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Public Employees' Retirement System of Mississippi
February 28, 2024 | PERS Board Room

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Board of Trustees Meeting Agenda Wednesday, February 28, 2024 1:00 P.M.

- I. **Call to Order** (*Ms. Kim Hanna, Chair*)
 - A. **Invocation**
 - B. **Pledge of Allegiance**
 - C. **Approval of Agenda**
 - D. **Approval of Minutes** – *December 19, 2023*
 - E. **Employees of Quarter** – *(April-June 2024)*

- II. **Report of Administrative Committee** (*Dr. Randy McCoy*)
 - A. **Banking Services RFP**
 - B. **Regulation 59: Plan Assumptions**
 - C. **Regulation 60: Contribution Rates**
 - D. **Regulation 43: Interest Rates**
 - E. **Annual Crediting of Interest on Member Accounts**
 - F. **Other**

- III. **Report of Claims Committee** (*Mr. Bill Benson*)
 - A. **Certification for Delinquent Contributions** – *Jefferson County Hospital*
 - B. **Modify Joinder Agreement** – *Pearl River Co. Bd. of Supervisors*
 - C. **Other**

- IV. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
 - A. **ORP Plan Document**
 - B. **TIAA CTF Options**
 - C. **Other**

- V. **Report of Legislative Committee** (*Mr. George Dale*)
 - A. **Other**

- VI. **Report of Investment Committee** (*Mr. Kelly Breland*)
 - A. **Other**

- VII. **Disability Appeals Committee**

- VIII. **Staff Reports**
 - A. **Refiree Report**
 - B. **Investment Report**

- IX. **Economic Interest Disclosures**

- X. **Adjourn**

Board Members:

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

Mr. Chris Howard
Dr. Randy McCoy
State Treasurer David McRae
Dr. Brian Rutledge
Dr. Jay Smith

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The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Wednesday, February 28, 2024, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Tuesday, February 13, 2024, at 8:08 a.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. Kelly Breland, Mr. George Dale, Mr. Chris Graham, 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

In Person: None.

STAFF ATTENDEES

In Person: Executive Director Ray Higgins; Chief Investment Officer Charles Nielsen; Senior Deputy Administrator Office of Administrative Services and Chief of Staff Terri Hudson; Counsel and Policy Advisor Davetta Lee; Member and Employer Services Deputy Administrator Mason Frantom; Benefit Services Deputy Administrator Lisa Green; Jason Clark, Investments; Chief Technology Officer Mike Lowry; Billy Means, Antonio Fisher, Maurice Gilliam, Ryan Davy, Chris Renfro, Alex Edmund, and William Bilbro, Information Technology; Comptroller Melanie Estridge, Accounting; Employer Reporting Program Administrator Alisa Evans; Benefit Payments Program Administrator Susan Lyon; Retirement Education Program Administrator LaCarole Smith; Service Retirement Program Administrator Terri Bennett; Member Account Support Program Administrator Chris Hudson; and Communications Director Shelley Powers.

Via Teleconference: Ken Nason, Information Technology

GUEST ATTENDEES

In Person: Assistant Attorney General Suzanne Hudson; Kristen Jones, Office of the Attorney General; Lee Ann Robinson and Emily Tschiffely, Legislative Budget Office; Ray Wright, Mississippi Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER); Phil Sutphin, Retired Education Personnel of Mississippi; Yerger Lurate, Harper Raines Knight; Allan Cooper, Mississippi Department of Finance and Administration; Toren Ballard, Mississippi First; Dr. Ivan Ghereless, Vernon Weathers, Alexis Wave, and Sir Rucker, Jackson State University; and Emily Pote and Bonnie Granger, Mississippi Retired Public Employees' Association.

Via Teleconference: Ed Koebel, Cavanaugh Macdonald

CALL TO ORDER

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

INVOCATION

Benson gave the invocation.

PLEDGE OF ALLEGIANCE

Benson led the Pledge of Allegiance.

Breland arrived at 1:01 p.m.

AGENDA

- **Motion:** To approve the meeting agenda.
 - **Made by:** McCoy.
 - **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.**

MINUTES

- **Motion:** To approve the minutes of the December 19, 2023, PERS Board of Trustees' meeting.
 - **Made by:** McRae.

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- **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.**

EMPLOYEE OF THE QUARTER

Hanna presented the Employee of the Quarter for April through June 2024, to Antonio Fisher, Information Technology.

REPORT OF THE ADMINISTRATIVE COMMITTEE

Committee Chair McCoy reported that the Administrative Committee met the morning of February 28, 2024, and approved the following items for Board consideration.

Banking Services RFP

McCoy presented the Board with a staff recommendation to approve BNY Mellon for custody services, Mitsubishi for securities lending services, and Regions Bank for commercial banking services with selection contingent on successful contract and fee negotiations.

- **Motion:** To approve BNY Mellon for custody services, Mitsubishi for securities lending services, and Regions Bank for commercial banking services with selection contingent on successful contract and fee negotiations.
 - **Made by:** McCoy.
 - **Seconded by:** Benson.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum A – Banking Services)

REGULATION 59: PLAN ASSUMPTIONS

McCoy presented the Board with staff-recommended changes to Regulation 59 for initial approval. The amendments would update the actuarial assumptions for PERS, SLRP, and MHSPRS, effective July 1, 2024.:

- **Motion:** To provide initial approval of staff-recommended changes to Regulation 59 to update actuarial assumptions for PERS, SLRP, and MHSPRS, effective July 1, 2024.
 - **Made by:** McCoy.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, Rutledge, and Smith.
 - **Voting against:** McCoy.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum B – Regulation 59)

REGULATION 60: CONTRIBUTION RATES

McCoy presented the Board with staff-recommended changes to Regulation 60 for initial approval. The amendments would update the employer contribution rate for PERS and ORP from 17.4 percent to 19.4 percent, as approved by the Board in accordance with law that ORP employers contribute the same amount as would be required if the PERS 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 initial approval of staff-recommended changes to Regulation 60 to update the employer contribution rate for PERS and ORP (17.4 percent to 19.4 percent) and SLRP (7.4 percent to 8.4 percent), effective July 1, 2024.
 - **Made by:** McCoy.
 - **Seconded by:** Benson.

