

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 26, 2024 | PERS Board Room

Page 1



Board of Trustees Meeting Agenda

Wednesday, June 26, 2024

1:00 P.M.

- A. Call to Order (*Ms. Kim Hanna, Chair*)
 - A. Invocation
 - B. Pledge of Allegiance
 - C. Approval of Agenda
 - D. Approval of Minutes – *April 24, 2024*
 - E. Employee of the Quarter- *July-September 2024*
- B. Report of Administrative Committee (*Dr. Randy McCoy*)
 - A. Approval of FY 2025 Initial Administrative Budget Request
 - B. Regulation 60: Contribution Rates
 - C. Regulation 34: Reemployment after Retirement
 - D. Board Travel Authorization
 - E. State Employees' Representative Election Ballot
 - F. Actuarial Contracts
 - G. Other
- C. Report of Claims Committee (*Mr. Bill Benson*)
 - A. Dissolution of Tunica County Healthcare Authority
 - B. Certification for Delinquent Contributions – *Jefferson County Hospital*
 - C. Other
- D. Report of Defined Contribution Committee (*Dr. Brian Rutledge*)
 - A. MDC Watchlist
 - B. ORP Plan Document
 - C. Other
- E. Report of Investment Committee (*Mr. Kelly Breland*)
 - A. PERS Watchlist
 - B. Private Equity Benchmarking
 - C. Other
- F. Retiree Insurance Advisory Committee
 - A. New Member Appointment
- G. FY 2025 Municipal Retirement Plans Cost-of-Living Certification
- H. Disability Appeals Committee
- I. Staff Reports
 - A. Retiree Report
 - B. Investment Report
- J. Staff and Trustee Continuing Education
 - A. NCTR 24th Annual Trustee Workshop; July 21-24, Berkeley, CA
 - B. NASRA 2024 Annual Conference; August 3-7, 2024; Pittsburgh, Pennsylvania
 - C. NCTR 102nd Conference; October 5-9, 2024; Atlanta, GA
- K. Election of the FY 2025 PERS Board Vice Chair
- L. Adjourn

Board Members:

Ms. Kim Hanna, *Board Chair*
Mr. Kelly Breland, *Board Vice Chair*
Mr. Bill Benson
Mr. George Dale
Mr. Chris Graham

Dr. Randy McCoy
State Treasures David McRae
Dr. Brian Rutledge
Dr. Jay Smith
Vacant

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 26, 2024 | PERS Board Room

Page 2

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Wednesday, June 5, 2024, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Tuesday, June 5, 2024, at 2:48 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 Ms. Kimberly Hanna, Mr. Bill Benson, Mr. George Dale, Mr. Chris Graham, State Treasurer David McRae, Dr. Randy McCoy, Dr. Brian Rutledge, and Dr. Jay Smith.

Via Teleconference: None.

Absent: Mr. Kelly Breland.

Current Board Vacancies: One of Two State Employee Representatives.

LEGISLATIVE LIAISON ATTENDEES

In Person: Senator Daniel Sparks, and Representative John Read.

STAFF ATTENDEES

In Person: Executive Director Ray Higgins; Chief Investment Officer Charles Nielsen; Member and Employer Services Deputy Director Mason Frantom; Benefit Services Deputy Director Lisa Green; David DeGuire, Investments; Comptroller Melanie Estridge; Christy Smith, Barbara Lawson, and Cindy Byars, Accounting; Chief Technology Officer Mike Lowry; Billy Means, Information Technology; Human Resources Director Alison Vowell; Employer Reporting Program Administrator Alisa Evans; Member Account Support Program Administrator Chris Hudson; Mariam Clayton, Member and Employer Services; Connette Caston, Mya Love, DeShondra Jones, and Brandy Harris, Retirement Services QA; Fronza Walker, Survivor and Disability Retirement; Mertice Ricks, Elizabeth Hulitt, and Angela Donley, Benefit Services; Kevin Wilbert, Angela Anderson, Jasmine Davison, Desaree Thigpen, and Carla Alexander, Service Retirement; and Communications Director Shelley Powers.

