

# MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

August 23, 2022 | PERS Board Room

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## Board of Trustees Meeting Agenda

Tuesday, August 23, 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 – July 26, 2022
  - E. Employee of the Quarter – (October-December 2022)
- II. Report of Administrative Committee (*Dr. Randy McCoy*)
  - A. Approval of FY 2024 Initial Administrative Budget Request-Final Approval
  - B. IHL Representative Election Ballot- Approval
  - C. Other
- III. Report of the Audit Committee (*Ms. Kimberly Hanna*)
  - A. Actuarial Audit Report
- IV. Report of the Claims Committee (*Mr. Bill Benson*)
  - A. Update on Delinquent Contributions – Southwest Mississippi Behavioral Health Commission
  - B. Other
- V. Report of Defined Contribution Committee (*Dr. Brian Rutledge*)
  - A. Annual Investments Policy Reviews
    - MDC
    - ORP
  - B. Other
- VI. Report of Investment Committee (*Mr. Kelly Breland*)
  - A. Annual PERS Investment Policy Review
  - B. PERS Watchlist
  - C. Other
- VII. Certification of Meridian COLA
- VIII. Retiree Insurance Advisory Committee
  - A. Approval of Medicare Supplement Open Enrollment
- IX. Disability Appeals Committee
- X. Staff Reports
  - A. Retiree Report
  - B. Investment Report
- XI. Staff and Trustee Continuing Education
  - A. 2022 Conferences and Training
    - IFEBP CAPPP
    - [Pensions Part II, October 22-23, Las Vegas, NV](#)
    - [NCTR 100th Annual Conference, October 9-12, Loews Ventana Canyon, Tucson, AZ](#)
- XII. 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, August 23, 2022, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public, Thursday, August 11, 2022, at 2:27 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. Brian Rutledge, and Dr. Jay Smith.

**Via Teleconference:** Dr. Randy McCoy.

**Absent:** State Treasurer David McRae.

**Current Board Vacancies:** None.

## LEGISLATIVE LIAISON ATTENDEES

**In Person:** Senator 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, 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; Fronza Walker, Survivor and Disability; Edna Harris and Bridget Rogers, Service Retirement; Communications Specialist Christine Anderson; and Communications Director Shelley Powers.

## GUEST ATTENDEES

**In Person:** Assistant Attorney General Amy Gamble; Justin Atwood, Harper Rains, Knight & Company; Lee Pittman, Legislative Budget Office; and Mackenzie Dickerson, Governor's Office. Ed Koebel, Cavanaugh Macdonald; and Emily Pote, Mississippi Retired Public Employees' Association.

## CALL TO ORDER

Board Chair Benson called the meeting to order at 1 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:** Howard.
  - **Seconded by:** Breland.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

## MINUTES

- **Motion:** To approve the minutes of the July 26, 2022, special called PERS Board of Trustees' meeting.
  - **Made by:** Rutledge.
  - **Seconded by:** Graham.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

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## EMPLOYEE OF THE QUARTER

Benson presented Rogers with Employee of the Quarter for the second quarter of fiscal year 2023, which runs October 1, 2022, through December 31, 2022.

## REPORT OF THE ADMINISTRATIVE COMMITTEE

Benson reported that the Administrative Committee met the morning of August 23, 2022, and heard an update on a project to update PERS forms and send out messaging regarding IRS tax form compliance; discussed ways to address employer delinquencies and possible legislation for recovering any associated liabilities for employers who might leave PERS; and approved the following items for Board consideration.

### Approval of the FY 2024 Administrative Budget Request

Benson presented the Board with the FY 2024 Administrative Budget Request of \$19,603,302 and asked for final adoption.

- **Motion:** To approve the final adoption of the FY 2024 Administrative Budget Request.
  - **Made by:** Benson.
  - **Seconded by:** Dale.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

*(Addendum A – FY 2024 Final Administrative Budget Request)*

### IHL Representative Election Ballot

Benson presented the election ballot for the institutions of higher learning representative term that begins January 1, 2023.

