

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 27, 2023 | PERS Board Room

Page 1



Board of Trustees Meeting Agenda

Tuesday, June 27, 2023

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 – *April 26, 2023*
 - E. Employee of the Quarter – *July-September 2023*
- II. Report of Administrative Committee (*Dr. Randy McCoy*)
 - A. Approval of FY 2025 Initial Administrative Budget Request
 - B. Board Travel Authorization
 - C. Other
- III. Report of Claims Committee (*Mr. Bill Benson*)
 - A. Modify Existing Joinder Agreement
 - B. Certification for Delinquent Contributions
 - C. Other
- IV. Report of Defined Contribution Committee (*Dr. Brian Rutledge*)
 - A. MDC Watchlist
 - B. Other
- V. Report of Investment Committee (*Mr. Kelly Breland*)
 - A. PERS Watchlist
 - B. Other
- VI. Retiree Insurance Advisory Committee
 - A. Approval of Retiree Insurance Open Enrollment – *Senior Term Life Insurance*
- VII. FY 2024 Municipal Retirement Plans Cost-of-Living Certification
- VIII. Disability Appeals Committee
- IX. Staff Reports
 - A. Retiree 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
 - IFEFP 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 23rd Annual Trustee Workshop; July 16-19, Williamsburg, VA
 - NCTR 101st Annual Conference; October 7-11, 2023, La Jolla CA
- XI. Election of the FY 2024 PERS Board Vice Chair
- XII. Adjourn

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
State Treasurer David McRae
Dr. Brian Rutledge
Dr. Jay Smith

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 27, 2023 | PERS Board Room

Page 2

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Tuesday, June 27, 2023, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Tuesday, June 13, 2023, at 5:54 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, 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

Absent: Senator David Blount, Representative Karl Oliver, and Representative John Read.

STAFF ATTENDEES

In Person: Executive Director Ray Higgins; Senior Deputy Director Office of Administrative Services and Chief of Staff Terri Hudson; Chief Investment Officer Charles Nielsen; Counsel and Policy Advisor Davetta Lee; Member and Employer Services Deputy Director Mason Frantom; David DeGuire and Ryan Holliday, Investments; Chief Financial Officer Cindy Ogletree; Melanie Estridge, Barbara Lawson, and Cindy Byars, Accounting; Alex Edmunds, Information Technology; Customer Service Program Administrator LaCarole Smith; Benefit Payments Program Administrator Susan Lyon; Member Account Support Program Administrator Chris Hudson; Miriam Clayton, Member and Employer Services; Retirement Education Program Administrator Centron Lenoir; and Communications Director Shelley Powers.

GUEST ATTENDEES

In Person: Assistant Attorney General Amy Gamble; John Jackson and Alex Ford, Callan; Emily Pote and Mike Larsen, Mississippi Retired Public Employees' Association; Shannon Dyse, Mississippi Deferred Compensation; Hawley Robertson, Lieutenant Governor's Office; and Lee Ann Robinson and Lee Pittman, Legislative Budget Office.

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.

Benson extended sympathy to Smith and Powers on the recent passing of each of their mothers and extended sympathy to Green regarding her mother's serious condition.

AGENDA

- **Motion:** To approve the meeting agenda.
 - **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.**

MINUTES

- **Motion:** To approve the minutes of the April 26, 2023, PERS Board of Trustees' meeting.
 - **Made by:** Rutledge.
 - **Seconded by:** Howard.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 27, 2023 | PERS Board Room

Page 3

EMPLOYEE OF THE QUARTER

Benson presented the Employee of the Quarter for July 2023 through September 2023 to Centron Lenoir, Retirement Education.

REPORT OF THE ADMINISTRATIVE COMMITTEE

Committee Chair McCoy reported that the Administrative Committee met the morning of June 27, 2023, and approved the following items for Board consideration.

Approval of FY 2025 Initial Administrative Budget Request

McCoy presented the Board with the FY 2025 Administrative Budget Request and asked for initial adoption.

- **Motion:** To approve initial adoption of the FY 2025 Administrative Budget Request.
 - **Made by:** McCoy.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum A – FY 2025 Initial Administrative Budget Request)

Board Travel Authorization

McCoy presented the Board with proposed FY 2024 travel to any potential actuarial training, as well as to conferences, trainings and meetings held by the National Council on Teacher Retirement (NCTR), National Association of State Retirement Administrators (NASRA), Certificate of Achievement in Public Plan Policy (CAPPP) sponsored by International Foundation of Employee Benefit Plans (IFEBC), Callan College, or other Callan events.

- **Motion:** To authorize board travel in FY 2024 to any potential actuarial training, as well as to conferences, trainings and meetings held by the National Council on Teacher Retirement (NCTR), National Association of State Retirement Administrators (NASRA), Certificate of Achievement in Public Plan Policy (CAPPP) sponsored by International Foundation of Employee Benefit Plans (IFEBC), Callan College, or other Callan events.
 - **Made by:** McCoy.
 - **Seconded by:** Breland.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Graham, Dale, Hanna, Howard, McRae, McCoy, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**
 -

(Addendum B – Board Travel Authorization 2024)

REPORT OF THE CLAIMS COMMITTEE

Committee Chair and Board Chair Benson reported that the Claims Committee met the morning of June 27, 2023, and considered the following two items.

