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Board of Trustees Meeting Agenda *Special Called Meeting, Tuesday, May 17, 2022 3 P.M.*

- I. Call to Order
 - A. Approval of Agenda

- II. Update on Delinquent Contributions
(Intended Outcome – Certification of Delinquencies)
 - A. Southwest Mississippi Behavioral Health Commission

- III. Other

- IV. Adjourn

The PERS board room on the fourth floor of 429 Mississippi Street, Jackson, MS, will be open to any member of the public who wishes to attend this meeting.

Board Members:	Dr. Randy McCoy, <i>Board Chair</i>	Ms. Kim Hanna
	Mr. Bill Benson, <i>Board Vice Chair</i>	Mr. Chris Howard
	Mr. Kelly Breland	Treasurer David McRae
	Mr. George Dale	Dr. Brian Rutledge
	Mr. Chris Graham	Dr. Jay Smith

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The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Tuesday, May 17, 2022, in the PERS board room. This meeting was duly announced to the public, Thursday, May 12, 2022, at 9:06 a.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, Board Vice Chair Mr. Bill Benson, Mr. Kelly Breland, Mr. George Dale, Mr. Chris Graham, Ms. Kimberly Hanna, State Treasurer David McRae, Dr. Brian Rutledge, and Dr. Jay Smith.

Absent: Mr. Chris Howard.

Current Board Vacancies: None.

LEGISLATIVE LIAISON ATTENDEES

In Person: None.

STAFF ATTENDEES

In Person: Executive Director Ray Higgins; Chief Investment Officer Robert Clark; Deputy Chief Investment Officer Charles Nielsen; Counsel and Policy Advisor Davetta Lee; Benefit Services Deputy Administrator Lisa Green; Member and Employer Service Deputy Administrator Mason Frantom; Ryan Davy and Alex Edmunds, Information Technology; and Communications Director Shelley Powers.

GUEST ATTENDEES

In Person: Assistant Attorney General Amy Gamble and Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review (PEER).

CALL TO ORDER

Board Chair McCoy called the meeting to order at 3 p.m.

AGENDA

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

UPDATE ON DELINQUENT CONTRIBUTIONS

Higgins provided an update and reviewed the remaining delinquent contributions due from Southwest Mississippi Behavioral Health Commission (SWMBHC) of \$83,727.73. He stated that progress had been made and the previous amounts were paid, but SWMBHC was behind once again with the April contributions now being past due. The Board certified \$78,495.09 in delinquent contributions at the April 2022 board meeting, \$109,157.96 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 A – Delinquent Contributions Update*)

The Board discussed at length this on-going issue and how best to move forward. Rutledge voiced concern over SWMBHC's unsustainable business model of making payments but remaining delinquent. He also voiced concern over the administrative cost to PERS in handling the delinquencies and asked about the parameters for potentially disqualifying the employer from PERS. McRae echoed some of these concerns. Lee advised that this situation could set a precedence on recovering employer delinquencies versus removing a delinquent employer from the plan. Higgins acknowledged these concerns from the board members and expressed similar sentiments, but he also said PERS should be mindful of any potential unintended consequences.

- **Motion:** To certify \$83,727.73 in delinquent contribution payments due from Southwest Mississippi Behavioral Health Commission (SWMBHC) and request staff to recover such amounts from state funds due the agency, including taking any legal steps necessary.
 - **Made by:** Benson.
 - **Seconded by:** Rutledge.

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

OTHER

McCoy shared with the board that he was forming an Ad Hoc Committee made up of he, Benson, and Breland. The purpose is to review the salary, position, and responsibilities of the executive director and provide the Board a report and recommendation in June on any possible salary increases. McCoy referenced historical limitations during the previous recruitment for the role, noting that some of the parameters have changed with the Mississippi State Personnel Board since that time. He also mentioned the need for PERS to keep pace and remain competitive. He also expressed the probability and importance of the Board conducting a short evaluation on performance and offered board members an opportunity to provide input, make suggestions, offer comments, or ask questions.

McCoy also extended gratitude to Clark for his service to PERS. Clark will leave PERS for the private sector May 31, 2022.

There was brief discussion about how the Claims Hearing scheduled for the following morning had been postponed until July at the request of the claimant.

ADJOURN

McCoy called the meeting adjourned at 3:10 p.m.

Respectfully Submitted,

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

Dr. Randy McCoy
Chair
PERS Board of Trustees

HRH