

# MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

December 20, 2022 | PERS Board Room

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## Board of Trustees Meeting Agenda

Tuesday, December 20, 2022

1:00 P.M.

- I. Call to Order (*Mr. Bill Benson, Chair*)
  - A. Invocation
  - B. Pledge of Allegiance
  - C. Approval of Agenda
  - D. [Approval of Minutes – October 25, 2022](#)
  - E. Employee of the Quarter – (*January-March 2023*)
- II. Report of Administrative Committee (*Dr. Randy McCoy*)
  - A. Certification of Retiree Representative Election Ballot
  - B. FY 2022 Actuarial Valuation and Projection Reports
    - Public Employees' Retirement System of Mississippi
    - Mississippi Highway Safety Patrol Retirement System
    - Supplemental Legislative Retirement Plan
    - Municipal Retirement Systems
  - C. Employer Contribution Increases and Regulation 60, Contribution Rates
  - D. Other
- III. Report of Audit Committee (*Ms. Kimberly Hanna*)
  - A. Annual Comprehensive Financial Report
  - B. External Audit Results
  - C. Other
- IV. Report of Claims Committee (*Mr. Bill Benson*)
  - A. Other
- V. Report of the Legislative Committee (*Mr. George Dale*)
  - A. Other
- VI. Report of Defined Contribution Committee (*Dr. Brian Rutledge*)
  - A. Other
- VII. Report of Investment Committee (*Mr. Kelly Ireland*)
  - A. Fixed Income Structure Review
  - B. Other
- VIII. [Disability Appeals Committee](#)
- IX. Staff Reports
  - A. Retirees Report
  - B. Investment Report
- X. Staff and Trustee Continuing Education
  - A. 2023 Conferences and Training
    - NASRA 2023 Annual Conference; August 5- 9, 2023; Broomfield, Colorado
    - IFFBP CAPP
      - (i) [Pensions Part I, July 24 - 25, 2023, Chicago](#)
      - (ii) [Pensions Part II, July 26 - 27, 2023, Chicago](#)
      - (iii) [Pension Part I, September 30 - October 1, 2023, Boston](#)
    - NCTR 101st Annual Conference; October 7-11, 2023, La Jolla, CA
- XI. Adjourns

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**Board Members:**

Mr. Bill Benson, *Board Chair*  
Ms. Kim Hanna, *Board Vice Chair*  
Mr. Kelly Ireland  
Mr. George Dale  
Mr. Chris Graham

Mr. Chris Howard  
Dr. Randy McCoy  
State Treasurer David McRae  
Dr. Brian Rutledge  
Dr. Jay Smith

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The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Tuesday, December 20, 2022, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Friday, December 2, 2022, at 10:37 a.m., on the Public Meetings Notice website of the Mississippi Department of Finance and Administration, as well as was posted in the PERS lobby and on the PERS website.

## BOARD MEMBER ATTENDEES

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

**Via Teleconference:** None.

**Absent:** None.

**Current Board Vacancies:** None.

## LEGISLATIVE LIAISON ATTENDEES

**In Person:** Senator David Blount, Karl Oliver, and Representative John Read.

## STAFF ATTENDEES

**In Person:** Executive Director Ray Higgins; Chief Investment Officer Charles Nielsen; Senior Deputy Administrator Office of Administrative Services Terri Hudson; Counsel and Policy Advisor Davetta Lee; Member and Employer Services Deputy Administrator Mason Frantom; Benefit Services Deputy Administrator Lisa Green; Ryan Davy, Information Technology; Chief Financial Officer Cindy Ogletree; Employer Reporting Program Administrator Alisa Evans; Melanie Estridge and Cindy Byars, Accounting; Benefit Payments Program Administrator Susan Lyon; Service Retirement Program Administrator Terri Bennett; Retirement Education Program Administrator LaCarole Smith; Member Account Support Program Administrator Chris Hudson; Mariam May-Clayton, Member and Employer Services; and Communications Director Shelley Powers.

## GUEST ATTENDEES

**In Person:** Assistant Attorney General Amy Gamble; Ray Wright, Joint Legislative Committee on Performance Evaluation and Expenditure Review; Caleb Nicholson, Harper Rains, Knight & Company; Corbin Stanford and Lee Pittman, Legislative Budget Office; Mackenzie Dickerson, Governor's Office; Brad Berls and Abbie Belthoff, Eide Bailly; Ed Koebel and Darby Carraway, Cavanaugh Macdonald; Hawley Rae Robertson, Lieutenant Governor's Office; Allan Cooper, Mississippi Department of Finance and Administration; Jimmy Hendrix, Jackson Jambalaya; and Steven Allen, Mike Larsen, and Emily Pote, Mississippi Retired Public Employees' Association

## CALL TO ORDER

Board Chair Benson called the meeting to order at 1:08 p.m.

## INVOCATION

Dale gave the invocation.

