

# MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

October 25, 2022 | PERS Board Room

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## Board of Trustees Meeting Agenda

Tuesday, October 25, 2022

1 P.M.

- I. Call to Order (*Mr. Bill Benson, Chair*)
  - A. Invocation
  - B. Pledge of Allegiance
  - C. Approval of Agenda
  - D. [Approval of Minutes](#) – (August 24, 2022)
- II. Report of Administrative Committee (*Dr. Randy McCoy*)
  - A. [2023 Board & Committee Meetings Schedule](#)
  - B. [IHL Representative Election Results](#)
  - C. [Retiree Representative Election Schedule](#)
  - D. [Other](#)
- III. Report of the Claims Committee (*Mr. Bill Benson*)
  - A. Update on Delinquent Contributions – *Southwest Mississippi Behavioral Health Commission*
  - B. [Claims Hearing Recommendation- PERS Cause No. 22-09](#)
  - C. Other
- IV. Report of Legislative Committee (*Mr. George Dale*)
  - A. [Legislative Update](#)
  - B. Other
- V. Report of Defined Contribution Committee (*Dr. Brian Rutledge*)
  - A. Other
- VI. Report of Investment Committee (*Mr. Kelly Breland*)
  - A. [Angelo Gordon Value-Add Fund XI](#)
  - B. Other
- VII. [FY 2023 Municipal COLA Certification](#) – City of Tupelo
- VIII. [Disability Appeals Committee](#)
- IX. Staff Reports
  - A. [Retiree Report](#)
  - B. [Investment Report](#)
- X. Staff and Trustee Continuing Education
  - A. 2023 Conferences and Training
    - NCTR 101st Annual Conference, October 7-11, 2023, La Jolla, CA
- XI. Adjourn

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**Board Members:**

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

Mr. Chris Howard  
Dr. Randy McCoy  
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, October 25, 2022, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Friday, October 7, 2022, at 5:14 p.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, Dr. Jay Smith, State Treasurer David McRae, Dr. Randy McCoy, and Dr. Brian Rutledge.

**Via Teleconference:** None.

**Absent:** None.

**Current Board Vacancies:** None.

## LEGISLATIVE LIAISON ATTENDEES

**In Person:** None.

## 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; Ryan Davy, Information Technology; Employer Reporting Program Administrator Alisa Evans; Benefit Payments Program Administrator Susan Lyon; Retirement Services Program Administrator Terri Bennett; 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.

## CALL TO ORDER

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

## INVOCATION

Breland gave the invocation.

## PLEDGE OF ALLEGIANCE

Breland led the Pledge of Allegiance.

## AGENDA

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

## MINUTES

- **Motion:** To approve the minutes of the August 24, 2022, PERS Board of Trustees' meeting.
  - **Made by:** Rutledge.
  - **Seconded by:** Hanna.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

## REPORT OF THE ADMINISTRATIVE COMMITTEE

Committee Chair McCoy reported that the Administrative Committee met the morning of October 25, 2022, and heard updates on the Mississippi Highway Safety Patrol Retirement System, PERS contract renewals, and the PERS South Building. The committee also learned about requests for public comments from two members and held a preliminary discussion on probable actuarial results and the potential for increasing the employer contribution rate in light of FY 2022's -8.5 return. During the



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discussion, the committee heard input from legislative liaisons Senator David Blount, Representative John Read, and Representative Karl Oliver, for which McCoy shared appreciation. No committee action was taken on these items. The committee also approved the following items for Board consideration.

## 2023 Board & Committee Meeting Schedule

Higgins presented the committee with the 2023 Board and Committee Meetings Schedule for approval.

### Board & Committee Meetings | 2023 Schedule

Board meetings held fourth Tuesday of February, April, June, August, and October and third Tuesday of December. Meetings may be scheduled for different day if they conflict with a state holiday.