Modify Existing Joinder Agreement

Benson presented the Board with a joinder agreement amendment for the Lauderdale County Board of Supervisors to include constables under retirement coverage effective October 1, 2021.

- **Motion:** To amend the joinder agreement amendment for the Lauderdale County Board of Supervisors to include constables under retirement coverage effective October 1, 2021.
 - **Made by:** Benson.
 - **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.**

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 27, 2023 | PERS Board Room

Page 4

(Addendum C – Lauderdale County Joinder Agreement Modification)

Update on Delinquent Contributions

Benson presented the Board with an update on the delinquent contribution status of Jefferson County Hospital.

- **Motion:** To certify \$37,601.08 in contribution payments and penalties due from Jefferson County Hospital and request staff to recover such amounts from state funds due the agency, including taking any legal steps necessary.
 - **Made by:** Benson.
 - **Seconded by:** McCoy.
 - **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 DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met the morning of June 27, 2023, and heard a market update and performance review from Callan and miscellaneous updates. Rutledge also presented the following item for Board consideration.

MDC Watchlist

Rutledge presented the Board with MDC's watchlist and the following staff recommendations: Removing BNY Mellon EB US RE from the watchlist (added July 1, 2019) for improvement in exceeding benchmark and attaining stability in exceeding peer median and adding Wellington Small Cap to the watchlist due to turnover of key personnel.

- **Motion:** To approve removing BNY Mellon EB US RE from the MDC watchlist as recommended by staff.
 - **Made by:** Rutledge.
 - **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 approve adding Wellington Small Cap to the MDC watchlist as recommended by staff.
 - **Made by:** Rutledge.
 - **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.**
 -

(Addendum D – MDC Watchlist)

REPORT OF THE INVESTMENT COMMITTEE

Committee Chair Breland reported that the Investment Committee met the morning of June 27, 2023, and heard a market update and performance review from Callan; updates from GCM and Pathway private equity managers; and various miscellaneous updates. He reported to the Board a fiscal year-to-date return of 4.4 percent as of March 31, 2023, which is up from last quarter to 6.43 percent as of June 26, 2023. He also presented the following item for Board consideration.

PERS Watchlist

Breland presented to the Board with PERS' watchlist and the following staff recommendation: Add Wellington Small Cap to the watchlist due to turnover of key personnel.

- **Motion:** To approve staff recommendation to add Wellington Small Cap to the PERS watchlist.
 - **Made by:** Breland.
 - **Seconded by:** Graham.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 27, 2023 | PERS Board Room

Page 5

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

(Addendum E – PERS Watchlist)

- **Motion:** To approve staff recommendation to change the current private equity benchmark from the S&P 500 +3 percent to the S&P 500 +3 percent lagged by one quarter to provide a more relevant measurement of returns for this asset class.
 - **Made by:** Breland.
 - **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.**

RETIREE INSURANCE ADVISORY COMMITTEE

Higgins presented the Board with the following recommendation from the Retiree Insurance Advisory Committee for consideration.

- **Motion:** To approve an open enrollment period each year through the termination of the contract for the PERS-sponsored senior term life insurance plan to run from August 1 through September 30 of that year.
 - **Made by:** Rutledge.
 - **Seconded by:** Howard.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None
 - **Duly Passed.**

FY 2024 MUNICIPAL RETIREMENT PLANS COST-OF-LIVING CERTIFICATION

Higgins presented the Board with the FY 2024 Municipal Retirement Plans Cost-of-Living Certification.

- **Motion:** To approve the FY 2024 Municipal Retirement Plans Cost-of-Living Certification.
 - **Made by:** McCoy.
 - **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 F – FY 2024 MRS COLA Certification).

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. 23-02 - This matter came on for hearing before the DAC March 6, 2023. 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.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 27, 2023 | PERS Board Room

Page 6

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

(Addendum G – Disability Appeals Summary)

RETIREE REPORT

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

- **Motion:** To approve the Retiree Report.
 - **Made by:** Breland.
 - **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 H - 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 April 26, 2023, board meeting.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the April 26, 2023, board meeting.
 - **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.**

(Addendum I - Investment Report)

STAFF AND TRUSTEE CONTINUING EDUCATION

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

There was brief discussion about retirement applications processing and Call Center performance.

ELECTION OF THE FY 2024 PERS BOARD VICE CHAIR

Benson advised that the Nominating Committee, which consisted of himself, Hanna, and McCoy, met to discuss candidates for the FY 2024 board vice chair. This discussion led to the nomination of Kelly Breland for the FY 2024 board vice chair.

- **Motion:** To approve Breland as the FY 2024 board vice chair.
 - **Made by:** Benson.
 - **Seconded by:** Dale.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

Benson congratulated both Hanna, who will serve as the FY 2024 board chair, and Breland before adjourning the meeting.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 27, 2023 | PERS Board Room

Page 7

ADJOURN

Benson called the meeting adjourned at 1:22 p.m.

Respectfully Submitted,



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

HRH



Mr. Bill Benson
Chair
PERS Board of Trustees