## PLEDGE OF ALLEGIANCE

Dale led the Pledge of Allegiance.

## AGENDA

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

## MINUTES

- **Motion:** To approve the minutes of the October 25, 2022, PERS Board of Trustees' meeting.
  - **Made by:** McCoy.
  - **Seconded by:** Rutledge.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

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## REPORT OF THE ADMINISTRATIVE COMMITTEE

Committee Chair McCoy reported that the Administrative Committee met the morning of December 20, 2022, and heard an Overview on Naming Beneficiaries from Service Retirement. No committee action was taken on this item. The committee also approved the following items for Board consideration.

### Certification of Board Election Ballot

McCoy presented the Board with the ballot for the retiree representative election for the term that runs from May 1, 2023, to April 30, 2029.

#### Retiree Representative Candidates

**Thomas R. Bradberry, Sr., Madison** .....former MS State Board for Community and Junior Colleges associate executive director, *retired 2008*  
**James V. Bryant, Corinth**.....former Corinth Fire Department deputy chief, *retired 2021*  
**George R. Dale, Clinton**.....former MS Department of Insurance commissioner, *retired 2008*  
**Dr. Charles E. Garrett, Jr., New Albany**.....former New Albany School District superintendent, *retired 2012*  
**Shirley J. Cox Gorden, Pearl**.....former MS State Hospital institutional social worker, *retired 2010*  
**Bonnie J. Granger, Ocean Springs**.....former Hattiesburg Public School District chief financial officer, *retired 2020*  
**Belinda R. Havard, Florence**.....former MS State Department of Health program manager, *retired 2020*  
**Ralph C. Kennedy, Nesbit**.....former University of Mississippi criminal justice instructor, *retired 2018*  
**Bonnie C. Littleton-Jones, Mound Bayou**.....former Mound Bayou Public Schools instructor, testing coordinator, and support staff coordinator, *retired 2001*  
**Wayne T. Myrick, Laurel**.....former MS State Auditor's Office senior accountant and auditor, *retired 2004*  
**Stephen M. Parnell, Brandon**.....former University of Mississippi Medical Center field support manager, *retired 2021*  
**Henry Phillips, Cleveland**.....former West Bolivar School District superintendent, *retired 2014*  
**Will L. Russell, Madison**.....former Jefferson Davis County School District superintendent, *retired 2020*  
**Roger W. Speed, Collins**.....former Covington County sheriff, *retired 2012*  
**Marion "Bo" L. Surrell, Grenada**.....former Grenada School District business manager, *retired 2014*  
**Diane White, Laurel**.....former Ellisville State School vocational instructor, *retired 2010*

- **Motion:** To approve certification of the ballot for the retiree representative election for the term that runs from May 1, 2023, to April 30, 2029.
  - **Made by:** McCoy.
  - **Seconded by:** Graham.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Addendum A – Retiree Election Ballot)*

## FY 2022 ACTUARIAL REPORTS PRESENTATION

McCoy presented to the Board the fiscal year 2022 Actuarial Valuations and Projection reports for PERS, Mississippi Highway Safety Patrol Retirement System (MHSPRS), the Supplemental Legislative Retirement System (SLRP), and the Municipal Retirement System (MRS).

- **Motion:** To accept the FY 2022 actuarial valuation and projection reports.
  - **Made by:** McCoy.
  - **Seconded by:** Rutledge.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Addendum B – FY 2022 Actuarial Valuations)*

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## EMPLOYER CONTRIBUTION INCREASES AND REGULATION 60, CONTRIBUTION RATES

McCoy reported that the committee discussed employer contribution increases and changes to Regulation 60 and recommended an increase to both the PERS and SLRP employer contribution rate, as well as recommended the executive director prepare a Tier 5 and other options for possible legislative action.

- **Motion:** To increase the Public Employees' Retirement System of Mississippi employer contribution rate from 17.4 percent to 22.4 percent as of October 1, 2023.
  - **Made by:** McCoy.
  - **Seconded by:** Hanna.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Hanna, Howard, McCoy, Rutledge, and Smith.
  - **Voting against:** Dale, Graham, and McRae.
  - **Absent:** None.
  - **Duly Passed.**
  
- **Motion:** To increase the Supplemental Legislative Retirement Plan employer contribution rate from 7.4 percent to 8.4 percent as of July 1, 2023.
  - **Made by:** McCoy.
  - **Seconded by:** Breland.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**
  
- **Motion:** To authorize the executive director to prepare a Tier 5 and other options for possible legislative action.
  - **Made by:** McCoy.
  - **Seconded by:** Graham.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

## REPORT OF THE AUDIT COMMITTEE

Committee Chair Hanna reported that the Audit Committee met the morning of December 20, 2022, and heard an internal audit report, which did not require committee or board action. Hanna also presented the following items for Board approval.

### Annual Comprehensive Financial Report (ACFR)

Hanna presented PERS's FY 2022 Annual Comprehensive Financial Report (ACFR) for approval.

