



Board of Trustees Meeting Agenda

Wednesday, April 29, 2020

2:30 P.M.

(or immediately following the Administrative Committee meeting)

- I. **Call to Order** (*Dr. Brian Rutledge, Chair*)
 - A. **Invocation**
 - B. **Pledge of Allegiance**
 - C. **Approval of Agenda**
 - D. **Approval of Minutes** – *February 25, 2020*

- II. **Report of Administrative Committee** (*Dr. Lee Childress*)
 - A. **Approval of the State Employees’ Representative Election Results**
 - B. **PERS Regulation 59, Plan Assumptions** (*Final Adoption*)
 - C. **Other**

- III. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
 - A. **ORP Plan Document Amendment**
 - B. **ORP Index Fund and Money Market Recommendations**
 - C. **Other**

- IV. **Report of Investment Committee** (*Mr. Chris Howard*)
 - A. **Value-Add Real Estate Fund Recommendation**
 - B. **Other**

- V. **Disability Appeals Committee**

- VI. **Staff Reports**
 - A. **Executive Director’s Update**
 - B. **Litigation Report**
 - C. **Retiree Report**
 - D. **Investment Report**

- VII. **Staff and Trustee Continuing Education**
 - A. **Board Workshop** – postponed
 - B. **Conferences and Training**
 - **NCTR 2020 Trustee Workshop, Berkeley, CA, July 19–22, 2020**
 - **NASRA 2020 Annual Conference, Park City, UT, August 8-12, 2020**
 - **IFEBP CAPP**
 - **Pension Part I (Santa Monica, CA, September 22, 2020)**
 - **Pension Part II (Santa Monica, CA, September 24, 2020)**
 - **NCTR 2020 Annual Conference, La Jolla, CA, October 10-13, 2020**

- VIII. **Economic Interest Disclosures** - due May 1

- IX. **Adjourn**

BOARD OF TRUSTEES' **TELEPHONIC MEETING** MINUTES
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
APRIL 29, 2020
PAGE 1

The Board of Trustees of the Public Employees' Retirement System (PERS) of Mississippi met via videoconference, Wednesday, April 29, 2020. This board meeting was duly announced to the public, Wednesday, April 15, 2020, at 12:02 p.m., on the Public Meetings Notice website of the Mississippi Department of Finance and Administration.

The following PERS Board members were present in the videoconference: Board Chair, Dr. Brian Rutledge, Mr. Bill Benson, Mr. Kelly Breland, Dr. Lee Childress, Mr. George Dale, Ms. Kimberly Hanna, Mr. Chris Howard, Dr. Randy McCoy, and State Treasurer David McRae. Absent: Mr. Drew Snyder. Also present were PERS Legislative Liaisons, Senator Sally Doty, Representative Mac Huddleston, and Representative John Read.

Staff members present in the videoconference were: PERS Executive Director Ray Higgins, Robert Clark, Kenny Grissett, Terri Hudson, Davetta Lee, Shirley Sessoms, Charles Nielsen, Jason Clark, Pauline Howard, LaCarole Smith, Susan Lyon, Terrance Yarbrough, Terri Bennett, Amy Marquez, Billy Means, Mason Frantom, Cindy Ogletree, Shelley Powers, Ran Jones, John Moody, Walter Hille, Mary Margaret Pritchard, and Mary Jones. Also present was Special Assistant Attorney General Martin Millette, Attorney General's Office.

Guests who joined the videoconference were: Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review; Porscha Minor, Lee Anne Robinson, Chris Graham, and Howard Brown, Legislative Budget Office; Audra Ferguson-Allen and Rob Gauss, Ice Miller LLP; Allan Cooper, Department of Finance and Administration; Shannon Dyse and Marybeth Daubenspeck, Empower Retirement; John Jackson and Brian Smith, Callan LLC; Margarida Correia, Pensions and Investments; Lauren Albanese, Financial Investment News; Jennifer Yellott, Nationwide; Terrell and Martha Tisdale, retirees; and Mike Larsen, Mississippi Retired Public Employees' Association.