February 27 Monday	Defined Contribution & Investment Committee Meetings
February 28 Tuesday	Board Meeting & Other Committee Meetings
April 25 Tuesday*	Defined Contribution & Investment Committee Meetings
April 26 Wednesday	Board Meeting & Other Committee Meetings
June 26 Monday	Defined Contribution & Investment Committee Meetings
June 27 Tuesday	Board Meeting & Other Committee Meetings
August 21 Monday	Defined Contribution & Investment Committee Meetings
August 22 Tuesday	Board Meeting & Other Committee Meetings
October 23 Monday	Defined Contribution & Investment Committee Meetings
October 24 Tuesday	Board Meeting & Other Committee Meetings
December 18 Monday	Defined Contribution & Investment Committee Meetings
December 19 Tuesday	Board Meeting & Other Committee Meetings

\* Monday, April 24, is a state holiday

### Investment Committee Presentations | 2023 Schedule

Meetings held only when investment finalists' presentations become necessary.

*Held the Monday two weeks prior to the board meeting, contingent/subject to Board discretion and availability.*

Monday, February 6

Monday, April 10

Monday, June 12

Monday, August 7

Monday, October 9

Monday, December 4

### Claims Committee Presentations | 2023 Schedule

Meetings held only when claims hearings become necessary.

*Held the fourth Tuesday of every other month that are not board meeting months.*

Tuesday, January 24

Tuesday, March 28

Tuesday, May 23

Tuesday, July 25

Tuesday, September 26

Tuesday, November 28

- **Motion:** To approve the 2023 Board & Committee Meeting Schedule as presented.
  - **Made by:** McCoy.
  - **Seconded by:** Breland.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Smith, and Rutledge.
  - **Voting against:** None.

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- o **Absent:** None.
- o **Duly Passed.**

## IHL Representative Election Results

McCoy presented the election results for the institutions of higher learning representative term that begins January 1, 2023. The vote counts were as follows:

<b>Dr. Brian L. Rutledge</b> (incumbent) .....	<b>706</b>
<b>Jason M. Shirkey</b> .....	<b>363</b>

- **Motion:** To approve the election results for the institutions of higher learning representative term that begins January 1, 2023.
  - o **Made by:** McCoy.
  - o **Seconded by:** Graham.
  - o **Discussion:** None.
  - o **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Smith, and Rutledge.
  - o **Voting against:** None.
  - o **Absent:** None.
  - o **Duly Passed.**

*(Addendum A – IHL Election Results)*

## Retiree Representative Election Schedule

McCoy presented the election schedule for the retiree representative term that begins May 1, 2023:

- **Motion:** To approve the election schedule for the retiree representative term that begins May 1, 2023.
  - o **Made by:** McCoy.
  - o **Seconded by:** Rutledge.
  - o **Discussion:** None.
  - o **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Smith, and Rutledge.
  - o **Voting against:** None.
  - o **Absent:** None.
  - o **Duly Passed.**

*(Addendum B – Retiree Election Schedule)*

## REPORT OF THE CLAIMS COMMITTEE

Committee Chair and Board Chair Benson reported that the Claims Committee met the morning of October 25, 2022, and heard an update on the delinquent contributions from Southwest Mississippi Behavioral Health Commission (SWMBHC). Benson reported that SWMBHC contributions are current at present so there was no need for committee or board action. Benson also presented the following item for Board approval.

### Claims Committee Hearing

Benson presented the recommendation from September 27, 2022, committee proceedings. The committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations for the following case.

PERS No. 22-09 – This matter came on for hearing before the Claims Committee September 27, 2022. The committee submits to the Board of Trustees its findings of fact, conclusions of law, and recommendation that the administrative decision of the executive director to deny the plaintiff's request to be awarded benefits from PERS be affirmed.

- **Motion:** To approve the Claims Committee recommendation to affirm the executive director's decision to deny the plaintiff's request to be awarded benefits from PERS.
  - o **Made by:** Benson.
  - o **Seconded by:** McCoy.
  - o **Discussion:** None.
  - o **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Smith, and Rutledge.
  - o **Voting against:** None.
  - o **Absent:** None.