- **Motion:** To accept the FY 2022 Annual Comprehensive Financial Report.
  - **Made by:** Hanna.
  - **Seconded by:** Howard.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Rutledge, and Smith.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Addendum C – FY 2022 ACFR)*

## EXTERNAL AUDIT RESULTS

Hanna presented the Board with the FY 2022 external audit report from Eide Bailley for approval and reported that PERS received an unmodified opinion, which is a clean report with no adjusting entries or findings noted on internal controls. Hanna mentioned the positive report on staff from the auditors and thanked both the staff and Hudson for their good work.

- **Motion:** To accept the FY 2022 external audit results, as presented.

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

*(Addendum D – External Audit Results)*

## REPORT OF THE CLAIMS COMMITTEE

Committee Chair and Board Chair Benson reported that the Claims Committee met the morning of December 20, 2022, and heard an update on the delinquent contribution status of Southwest Mississippi Behavioral Health Commission (SWMBHC), \$65,893.49, and Jefferson County Hospital, \$59,767.34. He said PERS would continue to monitor the situations closely for timeliness of payments and continuation of keeping current with contributions.

- **Motion:** To certify the delinquent contributions from Southwest Mississippi Behavioral Health Commission of \$65,893.49 and from Jefferson County Hospital of \$59,767.34 and approve staff to take any legal steps necessary to recover these amounts.
  - o **Made by:** Benson.
  - o **Seconded by:** Rutledge.
  - o **Discussion:** None.
  - o **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
  - o **Voting against:** None.
  - o **Absent:** None.
  - o **Duly Passed.**

## REPORT OF THE LEGISLATIVE COMMITTEE

Committee Chair Dale reported that the Legislative Committee met the morning of December 20, 2022, and heard an update on legislation for the 2023 session. Higgins presented the Board with proposed changes to Miss. Code Ann. § 25-11-105(f) to address employers who leave PERS paying their portion of PERS' unfunded actuarial accrued liability.

- **Motion:** To approve the 2023 legislation, as presented.
  - o **Made by:** Dale.
  - o **Seconded by:** McCoy.
  - o **Discussion:** None.
  - o **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Rutledge, and Smith.
  - o **Voting against:** None.
  - o **Absent:** None.
  - o **Duly Passed.**

## REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met December 19, 2022, and heard a market update and performance review from Callan on Mississippi Deferred Compensation and the Optional Retirement Plan. No committee action was taken.

## REPORT OF THE INVESTMENT COMMITTEE

Committee Chair Breland reported that the Investment Committee met December 19, 2022, and heard a market update and performance review from Callan which reported a .75 percent year-to-date return; an Iran Divestment Act of 2015 Exposure Review, Israel Support Act of 2019 update, and various miscellaneous updates. No committee action was taken on these items. He also presented the following item for Board consideration.

### Fixed Income Structure Review

Breland presented a 2022 Fixed Income Structure Review and said the committee recommended changing the current target fixed income structure (28 percent core, 39 percent core plus, 11 percent Emerging Market Debt (EMD), and 22 percent global) to 20 percent core, 45 percent core plus, 10 percent EMD, 20 percent global, and 5 percent short duration to help mitigate some potential negative effects of market volatility and timing associated with PERS' fund-raising needs.

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- **Motion:** To approve the alternative fixed income structure of 20 percent core, 45 percent core plus, 10 percent EMD, 20 percent global, and 5 percent short duration.
  - **Made by:** Breland.
  - **Seconded by:** Hanna.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Appendix E – Fixed Income Structure Review)*

## REPORT OF THE DISABILITY APPEALS COMMITTEE

Higgins presented the recommendations to the Board of the Disability Appeals Committee (DAC).

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

PERS No. 20-09 - This matter came on for hearing before the DAC October 3, 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.

PERS No. 22-13 - This matter came on for hearing before the DAC October 3, 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.

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

*(Appendix F – Disability Appeals Summary)*

## RETIREE REPORT

Higgins presented the Retiree Report for the Board's approval.

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

*(Addendum G - Retiree Report)*

## INVESTMENT REPORT

Higgins presented the Investment Report. He requested board approval of this report, as well as of all trades and transactions performed by the PERS Investments division since the October 25, 2022, board meeting.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the October 25, 2022, board meeting.
  - **Made by:** Hanna.
  - **Seconded by:** Graham.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.

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

*(Addendum H - Investment Report)*

As McCoy's request, Nielsen reported that PERS currently has 62 portfolios managed by 36 managers.

## STAFF AND TRUSTEE CONTINUING EDUCATION

Higgins advised the Board on upcoming staff and trustee continuing education opportunities and reminded the Board of the 2023 economic interest disclosure deadline.

## ADJOURN

*Benson called the meeting adjourned at 1:23 p.m.*

Respectfully Submitted,



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



Mr. Bill Benson  
*Chair*  
PERS Board of Trustees

HRH