

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

February 23, 2021 | Videoconference

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Board of Trustees Meeting Agenda

Tuesday, February 23, 2021

1 P.M.

- I. **Call to Order** (*Mr. Chris Howard, Chair*)
 - A. Invocation
 - B. Approval of Agenda
 - C. Approval of Minutes – December 15, 2020
 - D. Employee of the Quarter (*April – June 2021*)
- II. **Report of Administrative Committee** (*Dr. Lee Childress*)
 - A. Annual Crediting of Interest to Member Accounts
 - B. Board Election Schedule – County Employees Representative, term beginning January 2022
 - C. Other
- III. **Report of Claims Committee** (*Mr. Bill Benson*)
 - A. Claims Hearing Recommendation – PERS Cause No. 21-05
 - B. Claims Hearing Recommendation – PERS Cause No. 21-04
 - C. Other
- IV. **Report of Legislative Committee** (*Mr. George Dale*)
 - A. Other
- V. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
 - A. Other
- VI. **Report of Investment Committee** (*Mr. Kelly Breland*)
 - A. PERS Watchlist
 - B. Other
- VII. **Disability Appeals Committee**
- VIII. **Staff Reports**
 - A. Executive Director's Update
 - B. Litigation Report
 - C. Retiree Report
 - D. Investment Report
- IX. **Staff and Trustee Continuing Education**
 - A. **Conferences and Training**
 - NCTR 21st Annual Trustee Workshop (In-Person or Virtual); Location TBD; July 26-28, 2021
 - NASRA 2021 Annual Conference; Pittsburgh, PA; August 7-11, 2021
 - IFEBP CAPPF
 - Pensions - Part I – Chicago, IL; July 13-14, 2021 (Tentative)
 - Pensions – Part II – Chicago, IL; July 15-16, 2021 (Tentative)
 - NCTR Annual Conference; Atlanta, GA; October 10-12, 2021
- X. **Economic Interest Disclosures** (Due May 1)
- XI. **Adjourn**

Board Members:

Mr. Chris Howard, *Board Chair*
Dr. Randy McCoy, *Board Vice Chair*
Mr. Bill Benson
Mr. Kelly Breland
Dr. Lee Childress

Mr. George Dale
Ms. Kim Hanna
Treasurer David McRae
Dr. Brian Rutledge
Gubernatorial Appointee, *currently vacant*

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The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met virtually via Microsoft Teams videoconferencing, Tuesday, February 23, 2021. This videoconference board meeting was duly announced to the public, Tuesday, February 9, 2021, at 3:08 p.m., on the Public Meetings Notice website of the Mississippi Department of Finance and Administration.

BOARD MEMBER ATTENDEES

In Attendance: Board Chair Chris Howard, Mr. Bill Benson, Mr. Kelly Breland, Dr. Lee Childress, Mr. George Dale, Ms. Kimberly Hanna, Dr. Randy McCoy, State Treasurer David McRae, and Dr. Brian Rutledge. Absent: None. Current Board Vacancies: Gubernatorial appointee.

STAFF ATTENDEES

Executive Director Ray Higgins; Chief Investment Officer Robert Clark; Member and Employer Services Deputy Administrator Kenny Grissett; Benefit Services Deputy Administrator Shirley Sessoms; Counsel and Policy Advisor Davetta Lee; Employer Reporting Program Administrator Pauline Howard; Benefit Payments Program Administrator Susan Lyon; Survivor and Disability Retirement Program Administrator Terri Bennett; Deputy Chief Investment Officer Charles Nielsen; Call Center Program Administrator Amy Marquez; Derek Moore and Billy Means, Management Information Systems (MIS); Communications Director Shelley Powers; MIS Director Walter Hille; Communications Specialist Mary Margaret Pritchard; Member Account Support Program Administrator Chris Hudson; Service Retirement Program Administrator Terrance Yarbrough; David DeGuire, Investments; and Kim Brown, Survivor and Disability Retirement. Also present was Special Assistant Attorney General Martin Millette, Attorney General's Office.