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

(Addendum C – Regulation 60)

REGULATION 43: INTEREST RATES

McCoy presented the Board with staff-recommended changes to Regulation 43 for initial approval. The amendment would provide the current assumed rate of return and provide historical rates for July 1, 2021, through June 30, 2023.

- **Motion:** To provide initial approval of staff-recommended changes to Regulation 43 to provide the current assumed rate of return and provide historical rates for July 1, 2021, through June 30, 2023.
 - **Made by:** McCoy.
 - **Seconded by:** Breland.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McRae, McCoy, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum D – Regulation 43)

ANNUAL CREDITING OF INTEREST TO MEMBER ACCOUNTS

McCoy presented the Board with the 2024 Interest Rate for Member Accounts report, in accordance with Board Regulation 62, as follows:

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 1 percent and a maximum rate of 5 percent.

On December 31, 2023, the Money Market rate published in the Wall Street Journal was 0.48 percent; therefore, the interest rate paid shall remain set at the minimum rate of 1 percent as of July 1, 2024.

- **Motion:** To approve the 2024 Interest Rate for Member Accounts report presented by staff and to approve the interest rate for member accumulated accounts to remain set at the minimum rate of 1 percent as of July 1, 2024.
 - **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.**

REPORT OF THE CLAIMS COMMITTEE

Committee Chair and Board Chair Benson reported that the Claims Committee met the morning of February 28, 2024, and considered the following items.

Certification for Delinquent Contributions

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

- **Motion:** To certify \$146,524.27 in contribution payments and penalties due from Jefferson County Hospital and request staff to recover such amounts from state funds due from the agency, including taking any legal steps necessary.
 - **Made by:** Benson.
 - **Seconded by:** Graham.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.

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- **Absent:** None.
- **Duly Passed.**

Modify Joinder Agreement

Benson presented a joinder agreement modification for Pearl River County Board of Supervisors to include constables for retirement coverage, effective January 1, 2024.

- **Motion:** To modify Pearl River County Board of Supervisors' existing joinder agreement to include constables for retirement coverage, effective January 1, 2024.
 - **Made by:** Benson.
 - **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.**

REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met February 27, 2024, and heard a market update and performance review from Callan on Mississippi Deferred Compensation and the Optional Retirement Plan, as well as various miscellaneous updates. He also presented the Board with the following items for consideration.

ORP Plan Document

Rutledge presented the Board with staff-recommended amendments to the ORP Plan Document for initial adoption.

- **Motion:** To approve for initial adoption the ORP Plan amendments as recommended by staff.
 - **Made by:** Rutledge.
 - **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.**

(Addendum E – ORP Plan Document)

TIAA CIT Options

Rutledge presented the committee with staff recommendations to approve TIAA CIT Options.

- **Motion:** To approve staff recommendation of TIAA CIT Options.
 - **Made by:** Rutledge.
 - **Seconded by:** Benson.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, Howard, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum F – TIAA CIT Options)

REPORT OF THE LEGISLATIVE COMMITTEE

Committee Chair Dale reported that the Legislative Committee met the morning of February 28, 2024, and heard an overview of pending legislation for the 2024 session, as well as had a lengthy, worthwhile, and educational discussion of the bills. He said the committee will continue discussions as needed after the March 5, 2024, legislative filing deadline. No committee action was taken.

REPORT OF THE INVESTMENT COMMITTEE

Committee Chair Breland reported that the Investment Committee met February 27, 2024. He reported that, while recent initial investment returns from the past week show the fund up 7.6 percent for FY 2024, official returns from Callan for the first six

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months of the fiscal year show the fund at 4.7 percent through December 31. He said the committee heard a market update and performance review from Callan that revealed that, over the last 15 years, PERS was in the 98th percentile (i.e., first) in performance among public pension funds of \$10 billion or greater. Breland said this performance is outstanding and gave kudos to the Investment team for its hard work. Breland said the committee also heard a Manager Fee Analysis that reported that PERS paid \$99.8 million in investment management fees for FY 2023, and the total fund expense ratio of .31 percent ranks in the lower quartile amounts peers. Breland said this was well done from the standpoint of the staff's ever-present effort to watch pennies when finding consultants. Breland said the committee also heard updates from Artisan MidCap Growth, Victory MidCap Value, and Eagle Large Cap. No committee action was taken.

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. 18-16 - This matter came on for hearing before the DAC August 28, 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 non-duty-related disability benefits be approved.

- **Motion:** To accept the findings of the DAC and approve the DAC recommendations.
 - **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:** Graham.
 - **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 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 December 19, 2023, board meeting.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the December 19, 2023, board meeting.
 - **Made by:** Rutledge.
 - **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.**

(Addendum I - Investment Report)

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ECONOMIC INTEREST ETHICS DISLOSURE

Higgins advised the Board of the May 1, 2024, deadline for submission of their Economic Interests Ethics Disclosure.

ADJOURN

Hanna called the meeting adjourned at 1:18 p.m.

Respectfully Submitted,



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



Ms. Kimberly Hanna
Chair
PERS Board of Trustees

HRH

