

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

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Board of Trustees Meeting Agenda Wednesday, October 23, 2024 1:00 P.M.

- I. **Call to Order** (*Mr. Kelly Breland, Chair*)
 - A. Invocation
 - B. Pledge of Allegiance
 - C. Approval of Agenda
 - D. Approval of Minutes – August 28, 2024

- II. **Report of Administrative Committee** (*Mr. Bill Benson*)
 - A. 2025 Board & Committee Meetings Schedule
 - B. PERS State Representative Election Results
 - C. Actuarial Valuation and Projection
 - D. Additional Independent Actuarial Assessments
 - E. Other

- III. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
 - A. Other

- IV. **Report of Investment Committee** (*Dr. Randy McCoy*)
 - A. Other

- V. **Report of Legislative Committee** (*Mr. George Dale*)
 - A. 2025 Legislative Initiatives
 - B. Other

- VI. **FY 2025 Municipal COLA Certification for Tupelo**

- VII. **Retiree Insurance Advisory Committee**
 - A. New Members Appointments

- VIII. **Disability Appeals Committee**

- IX. **Staff Reports**
 - A. Retiree Report
 - B. Investment Report

- X. **Adjourn**

Board Members:

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

Dr. Randy McCoy
State Treasurer David McRae
Dr. Brian Rutledge
Dr. Jay Smith
Vacant State Employee Representative

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The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Wednesday, October 23, 2024, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Friday, October 11, 2024, at 2:08 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, on the PERS website, and on the PERS YouTube Channel.

BOARD MEMBER ATTENDEES

In Person: Board Chair Mr. Kelly Breland, Mr. Bill Benson, Mr. George Dale, Mr. Chris Graham, Ms. Kimberly Hanna, Dr. Randy McCoy, Dr. Brian Rutledge, State Treasurer David McRae, and Dr. Jay Smith.

Via Teleconference: None.

Absent: None.

Current Board Vacancies: One of Two State Employee Representatives.

LEGISLATIVE LIAISON ATTENDEES

Absent: Representative John Read and Senator Daniel Sparks.

Via Teleconference: None.

STAFF ATTENDEES

In Person: Executive Director Ray Higgins; Chief Investment Officer Charles Nielsen; Counsel and Policy Advisor Davetta Lee; Member and Employer Services Deputy Director Mason Frantom; Benefit Services Deputy Director Lisa Green; Deputy Director Administrative Services Melanie Estridge; David DeGuire and Ryan Holliday, Investments; Christy Smith, LaMelody Lewis, and Cindy Byars, Accounting; Member Account Support Program Administrator Chris Hudson; Benefit Payments Program Administrator Susan Lyon; Employer Reporting Program Administrator Alisa Evans; Billy Means and Antonio Fisher, Information Technology; Mariam Clayton, Member and Employer Services; and Communications Director Shelley Powers.

GUEST ATTENDEES

In Person: Assistant Attorney General Caroline Johnson; Ray Wright, Mississippi Joint Legislative Committee on Performance Evaluation; Allan Cooper, Mississippi Department of Finance and Administration; Ed Koebel, Darby Carraway, and Ben Mobley, CavMac; Danny White and Cassie Rapoport, GRS; Terrance Yarbrough, Mississippi Department of Transportation and board-member-elect; Toren Ballard, Mississippi First; Phil Sutphin, Retired Education Personnel of Mississippi; Emily Pote and Mike Larsen, Mississippi Retired Public Employees' Association; Laura Hipp Mayer, THL; Nikita Rankin and Brian Ferguson, Mississippi Department of Wildlife, Fisheries, and Parks; Jakelia Brown, Jackson State University; Shannon Dyse, Mississippi Deferred Compensation; and Corbin Standford and Lee Pittman, Legislative Budget Office.

CALL TO ORDER

Board Chair Breland called the meeting to order at 1:03 p.m.

INVOCATION

Smith gave the invocation.

PLEDGE OF ALLEGIANCE

Smith led the Pledge of Allegiance.

AGENDA

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

MINUTES

- **Motion:** To approve the minutes of the August 28, 2024, PERS Board of Trustees' meeting.
 - **Made by:** McRae.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.

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- Duly Passed.

REPORT OF THE ADMINISTRATIVE COMMITTEE

Committee Chair Benson reported that the Administrative Committee, the hardest-working committee of the week, met the afternoon of October 22, 2024, and the morning of October 23, 2024. Benson said that, along with discussing Tier 5 and actuarial information, the committee approved the following items for the Board's consideration.

2025 Board and Committee Meetings Schedules

Benson presented the Board with the 2025 Board and Committee Meetings Schedule for approval.