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- **Duly Passed.**

## REPORT OF THE LEGISLATIVE COMMITTEE

Committee Chair Dale reported that the Legislative Committee met the morning of October 25, 2022, and had a lengthy discussion on whether legislation should be pursued to allow retired teachers to return to the classroom. No action was taken, but staff will investigate the topic further. Higgins then reported to the Board that staff will pursue legislation to address an employer's proportionate share of unfunded liabilities should they leave PERS. Higgins also reported to the Board that air time (allowing members at retirement to purchase up to three years of nonqualified service at actuarial cost) would be researched further before bringing any proposed legislation to the Board in December. The final potential legislation that was discussed was to change the vesting period from eight-year back to four-year; Higgins said this issue would be reviewed by staff for consideration of the Board at a later time.

## REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met October 24, 2022, and heard from TIAA, VALIC, and VOYA on the Optional Retirement Plan Annual Review. He also reported that the committee heard an overview of the new CREF R4 class option for Mississippi Deferred Compensation members. No committee action was taken on either item.

## REPORT OF THE INVESTMENT COMMITTEE

Committee Chair Breland reported that the Investment Committee met October 24, 2022, and heard a market update and performance review from Callan; a capital market assumption presentation from Callan, miscellaneous updates, and fixed income manager presentations from Manulife, PIMCO, Loomis, and PGIM. He also presented the following item for Board consideration.

### Angelo Gordon Value-Add Fund XI

Breland presented the Board with an additional value-add real estate commitment, as recommended by staff and Callan. The investment is a \$75 million additional commitment to the AG Realty Value Fund XI based on their tenure, stability, and their success in managing value-added real estate and along with pacing projections indicating its necessity to achieve PERS' 15 percent target in value-add real estate

- **Motion:** To approve a \$75 million additional investment commitment to Angelo Gordon Value-Add Fund XI as recommended by staff and Callan.
  - **Made by:** Breland.
  - **Seconded by:** McCoy.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Appendix C – Angelo Gordon Value-Add Fund XI)*

## CERTIFICATION OF TUPELO COLA

Higgins presented the Board with the staff recommendation for approval of the payment of an ad hoc cost-of-living adjustment for the city of Tupelo.

- **Motion:** To approve the payment of a 3 percent ad hoc cost-of-living adjustment for the city of Tupelo, retroactive to October 1, 2022.
  - **Made by:** Hanna.
  - **Seconded by:** Dale.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Appendix D – Certification of Tupelo COLA)*

## REPORT OF THE DISABILITY APPEALS COMMITTEE

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

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

PERS No. 22-11 - This matter came on for hearing before the DAC July 18, 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:** McRae.
  - **Seconded by:** Graham.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Appendix E – Disability Appeals Summary)*

## RETIREE REPORT

Higgins presented the Retiree Report for the Board's approval and shared that, of note, this past payroll was the first to exceed \$200 million.

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

*(Addendum F - 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 August 24, 2022, board meeting. Higgins called attention to manager fees, which totaled \$105 million but only accounted for .34 percent of PERS assets.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the August 24, 2022, board meeting.
  - **Made by:** Hanna.
  - **Seconded by:** Howard.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*(Addendum G - Investment Report)*

## STAFF AND TRUSTEE CONTINUING EDUCATION

Higgins advised the Board on upcoming staff and trustee continuing education opportunities.

## ADJOURN

*Benson called the meeting adjourned at 1:17 p.m.*

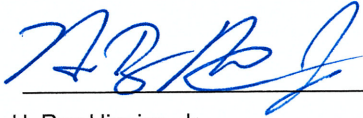


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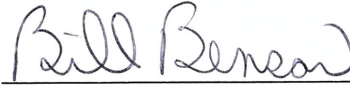
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Respectfully Submitted,



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



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Mr. Bill Benson  
*Chair*  
PERS Board of Trustees

HRH