**Dr. Brian L. Rutledge**

**20.3333 years of service**

**Jackson**

#### Biography:

- University of Mississippi Medical Center, Chief of Staff
- PERS Board, previous board/committee chair
- US Senate Fellow, portfolio included pensions
- Mississippi College, master's
- University of Mississippi, doctorate

#### Candidate Statement:

As a leader at one of the state's largest employers, I am keenly aware of the unique value of a strong and secure retirement system. It is one of our most important benefits and is critical for both recruitment and retention. With 20+ years of my own service in PERS, I am also personally invested in the long-term financial health of the system. Finally, as a lifelong Mississippian, I feel compelled to ensure that our university employees and all public employees have the retirement security to remain committed to and invested in our state.

**Jason M. Shirkey**

**24.0833 years of service**

**Oxford**

#### Biography:

- University of Mississippi (UM), Associate Director-Campus Recreation
- Staff Council President 2019-2022
- UM Retirement & Insurance Standing Committee
- UM, master's
- Indiana University, bachelor's

#### Candidate Statement:

I would like to serve the PERS Board as an employee representative as here's why:

- with 23 years in the system, I am vested and highly motivated to ensure this wonderful benefit continues, grows and gets better
- serving as Staff Council President has allowed me to hear the needs and concerns of employees & I want to help; ensuring the benefits of PERS continue as well as working to lessen the insurance costs especially for retiree's family members

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- MS is a great state & although salaries are not always the highest, the PERS plan is a perk!
- **Motion:** To approve the election ballot for the institutions of higher learning representative term that begins January 1, 2023.
  - **Made by:** Benson.
  - **Seconded by:** Breland.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

## REPORT OF THE AUDIT COMMITTEE

Committee Chair Hanna reported that the Audit Committee met the morning of August 23, 2022, and heard an internal audit update largely focused on employer audits, as well as approved the following item for Board consideration.

### Actuarial Audit Results

Hanna presented the Board with the results of the June 30, 2021 Actuarial Valuations Audit and Review of the June 30, 2020, Experience Investigation conducted by Cheiron. She said that Cheiron found the valuation and projection results to be reasonable and accurate and performed with principles and practices prescribed by the Actuarial Standards Board and Actuarial Standards of Practice (ASOPs). Furthermore, the valuations and GASB reports met professional standards set by ASOPs.

- **Motion:** To accept the June 30, 2021 Actuarial Valuations Audit and Review of the June 30, 2020, Experience Investigation as presented by staff and Cheiron.
  - **Made by:** Hanna.
  - **Seconded by:** Graham.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

*(Addendum B – Actuarial Audit Results)*

## REPORT OF THE CLAIMS COMMITTEE

Committee Chair Benson reported that the Claims Committee met the morning of August 23, 2022, and approved the following item for Board consideration.

### Update on Delinquent Contributions

Benson reviewed remaining delinquent contributions due from Southwest Mississippi Behavioral Health Commission (SWMBHC) of \$22,314.09. He 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.

- **Motion:** To certify \$22,314.09 in contribution payments and penalties due from Southwest Mississippi Behavioral Health Commission 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.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

*(Appendix C – Delinquent Contributions Update)*

Benson reported to the Board that the Claims Committee had voted to request staff to present a resolution certifying any further delinquencies according to PERS Regulation between now and the October PERS board meeting; however, after further discussion, the request was no longer necessary and would not be brought before the Board for vote.

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## REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met August 22, 2022, and heard a market update and performance review from Callan; the MDC Annual Review; and miscellaneous updates, as well as approved the following item for the Board's consideration.

### Investment Policy Review

Rutledge presented the Mississippi Deferred Compensation (MDC) and the Optional Retirement Plan (ORP) Annual Investment Policy Statements Reviews (IPSS). He advised that the IPSS were being presented by staff for customary annual review and approval with no substantive changes recommended.

- **Motion:** To approve revisions to the Mississippi Deferred Compensation Plan Investment Policy and revisions to the Optional Retirement Plan Investment Policy as recommended by staff.
  - **Made by:** Rutledge.
  - **Seconded by:** Hanna.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

*(Appendix D – MDC Annual Investment Policy Statement Review)*

*(Appendix E – ORP Annual Investment Policy Statement Review)*

## REPORT OF THE INVESTMENT COMMITTEE

Committee Chair Breland reported that the Investment Committee met August 22, 2022, and heard a market update and performance review from Callan; small cap manager presentations from DFA, Riverbridge, and Wellington; and miscellaneous updates. He also presented the following items for Board consideration.

