

BOARD OF TRUSTEES MINUTES  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
APRIL 24, 2018  
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The Board of Trustees of the Public Employees' Retirement System met in the Fourth Floor Board Room of the PERS Building, 429 Mississippi Street, Jackson, Mississippi, at 1:00 p.m., Tuesday, April 24, 2018, with members present as follows: Treasurer Lynn Fitch, Chairman, Mr. Bill Benson, Mr. Stephen Benson, Mr. Kelly Breland, Mr. George Dale, Mr. Chris Howard, and Dr. Brian Rutledge. Absent: Dr. Lee Childress, Dr. Randy McCoy, and Mr. Drew Snyder. Also attending was PERS Legislative Liaison, Representative Mac Huddleston.

Staff members present: Pat Robertson, Executive Director, Greg Gregory, Shirley Sessoms, Davetta Lee, Kenny Grissett, Terri Hudson, Terrance Yarbrough, Ran Jones, Terri Hudson, Alicia Houston, Terri Bennett, Susan Lyon, Jan Cragon, Mason Frantom, LaCarole Smith, Shelley Powers, Alison Vowell, and Mary Jones. Also attending was Special Assistant Attorney General Jane Mapp, Attorney General's Office.

Guest attendees were: Mr. Ray Higgins, incoming PERS Executive Director; Mr. Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review; Mr. Jesse Graham, Office of the State Treasurer; Dr. Terrell Tisdale and Mrs. Martha Tisdale, Retired Education Personnel of Mississippi; Ms. Emily Pote, Mr. Mike Larsen and Mr. Ed LeGrand, Mississippi Retired Public Employees Association; Ms. Terri Ashley and Mr. Allan Cooper, Mississippi Department of Finance and Administration; Ms. Lee Anne Robinson, Mississippi Legislative Budget Office; and Ed Koebel and Jonathan Craven, Cavanaugh Macdonald LLC.

Board Chair Treasurer Lynn Fitch called the meeting to order at 1:00 p.m. Mr. Stephen Benson gave the invocation and led the attendees in the Pledge of Allegiance to the United States Flag.

Treasurer Fitch introduced and welcomed Mr. Ray Higgins. She advised that Mr. Higgins will begin employment with PERS June 1, 2018, and will officially assume his role as the new executive director of PERS, beginning July 1, 2018.

**Agenda** | Treasurer Fitch called for a motion to approve the agenda. She advised that there was a minor modification to the original agenda, Item II.E. Employer Contribution Rate, under the Report of the Administrative Committee, has been removed from the agenda.

The motion was made by Mr. Howard, seconded by Dr. Rutledge, which motion duly passed, to approve the modified meeting agenda. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Minutes** | Treasurer Fitch asked for approval of the Board Meeting minutes of February 27, 2018, and the minutes of the Special Called Telephonic Board Meeting of March 12, 2018.

The motion was made by Mr. Stephen Benson, seconded by Mr. Breland, which motion duly passed, to approve the minutes of the February 27, 2018, Board Meeting and the minutes of the Special Called Telephonic Board Meeting of March 12, 2018. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Administrative Committee** | Mr. Chris Howard, Administrative Committee Chairman, reported that the Committee met Tuesday, April 24, 2018.

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**Regulation 36** Mr. Howard advised that the Committee reviewed amended Regulation 36, Eligibility for Membership in the Public Employees' Retirement System, for final adoption.

**Public Employees' Retirement System  
Board of Trustees  
April 24, 2018  
Proposed Amendment to Board Regulation**

Staff requests the Board's final approval of the proposed amendment to the following regulation:

**Regulation 36: Eligibility for Membership in the Public Employees' Retirement System**

The proposed amendment to Regulation 36 would clarify that school employees who do not substantially complete the legal school term will be awarded service credit in monthly increments like all other PERS members.

The effective date of the proposed amendment will be July 1, 2018.