GUEST ATTENDEES

Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review; Mike Larsen, Mississippi Retired Public Employees' Association; Lauren Albanese, Financial News; Allan Cooper, Mississippi Department of Finance and Administration; Justin Smith, Office of the State Treasurer; Jeremy Kawaller and Elsa Soderberg, Blackrock; Colton Dwyer, Eaton Vance Management; and Steve Wilson, *Northside Sun*.

CALL TO ORDER

Howard, board chair, called the meeting to order at 1:02 p.m.

INVOCATION

Childress gave the invocation.

AGENDA

Howard called for a motion to approve the meeting agenda. The motion was made by McCoy, seconded by Childress, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None.

MINUTES

Howard called for a motion to approve the minutes of the December 15, 2020, PERS Board of Trustees' videoconference meeting. The motion was made by Benson, seconded by Childress, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None.

EMPLOYEE OF THE QUARTER

Howard presented Employee of the Quarter for Fourth Quarter of Fiscal Year 2021 to Brown.

REPORT OF THE ADMINISTRATIVE COMMITTEE

Childress, Administrative Committee chair, reported that the committee met by videoconference Monday, February 22, 2021. Childress reported that, while recognition was given to one employee for 25 years and two employees for 20 years of service, the committee also voted to approve annual credit interest to member accounts and the election schedule for the county representative on the Board of Trustees for the term beginning January 2022.

Childress reported that staff presented the committee with the 2021 Interest Rate for Member Accounts report, in accordance with Board Regulation 62. He advised that the rate is calculated each year based on the money market rate as published in the December 31 issue of the *Wall Street Journal*.

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2021 Interest Rate for Member Accounts

In 2016, the PERS Board of Trustees approved the amendment of Regulation 62 to adjust the interest rate for member accumulation accounts. The interest rate is now calculated based on the money market rate as published by the Wall Street Journal on December 31 each year with a minimum rate of one percent and a maximum rate of five percent.

On December 31, 2020, the Money Market rate published in the Wall Street Journal was 0.20%; therefore, the interest rate paid shall remain set at the minimum rate of one percent as of July 1, 2021.

Childress made the motion to approve the 2021 Interest Rate for Member Accounts report presented by staff and to approve the interest rate for member accumulation accounts to remain set at the minimum rate of one percent, as of July 1, 2021. That motion was seconded by Breland, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None. (*Addendum A – Wall Street Journal 2021 Interest Rate Article*)

Childress presented and made the motion to approve the County Employees' Representative Election Schedule for the term beginning January 2022 and advised the Board that the committee had previously approved the schedule. That motion was seconded by Benson, which motion duly passed, to approve the County Employees' Representative Election Schedule, as presented by staff. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None. (*Addendum B - County Employees' Representative Election Schedule*)

REPORT OF THE CLAIMS COMMITTEE

Benson, Claims Committee chair, reported that the committee met by videoconference Tuesday, January 26, 2021, to hold hearings for PERS Cause No. 21-05 and PERS Cause No. 21-04.

Benson said that, after considering said evidence, the committee made the following findings of fact, conclusions of law, and recommendations to the full Board:

- **PERS Cause No. 21-05** - The decision of the executive director disallowing the two and half years as creditable service be affirmed.
- **PERS Cause No. 21-04** – The claimant repay the retirement benefits paid to her while she was employed at TempStaff.

Benson made the motion to approve the recommendation of the committee as presented for PERS Cause No. 21-05. That motion was seconded by Childress, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None.

Benson made the motion to approve the recommendation of the committee as presented for PERS Cause No. 21-04. That motion was seconded by Rutledge, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None.

REPORT OF THE LEGISLATIVE COMMITTEE

Dale, Legislative Committee chair, reported that the committee reviewed the PERS-related legislation presented by staff. He advised that there was no committee action, as this report was presented by staff for informational purposes only.

REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Rutledge, Defined Contribution Committee chair, reported that the committee met by videoconference Monday, February 22, 2021. Rutledge advised the Board that the committee heard performance reports of the Mississippi Deferred Compensation Plan and the Optional Retirement Plan by Callan. He stated that the reports were for informational purposes and no committee or board action was required.

REPORT OF THE INVESTMENT COMMITTEE

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Breland, Investment Committee chair, reported that the committee met by videoconference, Monday, February 22, 2021. Breland advised that the committee heard capital market projections and a market update from Callan and presentations from Arrowstreet, Baillie Gifford, Marathon, and Harding-Loevener managers. As these items were for information only, no committee action was needed.

Breland also advised that the committee heard and approved staff recommendations for no additions or deletions of managers to the PERS Watchlist. While there were no additions or deletions of managers on the list, Longview was removed from the list because of their termination in December.

Breland called for a motion to approve and adopt the PERS Watchlist as recommended by the committee. The motion was seconded by Benson, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None.

DISABILITY APPEALS COMMITTEE

Higgins presented the recommendation of the Disability Appeals Committee (DAC). He stated that the DAC recommendation and the background information was previously provided to the Board.

- **PERS No. 21-01:** This matter came before the DAC January 11, 2021. The DAC heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The DAC submitted to the Board of Trustees its statement of facts, conclusions of law, and recommendation that the claimant had not satisfied all statutory requirements for non-duty related disability benefits and recommended that the claimant's request for non-duty related benefits be denied.

The motion was made by McCoy, seconded by Rutledge, which motion duly passed, to accept the findings of the DAC and approve the DAC recommendations. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None.

EXECUTIVE DIRECTOR'S UPDATE

Higgins advised the Board that PERS had been invited to present to the Institutions of Higher Learning Board in June. He further advised that the Attorney General's office had been making structural changes in how service is provided by that office to agencies but that Millette will remain the agency's primary contact and representative. Finally, Higgins advised that PERS has been asked to participate in ongoing bond rating agency discussions.

All items were presented for information only. No board action was required.

LITIGATION REPORT

Higgins advised that there was no new litigation to report and further advised that, going forward, the Litigation Report would only be added to the board meeting agenda when new litigation or other significant items to report needed to be brought before the Board.

RETIREE REPORT

Higgins presented the Retiree Report. He advised that the report had been provided to the board members in advance for their review. Higgins requested board approval of this report.

Howard called for a motion to accept the Retiree Report. The motion was made by Childress, seconded by Benson, which motion duly passed, to approve the Retiree Report presented by staff. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None. (*Addendum C - Retiree Report*)

INVESTMENT REPORT

Higgins presented the Investment Report. He advised that this report had been provided to the Board in advance. He requested board approval of this report, as well as of all trades and transactions performed by the PERS Investments division since the last board meeting December 15, 2021.

Howard called for a motion to approve the Investment Report, as well as of all trades and transactions performed by the PERS Investments division since the last board meeting December 15, 2020. The motion was made by Benson, seconded by Breland, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None. (*Addendum D - Investment Report*)

BOARD EDUCATION

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

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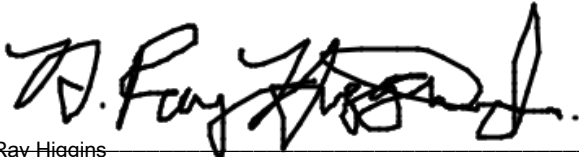
ECONOMIC INTEREST DISCLOSURES

Higgins reminded the Board that the deadline for annual economic interest disclosures was May 1, 2021.

There being no additional business, Howard called for a motion to adjourn the meeting. The motion was made by Childress, seconded by Rutledge, which motion duly passed. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: None. Absent: None.

The meeting was adjourned at 1:24 p.m.

Respectfully Submitted,



Ray Higgins

May 11, 2021 9:19 AM CDT
H. Ray Higgins, Jr.

Executive Director

Public Employees' Retirement System



Chris Howard

May 21, 2021 3:51 PM CDT

Chris Howard

Chair

PERS Board of Trustees

HRH