Virtually: Customer Service Program Administrator LaCarole Smith; Benefit Payments Program Administrator Susan Lyon; and Retirement Education Program Administrator Centron Lenoir

GUEST ATTENDEES

In Person: Assistant Attorney General Caroline Johnson; Drew Allen, Mississippi Joint Legislative Committee on Performance Evaluation; Ed Koebel, Cavanaugh Macdonald Consulting; Grace Breazeale, Mississippi First; Allan Cooper, Mississippi Department of Finance and Administration; Yerger Lurate, Harper Raines Knight; Emily Pote and Bonnie Granger, Mississippi Retired Public Employees' Association; and Emily Tschiffely, Lee Pittman, and Corbin Stanford, Legislative Budget Office.

Via Teleconference: Lee Ann Robinson, Legislative Budget Office

CALL TO ORDER

Board Chair Hanna called the meeting to order at 1 p.m.

INVOCATION

Rutledge gave the invocation.

PLEDGE OF ALLEGIANCE

Rutledge led the Pledge of Allegiance.

AGENDA

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

MINUTES

- **Motion:** To approve the minutes of the April 24, 2024, PERS Board of Trustees' meeting.
 - **Made by:** Rutledge.
 - **Seconded by:** Benson.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 26, 2024 | PERS Board Room

Page 3

- **Absent:** Breland.
- **Duly Passed.**

EMPLOYEE OF THE QUARTER

Hanna presented the Employee of the Quarter for July 2024 through September 2024 to Alexander.

Benson thanked Green and her staff in their recent work processing retirement applications.

REPORT OF THE ADMINISTRATIVE COMMITTEE

Committee Chair McCoy reported that the Administrative Committee met the morning of June 26, 2024, and heard an actuarial report with modeling and stress testing on funding projections assuming the fixed contribution rate schedule based on 2024 legislation. The presentation was given for information only; no committee action was taken but led to a good and healthy discussion. McCoy also brought before the Board the following items for consideration, as approved by the committee.

Approval of FY 2026 Initial Administrative Budget Request

McCoy presented the Board with the FY 2026 Administrative Budget Request and asked for initial adoption.

- **Motion:** To approve initial adoption of the FY 2026 Administrative Budget Request.
 - **Made by:** McCoy.
 - **Seconded by:** Benson.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McRae, McCoy, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum A – FY 2026 Initial Administrative Budget Request)

Regulation 60: Contribution Rates

McCoy presented the Board with committee-recommended changes to Regulation 60. The amendments would update the employer contribution rate for PERS and ORP from 17.4 percent to 17.9 percent, in accordance with Senate Bill 3231 as passed during the 2024 Legislative session. In accordance with law, ORP employers contribute the same amount the employer would be required to contribute to PERS if the participant were a member. The amendment would also update the employer contribution rate for SLRP from 7.4 percent to 8.4 percent, as approved by the Board. Both amendments would be effective July 1, 2024.

- **Motion:** To provide final approval of staff-recommended changes to Regulation 60 to update the employer contribution rate for PERS and ORP (17.4 percent to 17.9 percent) and SLRP (7.4 percent to 8.4 percent), effective July 1, 2024, and to make additional modifications as needed to align with recent law changes.
 - **Made by:** McCoy.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum B – Regulation 60 Amendments)

Regulation 34: Reemployment After Retirement

McCoy presented the Board with committee-recommended changes to Regulation 34. The amendments would incorporate the critical-teacher-shortage-reemployment changes from House Bill 765 as passed during the 2024 Legislative session. The amendment would be effective July 1, 2024.

- **Motion:** To approve committee recommendation to amend Regulation 34 to incorporate the critical-teacher-shortage-reemployment changes from House Bill 765 as passed during the 2024 Legislative session, effective July 1, 2024.
 - **Made by:** McCoy.
 - **Seconded by:** Benson.
 - **Discussion:** None.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi
June 26, 2024 | PERS Board Room

Page 4

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

(Addendum C – Regulation 34 Amendments)

Board Travel Authorization

McCoy presented the Board with proposed FY 2025 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 (IFEBP), Callan College, or other Callan events.