The motion was made by Mr. Stephen Benson, seconded by Dr. Rutledge, which motion duly passed, to approve final adoption of amended Regulation 36, Eligibility for Membership in the Public Employees' Retirement System. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder. (*Addendum A – Regulation 36*)

**Regulation 59** Mr. Howard advised that the Committee reviewed amended Regulation 59, Plan Assumptions, for final adoption.

**Public Employees' Retirement System  
Board of Trustees  
April 24, 2018**

**Proposed Amendment to Board Regulation**

Staff requests the Board's final approval of the proposed amendment to the following regulation:

**Regulation 59: Plan Assumptions**

The proposed amendment to Regulation 59 would update the actuarial assumptions for PERS, SLRP, and MHSPRS, as approved by the PERS Board of Trustees. This regulation is updated every two years based on the most recent Experience Study.

The effective date of the proposed amendment will be July 1, 2018.

The motion was made by Mr. Howard, seconded by Mr. Bill Benson, which motion duly passed, to approve final adoption of amended Regulation 59, Plan Assumptions. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder. (*Addendum B – Regulation 59*)

**Approval of Actuarial Firm Selection** Mr. Howard reported that the Administrative Committee met Monday, April 9, 2018, and heard presentations from the Actuarial Consultant Search Finalists. He advised that after the finalists' presentations, the Committee reached the consensus to bring the vote for the final selection of the Actuarial Services Firm for PERS to the next Administrative Committee meeting Tuesday, April 24, 2018. Mr. Howard advised that after discussions and deliberations at the April 24, 2018

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Administrative Committee meeting, the Committee voted to retain Cavanaugh Macdonald LLC as the PERS Actuarial Services Firm and instructed staff to enter into negotiations with Cavanaugh Macdonald LLC, to finalize and execute a five-year contract with a three-year renewal. Mr. Howard advised that the Committee was seeking final approval from the Board of this selection.

The motion was made by Mr. Howard, seconded by Mr. Stephen Benson, which motion duly passed, to approve the retention of Cavanaugh Macdonald LLC, to perform actuarial services for PERS for a period of five years beginning July 1, 2018, and to instruct staff to finalize and execute a five-year contract with a three-year renewal with Cavanaugh Macdonald LLC. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Funding Policy** | Mr. Howard reported that the Committee reviewed and discussed the current PERS Funding Policy. He advised that after review and discussion, the Committee reached the consensus to direct staff and Cavanaugh Macdonald to incorporate the use of three metrics in development of the revised Funding Policy, which will include analysis of the Funded Ratio, Cash Flow as a Percentage of Assets and the Actuarially Determined Contribution. The Committee further directed staff to use the “signal-light” approach in evaluating each metric, which will include green, yellow, and red signal indicators. In conjunction, the Committee provided parameters related to each of the metrics. Mr. Howard advised that he was requesting approval from the Board to allow staff to continue to work on the Funding Policy report in order to facilitate the final adoption of a Funding Policy at the June 2018 Board meeting.

The motion was made by Mr. Howard, seconded by Mr. Bill Benson, which motion duly passed, to direct staff to continue to work on the Funding Policy and to incorporate the analysis of the Funded Ratio, Cash Flow as a Percentage of Assets and the Actuarially Determined Contribution as metrics using the “signal-light” approach. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**State Employee Rep Election Schedule** | Mr. Howard advised that the Committee reviewed and approved the State Employee Representative Election Schedule presented by staff.

**PERS Board Election Schedule – State Employee Representative**

**Term ends 12/31/18**

April 24, 2018	Board approval of election schedule at regularly scheduled meeting
June 27, 2018	News release
June 27, 2018	Notice mailed to agencies soliciting potential candidates
July 27, 2018	Deadline for receipt of petitions
Aug 14, 2018	Deadline for preparation of official ballot
Aug 28, 2018	Board approval of ballot at regularly scheduled meeting
Aug 29, 2018	News release (after Board approval of official ballot)
Sept 7, 2018	Deadline to mail ballots
Oct 7, 2018	Deadline for receipt of ballots/votes
Oct 23, 2018	Board approval of election results at regularly scheduled meeting
Oct 24, 2018	Provide notification to candidates and provide news release (after Board approval of election results)
Nov 2, 2018	Deadline for swearing in of new Board member