Chairman Rutledge called the meeting to order at 2:08 p.m. Dr. Randy McCoy gave the invocation.

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

Minutes | Chairman Rutledge called for a motion to approve the minutes of the February 25, 2020, PERS Board of Trustees' meeting. The motion was made by Mr. McRae, seconded by Dr. McCoy, which motion duly passed, to approve the minutes of the PERS board meeting of February 25, 2020. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: none. Absent: Snyder.

Administrative Committee | Dr. Lee Childress, Administrative Committee chair, reported that the committee met by videoconference, Wednesday, April 29, 2020.

Approval of State Employees' Rep Election Results | Dr. Childress reported that the committee reviewed and approved the State Employees' Representative Election results. Staff reported that a runoff has been scheduled for this election, as neither of the two candidates who received the highest number of votes, received a majority of the votes, as required.

**Public Employees' Retirement System
Board of Trustees
April 29, 2020
Proposed Amendment to the Optional Retirement Plan
Plan Document**

Staff requests the Board's initial approval of the proposed amendment to the following section:

Amend Section 5.1 *Fund Sponsors/Funding Vehicles*, to update the plan investment offerings to specifically include collective investment trusts and common group trusts. The statute and current plan document provide broad authority for investment options. This amendment provides specific language required by fund managers and recommended by tax counsel. Similar language is found in the Mississippi Deferred Compensation Plan Document.

The effective date of the proposed amendments will be August 1, 2020.

The motion was made by Dr. Rutledge, seconded by Mr. Howard, which motion duly passed, to approve initial adoption of the ORP Plan Document Amendment presented by staff. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: none. Absent: Snyder. (*Addendum D – ORP Plan Document Amendment*)

**ORP Index Fund & Money
Market Recommendation**

Dr. Rutledge reported that the committee reviewed and approved the recommendation of staff to add new index funds and money market funds to the ORP.

The motion was made by Dr. Rutledge, seconded by Dr. Childress, which motion duly passed, to approve the ORP Index Fund and Money Market Recommendation presented by staff. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: none. Absent: Snyder (*Addendum E – ORP Index Fund & Money Market Recommendation*)

Investment Committee

Mr. Chris Howard, Interim Investment Committee chair, reported that the committee met by videoconference, Wednesday, April 29, 2020.

**Value-Add Real Estate
Fund Recommendation**

Mr. Howard reported that the committee reviewed and approved the \$75 million Value-Add Real Estate Fund Recommendation presented by staff. He advised that staff recommended the AEW Partners Real Estate Fund IX for this mandate.

The motion was made by Mr. Howard, seconded by Ms. Hanna, which motion duly passed, to approve the Value-Add Real Estate Fund Recommendation of staff for a \$75 million allocation to the AEW Partners Real Estate Fund IX. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: none. Absent: Snyder (*Addendum F – Value Add Real Estate Recommendation*)

Mr. Howard reported that the committee heard the PERS Performance Review and Market Update report presented by the Callan LLC investment consultants. He advised that the update was for informational purposes only and no board action was required.

BOARD OF TRUSTEES' *TELEPHONIC MEETING* MINUTES
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 APRIL 29, 2020
 PAGE 5

Investment Report

Mr. Higgins presented the Investment Report and requested the board's approval of the report, as well as all transactions and transfers made since the last board meeting of February 25, 2020.

Consolidated Portfolio Summary
 As of: 03/31/2020

Asset Class	Book Value	% of Total Book Value	Market Value	% of Total Market Value
Domestic Equity	5,323,031,335.07	23.14%	6,574,177,760.30	25.98%
Fixed Income	5,101,209,610.87	22.18%	5,060,481,429.63	20.00%
International Equity	8,203,595,259.46	35.66%	7,734,900,339.89	30.57%
Real Estate	1,630,088,949.64	7.09%	2,589,659,347.99	10.23%
Private Equity	1,970,673,915.73	8.57%	2,595,096,802.81	10.26%
Cash & Cash Equivalent In-House	454,797,996.67	1.98%	454,797,996.67	1.80%
Cash & Cash Equivalent Manager	320,518,082.07	1.39%	293,369,013.97	1.16%
Total	23,003,915,149.51	100.00%	25,302,482,691.26	100.00%