- **Motion:** To authorize board travel in FY 2025 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 (IFEBP), Callan College, or other Callan events.
 - **Made by:** McCoy.
 - **Seconded by:** Graham.
 - **Discussion:** None.
 - **Voting for:** Benson, Graham, Dale, Hanna, McRae, McCoy, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**
 -

(Addendum D – Board Travel Authorization 2025)

State Employees' Representative Election Ballot

McCoy presented the Board the draft ballot for the state employees' representative election to fill the unexpired term left vacant upon the retirement of Chris Howard. The unexpired term runs through June 2026.

State Employee Representative Candidates

Dr. William J. Ashley Mississippi Department of Employment Security, executive director
Rodney J. Burch, Jr. Mississippi Department of Public Safety, Capitol Police, lieutenant
Allan D. Cooper Mississippi Department of Finance and Administration, budget officer
Dr. Daniel E. Myers Mississippi State Hospital, program specialist iv
Gregory W. Ramsey Mississippi Department of Transportation, deputy director, financial management
Terrance D. Yarbrough Mississippi Department of Transportation, deputy administrator, human resources

- **Motion:** To approve certification of the ballot for the state employees' representative election for the unexpired term ending June 2026.
 - **Made by:** McCoy.
 - **Seconded by:** Graham.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum E – State Employees Representative Ballot)

Actuarial Contracts

McCoy presented the Board with the committee recommendation to approve actuarial contracts with Gabriel Roeder Smith and Cheiron, as outlined in Senate Bill 3231, for the review of any Board recommendation to the Legislature for future employer contribution rate increases.

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 26, 2024 | PERS Board Room

Page 5

- **Motion:** To approve committee recommendation of actuarial contracts with Gabriel Roeder Smith and Cheiron, as outlined in Senate Bill 3231, for the review of any board recommendation to the Legislature for future employer contribution rate increases, and that the scope negotiated in the contracts would be reported back to the Board.
 - **Made by:** McCoy.
 - **Seconded by:** McRae.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

REPORT OF THE CLAIMS COMMITTEE

Committee Chair Benson reported that the Claims Committee met the morning of June 26, 2024, and heard an update on delinquent contributions for Jefferson County Hospital. Benson reported that Jefferson County Hospital was up to date on its contribution payments to PERS. Benson also presented to the Board the following item for consideration as recommended by the committee.

Dissolution of Tunica County Healthcare Authority

Benson presented the Board with a committee recommendation that the dissolution of Tunica County Healthcare Authority be approved for Social Security and PERS retirement coverage effective May 1, 2024. These members will be moving under the Tunica County Board of Supervisors, so they will remain in PERS.

- **Motion:** To approve committee recommendation that the dissolution of Tunica County Healthcare Authority be approved for Social Security and PERS retirement coverage effective May 1, 2024.
 - **Made by:** Benson.
 - **Seconded by:** Dale.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum F – Tunica County Healthcare Authority Dissolution of Coverage)

REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met the morning of June 25, 2024, and heard a market update and performance review from Callan. Rutledge also presented the following items for Board consideration.

ORP Plan Document

Rutledge presented the committee with the following staff-recommended changes to the Optional Retirement Plan for final adoption, effective July 1, 2024.

Amend Section 4.1 *Plan Contributions* to update the employer contribution rate from 17.40 percent to 17.90 percent in accordance with House Bill 3231 as passed during the 2024 Legislative Session. In accordance with Miss. Code Ann. § 25-22-411, ORP employers shall contribute the same amount the employer would be required to contribute to PERS if the participant were a member.

- **Motion:** To approve for final adoption the Optional Retirement Plan Document amendments as recommended by the committee effective July 1, 2024.
 - **Made by:** Rutledge.
 - **Seconded by:** McCoy.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum G – ORP Plan Document)

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 26, 2024 | PERS Board Room

Page 6

REPORT OF THE INVESTMENT COMMITTEE

Chair Hanna reported that the Investment Committee met the morning of June 25, 2024, and heard a market update and performance review from Callan; updates from Invesco, J.P. Morgan, Principal, and UBS real estate managers; and various miscellaneous updates. She reported to the Board that, as of May 31, the system has \$33.5 billion in assets and had an investment return of 9.8 percent. The current estimated return on investments is 11.5 percent, which is hoped to hold until June 30, fiscal yearend. She also presented the following items for Board consideration.