**Runoff (if necessary)**

Nov 06, 2018	Ballots mailed
Dec 07, 2018	Deadline for receipts of ballots/votes

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Dec 18, 2018	Board approval of election results at regularly scheduled meeting
Dec 19, 2018	Provide notification to candidates and provide news release (after Board approval of election results)
Dec 28, 2018	Deadline for swearing in of new Board member

The motion was made by Mr. Howard, seconded by Dr. Rutledge, which motion duly passed, to approve the State Employee Representative Election Schedule presented by staff. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Alternate Meeting  
 Dates Schedule**

Ms. Robertson reported that the Alternate Meeting Dates Schedule for the Investments finalists' presentations was revised by staff and presented to the Administrative Committee at the February 27, 2018, meeting. She advised that the schedule was revised in order for the finalists' presentations meetings to be scheduled closer to the date of the Board meetings. She advised that staff was requesting final approval from the Board of the revised schedule.

**PERS BOARD & COMMITTEE MEETINGS  
 2018 SCHEDULE**

February 26	Defined Contribution & Investment Committee Meetings
February 27	Board Meeting & Other Committee Meetings
April 23	Defined Contribution & Investment Committee Meetings
April 24	Board Meeting & Other Committee Meetings
June 25	Defined Contribution & Investment Committee Meetings
June 26	Board Meeting & Other Committee Meetings
August 27	Defined Contribution & Investment Committee Meetings
August 28	Board Meeting & Other Committee Meetings
October 22	Defined Contribution & Investment Committee Meetings
October 23	Board Meeting & Other Committee Meetings
December 17	Defined Contribution and Investment Committee Meetings
December 18	Board Meeting & Other Committee Meetings

**INVESTMENT COMMITTEE PRESENTATIONS 2018**  
*(Revised February 27, 2018; Final Board approval April 24, 2018)*

*These meetings to be held ONLY when Investment Finalists' Presentations become necessary*  
*(These dates are two weeks prior to the Board Meeting and are contingent/subject to Board discretion and availability)*

- Monday, January 22
- Monday, April 9
- Monday, June 11
- Monday, August 13
- Monday, October 8
- Monday, December 3

**CLAIMS COMMITTEE HEARINGS 2018**  
*These meetings to be held ONLY when Claims Hearings become necessary.*

*(The 4<sup>th</sup> Tuesday of every other month)*

**Tuesday, January 23**  
**Tuesday, March 27**  
**Tuesday, May 22**  
**Tuesday, July 24**  
**Tuesday, September 25**  
**Tuesday, November 27**

The motion was made by Mr. Howard, seconded by Mr. Stephen Benson, which motion duly passed, to approve the revised Alternate Meeting Dates Schedule. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Municipal Employee  
Rep Election Schedule**

Mr. Howard advised that the Board was just made aware of the need to hold a special election for the Municipal Employee Representative to the Board, and while the election schedule was not reviewed by the Committee, he was bringing the Municipal Employee Representative Election Schedule to the Board for approval, as prepared by staff.

**PERS Board Election Schedule – Municipal Employee Representative**

May 1, 2018	News release
May 1, 2018	Notice mailed to municipalities soliciting potential candidates
May 31, 2018	Deadline for receipt of petitions
June 26, 2018	Board approval of ballot at regularly scheduled meeting
June 27, 2018	News Release (after Board approval of official ballot)
July 5, 2018	Deadline to mail ballots
August 6, 2018	Deadline for receipt of ballots/votes
August 28, 2018	Board approval of election results at regularly scheduled meeting
August 29, 2018	Provide notification to candidates and provide new release (after Board approval of election results)
September 7, 2018	Deadline for swearing in of new Board member
<b>Runoff (if necessary)</b>	
September 7, 2018	Ballots mailed
October 8, 2018	Deadline for receipt of ballots/votes
October 23, 2018	Board approval of election results at regularly scheduled meeting
October 24, 2018	Provide notification to candidates and provide news release (after Board approval of election results)
November 2, 2018	Deadline for swearing in of new Board Member

The motion was made by Mr. Howard, seconded by Mr. Breland, which motion duly passed, to approve the Municipal Employee Representative Election Schedule presented by staff. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Legislative  
Committee**

Mr. George Dale, Legislative Committee Chairman, reported that the Committee met Tuesday, April 24, 2018. Mr. Dale advised that the Committee took no actions, as the Legislative update was for informational purposes.