The motion was made by Mr. Benson, seconded by Ms. Hanna, which motion duly passed, to approve the Investment Report and the transactions and transfers performed by staff since the last PERS board meeting of February 20, 2020. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: none. Absent: Snyder. (*Addendum H – Investment Report*)

Mr. Higgins stated that, due to the current health crisis, the Board Educational Workshop, originally scheduled for May 12 - 13, 2020, has been postponed. He advised that staff will continue to keep the board members informed of any further cancellations of the other conferences and events listed on today's meeting agenda.

Mr. Higgins reminded the board members that the due date for the Economic Interest Disclosures is May 1.

Dr. Rutledge thanked Mr. Drew Snyder for his service to the PERS Board as the gubernatorial appointee of Governor Phil Bryant. Mr. Snyder's term on the board expires April 30, 2020. Mr. Snyder was not present.

Dr. Rutledge stated that there was no other business and called for a motion to adjourn the meeting.

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

The meeting was adjourned at 2:19 p.m.

Respectfully Submitted,

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APRIL 29, 2020
 PAGE 4

Disability Appeals Committee

Mr. Higgins presented the recommendation of the Disability Appeals Committee (DAC). He stated that the DAC recommendation and the background information were previously provided to the board members. Mr. Higgins requested approval of this recommendation.

Dr. Rutledge called for a motion concerning this DAC recommendation:

PERS No. 20-02: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees January 13, 2020. 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's request for non-duty related disability benefits be denied.

The motion was made by Mr. Benson, seconded by Dr. McCoy, which motion duly passed, to accept the finding of the DAC and approve the DAC recommendation presented by staff. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: none. Absent: Snyder

Executive Director's Update

Mr. Higgins stated that he would like to thank all PERS staff for their hard work in making this videoconference possible and for moving quickly in making it possible for the majority of PERS staff to work remotely, during this time of crisis. He stated that this has allowed for the successful continuation of PERS' key operations.

Mr. Higgins reported that PERS still has not received a response from the Internal Revenue Service pertaining to the pending Private Letter Ruling matter.

Litigation Report

Mr. Higgins stated that the Litigation Report was previously provided to the board members. No board action was required for this report. There were no changes to this report since the last board meeting of February 25, 2020.

Retiree Report

Mr. Higgins presented the Retiree Report and requested the board's approval of the report. He advised that the entire report was previously provided to the board members.

<u>System</u>	<u>March 2020</u>		<u>April 2020</u>	
	<u>Retirees</u>	<u>Payments</u>	<u>Retirees</u>	<u>Payments</u>
PERS	109,844	\$176,183,963.95	109,871	\$176,334,933.53
SLRP	228	\$100,292.46	230	\$101,719.59
MHSPRS	743	\$2,066,831.13	742	\$2,066,800.34
MRS	1,601	\$2,390,086.96	1,596	\$2,384,579.79
TOTAL	112,416	\$180,741,174.50	112,439	\$180,888,033.25

The motion was made by Mr. Howard, seconded by Dr. Childress, which motion duly passed, to approve the Retiree Report. Voting for: Benson, Breland, Childress, Dale, Hanna, Howard, McCoy, McRae, and Rutledge. Voting against: none. Absent: Snyder. (*Addendum G – Retiree Report*)

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Dr. Rutledge thanked Mr. Drew Snyder for his service to the PERS Board as the gubernatorial appointee of Governor Phil Bryant. Mr. Snyder's term on the board expires April 30, 2020. Mr. Snyder was not present.

Dr. Rutledge stated that there was no other business and called for a motion to adjourn the meeting.

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

The meeting was adjourned at 2:19 p.m.

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PUBLIC EMPLOYEES' RETIREMENT SYSTEM
APRIL 29, 2020
PAGE 6



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



Brian Rutledge, PhD
Chair
PERS Board of Trustees

HRH: maj