PERS Watchlist

Hanna presented to the Board the PERS' watchlist and committee recommendations to add two managers to the list. Baillie Gifford ACWI ex US All Cap was recommended for having a rolling three-year relative performance lag behind the benchmark and peer group. Harding Loevner Global Equity was also recommended for a rolling three-year performance lag, as well as turnover of key personnel.

- **Motion:** To approve committee recommendation to add Baillie Gifford ACWI ex US All Cap and Harding Loevner Global Equity to the PERS watchlist.
 - **Made by:** McRae.
 - **Seconded by:** Benson.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum H – PERS Watchlist)

Private Equity Benchmarking

Hanna presented the Board with committee recommendations to change the policy private equity benchmark from the S&P 500 plus 3 percent to the Cambridge Associates' private equity benchmark, retroactive through the entire fiscal year.

- **Motion:** To approve committee recommendation to change the policy private equity benchmark from the S&P 500 plus 3 percent to the Cambridge Associates' private equity benchmark, retroactive through the entire fiscal year.
 - **Made by:** Benson.
 - **Seconded by:** McCoy.
 - **Discussion:** Sparks asked for clarification of this change. A brief discussion ensued. Higgins clarified that the intent was to have best benchmark to be reflective of that asset class, effective with June 30 reporting. Nielsen explained that this change was to get a better measuring stick for managers in that area.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum I – Private Equity Benchmarking)

RETIREE INSURANCE ADVISORY COMMITTEE

Higgins presented the Board with his recommendation to approve the appointment of Laura Jackson to fill a vacancy on the Retiree Insurance Advisory Committee for a term ending October 31, 2026.

- **Motion:** To approve Laura Jackson to fill vacancy on the Retiree Insurance Advisory Committee for a term ending October 31, 2026.
 - **Made by:** Benson.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

June 26, 2024 | PERS Board Room

Page 7

FY 2025 MUNICIPAL RETIREMENT PLANS COST-OF-LIVING CERTIFICATION

Higgins presented the Board with the FY 2025 Municipal Retirement Plans Cost-of-Living Certification.

- **Motion:** To approve the FY 2025 Municipal Retirement Plans Cost-of-Living Certification.
 - **Made by:** Benson.
 - **Seconded by:** Dale.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum J – FY 2025 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. 24-01 - This matter came on for hearing before the DAC January 8, 2024. 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 denied and that the Claimant's request for non-duty-related disability benefits be approved, subject to reexamination in one year.

PERS No. 24-05 - This matter came on for hearing before the DAC April 1, 2024. 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 and non-duty-related disability benefits be denied.

PERS No. 24-06 - This matter came on for hearing before the DAC April 15, 2024. 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 denied.

PERS No. 24-08 - This matter came on for hearing before the DAC May 6, 2024. 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 and non-duty-related disability benefits be denied.

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

(Addendum K – Disability Appeals Summary)

RETIREE REPORT

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

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

(Addendum L - Retiree Report)

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi
June 26, 2024 | PERS Board Room

Page 8

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 24, 2024, board meeting.

McCoy noted that the securities lending management summary through the end of May is about \$12.6 million, and he thanked the Investment team for putting this money to use to earn income for the system.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the April 24, 2024, board meeting.
 - **Made by:** McCoy.
 - **Seconded by:** McRae.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

(Addendum M - Investment Report)

STAFF AND TRUSTEE CONTINUING EDUCATION

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

ELECTION OF THE FY 2025 PERS BOARD VICE CHAIR

Hanna advised that the Nominating Committee, which consisted of the chair, the vice chair, and the past chair, met to discuss candidates for the FY 2025 board vice chair. This discussion led to the nomination of Benson for the FY 2025 board vice chair.

- **Motion:** To approve Bill Benson as the FY 2025 board vice chair.
 - **Made by:** McCoy.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** Breland.
 - **Duly Passed.**

Dale commented on the fine work of outgoing chair, Hanna, and said the Board appreciated her hard work. Hanna thanked Dale for the comments.

ADJOURN

Hanna called the meeting adjourned at 1:32 p.m.

Respectfully Submitted,



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



Ms. Kim Hanna
Chair
PERS Board of Trustees

HRH