Ms. Robertson presented an update and recap of House Bill 1581, the PERS 2019 Appropriation Bill, and House Bill 1617, the PERS Deficit Bill. She advised that PERS is pleased with the outcome of this legislation.

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**Claims  
Committee**

Mr. Bill Benson, Claims Committee Chairman, reported that the Committee met Tuesday, April 24, 2018.

**Certification of Delinquent  
Contributions – Town of Woodville**

Mr. Bill Benson reported that the Committee reviewed and certified the Delinquent Contributions of the Town of Woodville, in the amount of \$4,140.63. He advised that the Town of Woodville will be notified that if the amounts are not fully paid within thirty days, PERS will pursue legal steps to recover such amounts from state funds due the employer from the Department of Revenue, Mississippi Division of Medicaid, or any other department or agency of the State of Mississippi.

The motion was made by Mr. Bill Benson, seconded by Dr. Rutledge, which motion duly passed, to certify the Delinquent Contributions status of the Town of Woodville, in the amount of \$4,140.63, and to grant approval to PERS staff to pursue legal steps to recover such amounts from state funds due the Town of Woodville from the Department of Revenue, the Mississippi Division of Medicaid, or any other department or agency of the State of Mississippi. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder. (*Addendum C – Certification of Delinquency – Woodville*)

**Ad Hoc  
Committee**

Mr. Bill Benson, Ad Hoc Committee Vice Chairman, reported that the Committee conducted a telephonic meeting Monday, March 12, 2018. Mr. Benson advised that the Committee voted to hire Mr. Ray Higgins as the next PERS Executive Director, with a start date of June 1, 2018, at an annual salary of \$179,000.

The motion was made by Mr. Bill Benson, seconded by Mr. Dale, which motion duly passed, to hire Mr. Ray Higgins as the next PERS Executive Director, with a start date of June 1, 2018, at an annual salary of \$179,000. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Defined Contribution  
Committee**

Dr. Rutledge, Defined Contribution Committee Chairman, reported that the Committee met Monday, April 23, 2018.

**MDC Termination Requests  
- Wayne General Hospital  
- Stone Co. Bd of Supervisors**

Dr. Rutledge reported that the Committee reviewed and approved the Termination Requests of Wayne General Hospital and Stone County Board of Supervisors. He advised that these two entities are requesting approval to terminate their participation in the Mississippi Government Employees' Deferred Compensation Plan & Trust (MDC) Plan and Trust.

The motion was made by Dr. Rutledge, seconded by Mr. Bill Benson, which motion duly passed, to approve the MDC Termination Requests of Wayne General Hospital and Stone County Board of Supervisors, thereby allowing these entities to terminate their participation in the MDC. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder. (*Addendum D – MDC Termination Agreement – Wayne General Hospital*) (*Addendum E – MDC Termination Agreement – Stone County Board of Supervisors*)

**MDC Asset Rollover Request  
– Hinds County Bd of Supervisors**

Dr. Rutledge reported that the Committee reviewed and approved the MDC Asset Rollover Request of the Hinds County Board of Supervisors, to allow

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individual employees to transfer their individual assets from the MDC Plan and Trust to the 457(b) employer plan provided by the county.

The motion was made by Dr. Rutledge, seconded by Mr. Howard, which motion duly passed, to approve the MDC Asset Rollover Request of the Hinds County Board of Supervisors, to allow individual employees to transfer their individual assets from the MDC Plan and Trust to the 457(b) employer plan provided by the county. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder. (*Addendum F – MDC Asset Rollover Request – Hinds County Board of Supervisors*)

**Investment Committee** | Mr. Breland, Investment Committee Chairman, reported that the Committee met Monday, April 23, 2018.