Breland reported a -8.5 percent return for the 2022 fiscal year that ended June 30 but also reported that the return has seen an upswing through the latest quarter, especially during July.

### Annual PERS Investment Policy Review

Breland presented the PERS Investment Policy Statement Review (IPS). He advised that the IPS was being presented by staff for customary annual review and approval with changes recommended to adjust current asset weights; add the new asset classes corresponding to the asset allocation approved by the Board in June 2022; and make the document more of a statement of policy and less of a procedural manual.

- **Motion:** To approve revisions to PERS Investment Policy Statement as recommended by staff.
  - **Made by:** Breland.
  - **Seconded by:** Dale.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

*(Appendix F – PERS Annual Investment Policy Statement Review)*

### PERS Watchlist

Breland presented the committee with the PERS' watchlist and staff recommendation to add Epoch Global to the list due to rolling three-year relative performance lagging the benchmark and peer group with shorter term improvements shown. He said that staff also recommended removing Dimensional Fund Advisors US Small Cap Value from the list because rolling three-year returns and peer rankings have outperformed the benchmark.

- **Motion:** To approve adding Epoch Global to and removing Dimensional Fund Advisors US Small Cap Value from the PERS Watchlist as recommended by staff.
  - **Made by:** Breland.
  - **Seconded by:** Howard.

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

*(Appendix G – PERS Watchlist)*

## CERTIFICATION OF MERIDIAN COLA

Higgins presented the Board with the staff recommendation for approval of the payment of a cost-of-living adjustment for the city of Meridian. He asked the Board to approve and certify the 2 percent cost-of-living adjustment for the city of Meridian General Fire and Police Disability and Relief Fund, retroactive to July 1, 2022.

- **Motion:** To approve and certify the 2 percent cost-of-living adjustment for the city of Meridian General Fire and Police Disability and Relief Fund, retroactive to July 1, 2022.
  - **Made by:** Rutledge.
  - **Seconded by:** Hanna.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

*(Appendix H – Certification of Meridian COLA)*

## RETIREE INSURANCE ADVISORY COMMITTEE

Higgins said the Retiree Insurance Advisory Committee is recommending renewal of the PERS-Sponsored Retiree Medical Insurance Plan (Medicare supplement) for calendar year 2023 with Transamerica and recommending approval of an open enrollment period for the PERS-Sponsored Retiree Medical Plan from October 1, 2022, to November 30, 2022.

- **Motion:** To approve renewal of the PERS-Sponsored Retiree Medical Insurance Plan (Medicare supplement) for calendar year 2023 with Transamerica and an open enrollment period for the PERS-Sponsored Retiree Medical Plan from October 1, 2022, to November 30, 2022.
  - **Made by:** Breland.
  - **Seconded by:** Howard.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

## 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 of the following case:

PERS No. 22-12 - 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 duty-related disability benefits be approved.

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

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*(Appendix I – Disability Appeals Summary)*

## RETIREE REPORT

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

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

*(Addendum J - 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 June 28, 2022, board meeting.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the June 28, 2022, board meeting.
  - **Made by:** Breland.
  - **Seconded by:** Dale.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, Smith, and Rutledge.
  - **Voting against:** None.
  - **Absent:** McRae.
  - **Duly Passed.**

*(Addendum K - Investment Report)*

## STAFF AND TRUSTEE CONTINUING EDUCATION

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

## HONORING DR. LEE CHILDRESS

Benson thanked Dr. Lee Childress for 23 years of service on the Board and asked that a resolution in his honor be placed in the minutes.

*(Addendum L – Childress Resolution)*

Benson reminded the Board that the next Claims Committee meeting is scheduled for 10 a.m., September 27, 2022, followed by the Board's regularly scheduled board meeting October 25, 2022.

## ADJOURN

*Benson called the meeting adjourned at 1:19 p.m.*

Respectfully Submitted,



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



Mr. Bill Benson  
Chair  
PERS Board of Trustees

HRH