson, Breland, Dale, Graham, Howard, Hanna, McCoy, McRae, and Rutledge.
 - o **Voting against:** None.
 - o **Absent:** Childress.
 - o **Duly Passed.**

STAFF AND TRUSTEE CONTINUING EDUCATION

Higgins advised the Board on upcoming staff and trustee continuing education opportunities, including a board workshop scheduled for Tuesday, May 17, 2022.

ECONOMIC INTEREST ETHICS DISCLOSURE

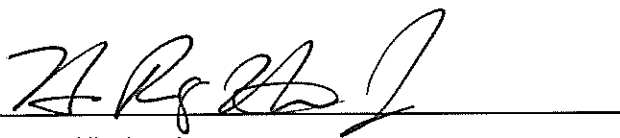
Higgins advised the Board of the May 1 deadline for submitting economic interest ethics disclosures.

McCoy, on behalf of the Board, gave acknowledgement and extended gratitude to Childress for his 22 years on the Board. McCoy said Childress joined the Board December 1999 and served under five governors and with three executive directors. McCoy said Childress served as chairman twice and that his "institutional knowledge" would be missed. "We appreciate his service, longevity, and dedication to everyone associated with PERS," McCoy said. McCoy asked that a plaque be prepared for Childress and that a formal proclamation regarding his service to be entered into the June 2022 minutes.

ADJOURN

McCoy called the meeting adjourned at 1:21 p.m.

Respectfully Submitted,



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



Dr. Randy McCoy
Chair
PERS Board of Trustees

HRH