**TA Realty Fund XII Recommendation** | Mr. Breland reported that the Committee heard and approved a recommendation from staff of a \$75 million commitment to the TA Realty Fund XII. He reported that staff advised that this commitment is a value add real estate investment which will bring the PERS portfolio closer to fulfilling the target allocations outlined in the PERS Investment Policy.

The motion was made by Mr. Breland, seconded by Mr. Stephen Benson, which motion duly passed, to approve the recommendation of staff to commit \$75 million to the TA Realty Fund XII. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder. (*Addendum G – TA Realty Fund XII*)

**Fidelity Small Cap International Recommendation** | Mr. Breland reported that the Committee heard and approved a recommendation from staff and Callan Associates to begin a search for an international small cap manager to replace the Fidelity Small Cap fund in the PERS investment portfolio, due to concerns over significant personnel changes at Fidelity. Mr. Breland advised that staff reported that PERS currently has a \$300 million commitment in the Fidelity Small Cap fund. He advised that staff and Callan Associates are recommending approval to initiate a search for an international small cap manager and approval of the search criteria presented by staff.

The motion was made by Mr. Breland, seconded by Dr. Rutledge, which motion duly passed, to approve the initiation of a search for a new international small cap manager to replace the Fidelity Small Cap fund and to approve the search criteria for a new international small cap manager for the PERS investment portfolio, as recommended by staff and Callan Associates. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder. (*Addendum H– Fidelity Small Cap Recommendation*) (*Addendum I – International Small Cap Search Criteria*)

**Disability Appeals Committee** | Ms. Bennett presented the recommendations of the Disability Appeals Committee. She reported that Board members were provided the recommendations of the Disability Appeals Committee prior to the Board Meeting. She advised that Board members were given an opportunity to state by case number any exceptions which said Board members had to any of the recommendations of the Disability Appeals Committee.

Chairman Fitch asked for a motion concerning the following recommendations of the Disability Appeals Committee by case number:

**PERS No. 17-28:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees February 12, 2018. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant is disabled within the meaning of Section 25-11-113 of the Mississippi Code and recommends the claimant's request for non-duty-related disability benefits be approved.

**PERS No. 18-03:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees March 5, 2018. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant was disabled as a direct result of an accident or traumatic event resulting in a physical injury that occurred during the line of performance of duty, as required to qualify for duty related disability benefits under Section 25-11-114 of the Mississippi Code and recommends that the claimant's request for duty-related disability benefits be approved, subject to reexamination in one year.

**PERS No. 18-05:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees March 5, 2018. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that (1) claimant is physically and mentally unable to return to the employment from which she is retired and (2) that the Board of Trustees continues claimant's non-duty-related benefits as provided in Section 25-11-113 of the Mississippi Code.

**PERS No. 18-06:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees March 5, 2018. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees this Statement of Facts, Conclusions of Law, and Recommendation that the claimant was not disabled from performing his usual duties of employment, as required for non-duty related disability benefits under Section 25-11-113 of the Mississippi Code and recommends that the claimant's request for non-duty related disability benefits be denied.

The motion was made by Mr. Stephen Benson, seconded by Mr. Breland, which motion duly passed, to accept the findings of the Disability Appeals Committee and approve all the recommendations of the Committee. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Litigation Report** | Ms. Mapp presented a summary of the statuses of cases in which changes or actions have occurred since the February 27, 2018, Board Meeting. Ms. Mapp reported that there are currently 26 cases in the appellate process. She advised that there has been activity in the following cases since the February 27, 2018, report to the PERS Board of Trustees:

**CLAIMS COMMITTEE HEARINGS**

**HARRELL v. PERS:** Ms. Harrell filed a Notice of Appeal from the February 21, 2018, Administrative Determination denying her request to receive survivor benefits following the death of her spouse. A Claims Committee hearing is scheduled for Tuesday, May 22, 2018, at 9:00 a.m.

**COLEMAN v. PERS:** Ms. Coleman filed a Notice of Appeal from the January 30, 2018, Administrative Determination affirming staff's decision to remove 4.00 years of service credit from her account. A Claims Committee hearing is scheduled for Tuesday, May 22, 2018, at 10:30a.m.

**WALLACE v. PERS:** Mr. Wallace filed a Notice of Appeal from the January 10, 2018, Administrative Determination denying his request that he be awarded an additional 3.25 years of service credit for accumulated unused leave. A Claims Committee hearing is scheduled for the morning of Tuesday, June 12, 2018, at a time to be determined.

**CIRCUIT COURT APPEALS FILED:**

**SMITH v. PERS:** The Disability Appeals Committee of the PERS Board of Trustees entered an Order date February 27, 2018, denying that claimant's application for disability benefits. Smith timely filed notice of appeal with the Hinds County Circuit Clerk's office on March 21, 2018. PERS is currently awaiting receipt of a certified copy of the transcript of claimant's hearing, at which time the administrative record will be filed with the court.

**THOMAS v. PERS:** The Disability Appeals Committee of the PERS Board of Trustees entered an Order date February 27, 2018, denying that claimant's application for disability benefits. Thomas timely filed a notice of appeal with the Hinds County Circuit Clerk's office on March 27, 2018. PERS is currently awaiting receipt of a certified copy of the transcript of claimant's hearing, at which time the administrative record will be filed with the court.

**CIRCUIT COURT:**

**HICKS v. PERS:** On October 24, 2017, the PERS Board of Trustees entered an order adopting the recommendation of the Claims Committee to deny Hicks claim regarding survivor benefits. Ms. Hicks appealed the decision to the Circuit Court of Hinds County on October 31, 2017. PERS filed the certified administrative record with the circuit clerk on January 2, 2018. Brief of Appellant filed with Circuit Court on February 7, 2018. PERS' Brief of Appellee was filed March 8, 2018.

**BUTLER v. PERS:** The Disability Appeals Committee of the PERS Board of Trustees determined that claimant's application for disability should be denied. Butler timely filed a notice of appeal with the Hinds County Circuit Clerk's office on November 29, 2017. PERS filed the certified administrative record with the circuit clerk on January 3, 2018. Brief of Appellant was filed February 26, 2018 and PERS' Brief of Appellee was filed March 27, 2018.

**THOMPSON v. PERS:** The PERS Board entered an Order dated December 15, 2015, upholding the Medical Board's decision to deny Thompson's request for disability benefits. Thompson has appealed the decision to the Circuit Court of Hinds County. The Administrative Record was filed with the Clerk of the Court on March 23, 2016. Thompson filed her Brief of Appellant on April 25, 2017, and PERS filed its Brief of Appellee on June 23, 2017. On September 14, 2017, Thompson filed a Motion to Remand for a New Hearing, alleging PERS violated due process right to a fair hearing. PERS filed Response in Opposition to the motion on September 15, 2017. On March 26, 2018, Thompson filed a second Motion to Remand to Consider Social Security Determination or to take Judicial Notice Thereof. PERS filed its Response in Opposition to the motion on March 27, 2018.

**CIRCUIT COURT OPINIONS ISSUED:**

***BRADLEY v. PERS:*** On December 18, 2012, the PERS Board of Trustees entered an order adopting the recommendation of the Disability Appeals Committee that Bradley's application for duty-related disability benefits be denied. Bradley appealed the decision to the Circuit Court. On September 28, 2016, the Circuit Court entered a Deficiency Notice requiring Bradley to file his Appellant's Brief within 14 days of the Order. The Brief of Appellant was filed October 12, 2016, and PERS' Brief was filed December 14, 2016. On March 21, 2018, the Court entered its Order Affirming the Decision of the PERS Board of Trustees. Bradley has thirty days until April 20, 2018, to file a Notice of Appeal to the Mississippi Supreme Court.

***LANG v. PERS:*** The case was remanded to PERS by the Court of Appeals for further determination on October 23, 2012. The Board approved the recommendation of the Disability Appeals Committee and issued its Order February 25, 2014, to deny the claimant non-duty disability benefits. Following briefing by both parties, the Court entered its Order Affirming the Decision of the PERS Board of Trustees on April 3, 2018. Lang has thirty days until May 3, 2018, to file a Notice of Appeal to the Mississippi Supreme Court.

**SUPREME COURT/COURT OF APPEALS:**

***ULRICH v. PERS:*** The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated April 19, 2016, that claimant's application for duty related disability should be denied. On February 2, 2018, the Circuit Court issued its Opinion and Order affirming the decision of the PERS Board of Trustees. Ulrich filed a timely Notice of Appeal to the Supreme Court on February 26, 2018.

**PERS Securities Litigation:**

- Amedisys, Inc.
- Satyam Computer Services Limited
- Merck & Co., Inc. (VIOXX)
- Green Mountain Coffee Roasters
- IN RE: Canada, Inc. v. Qualcomm *et al.*
- Sprouts Farmers Market, Inc.
- Banco Bradesco S.A.
- Stericycle, Inc. *et al.*
- TreeHouse Foods, Inc.
- Roadrunner Transportation Systems, Inc.
- Endo International, PLC
- Signet Jewelers Limited
- Valeant Pharmaceuticals International
- Volkswagen AG (Germany)
- Regeneron Pharmaceuticals, Inc.
- Dr. Reddy's Laboratories Ltd.
- Acuity Brands, Inc.

**Securities-Related Cases in Which PERS Is a Defendant:**

- In Re: Tribune Company

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**Retiree Report**

Mr. Frantom reported that, as of the April 2018 payroll, all systems (PERS, SLRP, MHSP, and MRS) had a total of 107,142 retirees/survivors receiving monthly benefit payments, with a total monthly payroll of over \$165 million. The breakdown of retirees/survivors by system and amounts paid per plan was presented as follows:

System	March 2018		April 2018	
	Retirees	Payments	Retirees	Payments
PERS	104,523	\$161,317,872.00	104,487	\$161,407,295.69
SLRP	205	\$86,783.86	207	\$87,285.05
MHSPRS	733	\$1,904,860.30	731	\$1,902,921.97
MRS	1725	\$2,507,852.85	1717	\$2,499,781.47
<b>TOTAL</b>	<b>107,186</b>	<b>\$165,817,369.01</b>	<b>107,142</b>	<b>\$165,897,284.18</b>

Mr. Frantom reported that the total fiscal year-to-date payroll was over \$2.3 billion, inclusive of the daily payroll as indicated in the following:

ALL SYSTEMS		COMBINED DAILY AND MONTHLY RETIREE PAYROLL TOTALS		
MONTH	YEAR	DAILY PAYROLL**	MONTHLY PAYROLL	PAYROLL TOTALS
		\$	\$	\$
JULY	2017	\$44,618,117.66	\$163,455,099.52	\$208,073,217.18
AUGUST	2017	\$5,797,396.47	\$164,355,228.09	\$170,152,624.56
SEPTEMBER	2017	\$5,450,451.42	\$164,549,324.98	\$169,999,776.40
OCTOBER	2017	\$4,441,203.44	\$164,774,575.00	\$169,215,778.44
NOVEMBER	2017	\$3,460,058.55	\$164,976,696.59	\$168,436,755.14
DECEMBER	2017	\$2,496,737.17	\$165,011,225.41	\$167,507,962.58
DECEMBER 2015	2017	-	\$566,955,665.72	\$566,955,665.72
JANUARY	2018	\$13,438,569.74	\$165,635,045.49	\$179,073,615.23
FEBRUARY	2018	\$5,717,673.70	\$165,800,536.30	\$171,518,210.00
MARCH	2018	\$3,941,732.74	\$165,817,369.01	\$169,759,101.75
APRIL*	2018	\$4,587,763.16	\$165,897,284.18	\$170,485,047.34
MAY	2018			
JUNE	2018			
<b>YTD</b>		<b>\$93,949,704.05</b>	<b>\$2,217,228,050.29</b>	<b>\$2,311,177,754.34</b>

Mr. Frantom provided additional breakdown information including the total number of recipients per plan, and the total number of recipients added or removed from payroll for each plan.

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The motion was made by Mr. Bill Benson, seconded by Mr. Breland, which motion duly passed, to approve the Retiree Report. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

**Investment Report** Mr. Nielsen presented the Report of Investments for the period ending March 31, 2018. He reported that as of March 31, 2018, the market value of the PERS investment portfolio was \$28.1 billion. He advised that as of close of business yesterday, April 23, 2018, the portfolio was valued at \$28.3 billion. He advised that the portfolio return rate as of March 31, 2018, was 8.23%, and as of yesterday, April 23, 2018, the return rate was 9.45%.

Mr. Nielsen reported that PERS currently has 38 investment managers managing 55 different portfolios. He reported that the total Securities Lending earnings for the period ending March 31, 2018, was \$16.6 million.

Mr. Nielsen presented the following Consolidated Portfolio Summary:

**Consolidated Portfolio Summary**  
As of: 03/31/2018

<b>Asset Class</b>	<b>Book Value</b>	<b>% of Total Book Value</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
Domestic Equity	4,667,992,880.15	20.97%	7,346,226,336.79	26.22%
Fixed Income	5,685,701,523.64	25.55%	5,719,599,449.75	20.41%
International Equity	7,878,373,806.23	35.40%	9,566,423,575.65	34.15%
Real Estate	1,756,285,170.39	7.89%	2,753,659,384.71	9.83%
Private Equity	1,524,639,606.49	6.85%	1,928,594,685.81	6.88%
Cash & Cash Equivalent In-House	299,540,961.50	1.35%	299,540,961.50	1.07%
Cash & Cash Equivalent Manager	442,874,944.53	1.99%	402,619,134.55	1.44%
<b>Total</b>	<b>22,255,408,892.93</b>	<b>100.00%</b>	<b>28,016,663,528.76</b>	<b>100.00%</b>

Mr. Nielsen presented the list of FY 2018 fund transfers and the list of investment transactions processed since the February 27, 2018, PERS Board meeting. He requested Board certification of the investment transactions and Board approval of the Investment Report.

The motion was made by Mr. Bill Benson, seconded by Mr. Stephen Benson, which motion duly passed, to approve the Investment Report presented by staff and to certify the investment transactions and fund transfers for FY 2018, to date. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

Ms. Robertson advised that for informational purposes staff included a listing of the upcoming Board meeting agenda items for the next Board of Trustees meeting(s).

Ms. Robertson advised that the 18<sup>th</sup> Annual Trustee Workshop of the National Association of State Retirement Administrators (NASRA) will be held July 22-25, 2018, in Berkeley, California; the NASRA

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Annual Conference will be held August 4-8, 2018, in San Diego, California; the National Council on Teacher Retirement conference will be held October 7-9, 2018, in Washington, D.C.; and the International Foundation of Employee Benefit Plans Certificate of Achievement in Public Plan Policy, Parts I and II training sessions, will be held in Chicago, Illinois, June 12-13, and 14-15, 2018, with Part I to be conducted again in New Orleans, Louisiana, October 13-14, 2018.

Chairman Fitch called for a motion to adjourn the meeting.

The motion was made by Mr. Bill Benson, seconded by Mr. Breland, which motion duly passed, to adjourn the meeting. Voting for: B. Benson, S. Benson, Breland, Dale, Fitch, Howard, and Rutledge. Voting against: none. Absent: Childress, McCoy, and Snyder.

There being no additional business, the meeting adjourned at 1:24 p.m.

Respectfully Submitted,



Pat Robertson, Executive Director  
Public Employees' Retirement System



Lynn Fitch  
Chairman, Board of Trustees

PR:maj