Board & Committee Meetings | 2025 Schedule

Board meetings held fourth Wednesday of February, April, June, August, and October and third Wednesday of December.

February 25 Tuesday	Defined Contribution & Investment Committee Meetings
February 26 Wednesday	Board Meeting & Other Committee Meetings
April 22 Tuesday	Defined Contribution & Investment Committee Meetings
April 23 Wednesday	Board Meeting & Other Committee Meetings
June 24 Tuesday	Defined Contribution & Investment Committee Meetings
June 25 Wednesday	Board Meeting & Other Committee Meetings
August 26 Tuesday	Defined Contribution & Investment Committee Meetings
August 27 Wednesday	Board Meeting & Other Committee Meetings
October 21 Tuesday	Defined Contribution & Investment Committee Meetings
October 22 Wednesday	Board Meeting & Other Committee Meetings
December 16 Tuesday	Defined Contribution & Investment Committee Meetings
December 17 Wednesday	Board Meeting & Other Committee Meetings

Investment Committee Presentations | 2025 Schedule

Meetings held only when investment finalists' presentations become necessary.

Held the Tuesday two weeks prior to the board meeting, contingent/subject to Board discretion and availability.

Tuesday, February 11
Tuesday, April 8
Tuesday, June 10
Tuesday, August 12
Tuesday, October 7
Tuesday, December 2

Claims Committee Presentations | 2025 Schedule

Meetings held only when claims hearings become necessary.

Held the fourth Tuesday of every other month that are not board meeting months.

Tuesday, January 28
Tuesday, March 25
Tuesday, May 27
Tuesday, July 22
Tuesday, September 23
Tuesday, November 25

- Motion: To approve the 2025 board and committee meetings schedules.

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

PERS State Representative Election Results Unexpired Term Expiring June 2026

Benson presented the Board with results from the runoff election for the state employees' representative to fill the unexpired term left vacant upon the retirement of Chris Howard. The vote counts were as follows:

Terrance D. Yarbrough . Mississippi Department of Transportation, deputy administrator, human resources 1,071 votes
Allan D. Cooper Mississippi Department of Finance and Administration, budget officer 973 votes

- **Motion:** To certify the runoff election results to fill the state employees' representative unexpired term that runs through June 2026.
 - **Made by:** Benson.
 - **Seconded by:** Hanna.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

Breland congratulated Yarbrough.

(Addendum A – State Representative Runoff Election Results)

Actuarial Valuation and Projection and Additional Independent Actuarial Assessments

Benson reported that discussions from the October 23, 2024, Administrative Committee meeting would continue as part of the board meeting. He said that PERS received a preliminary draft of the actuarial valuation and projection report from CavMac, as well as preliminary drafts of additional independent actuarial assessments from Cheiron and GRS. Cheiron presented its report Tuesday, October 22, 2024, and GRS presented its report on the morning of October 23, 2024. All reports were presented for information only. The committee took no action on them. Benson said the Board will revisit the final reports at its 10 a.m. November 19, 2024, special-called meeting. Higgins summarized that though PERS is certainly stable, additional funding is needed. Higgins also commented on the results of the actuarial reports, with all three providing similar results consistent with last year, essentially validating and verifying what the consulting actuary or board had noted previously. All three reports recommend an ADC of approximately 26% of payroll. He commented that while we understand the difficulty of additional funding for the state or employers, the Board's role is to recommend what is needed. Higgins also stated that he would likely be recommending changes to the Board's funding policy to reflect recent changes in state law and to move to an actuarially determined contribution (ADC) policy.

Dale arrived at 1:11 p.m.

(Addendum B – Actuarial Valuation and Projection Reports)

(Addendum C – Independent Actuarial Assessments)

REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met the morning of October 22, 2024, and heard Optional Retirement Plan Annual Reviews from Corebridge, TIAA, and VOYA. No committee action was taken during its meeting, so no items were brought to the Board for consideration.

REPORT OF THE INVESTMENT COMMITTEE

Committee Chair McCoy reported that the Investment Committee met the morning of October 23, 2024, and heard a market update and performance review from Callan. As of September 30, 2024, assets were \$35.3 billion, an increase of \$1.6 billion over the previous quarter. As of Friday, October 18, 2024, the FYTD total fund was up 5.11 percent, which was highlighted by the real estate market turning around. He reported that the committee heard updates from Loomis, Manulife, PIMCO, and PGIM

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fixed income managers, all of whose returns were up over last year. The committee also heard various miscellaneous updates. No committee action was taken during its meeting, so no items were brought to the Board for consideration.

REPORT OF THE LEGISLATIVE COMMITTEE

Breland reported that, in lieu of not having enough time for the Legislative Committee to meet earlier as scheduled, the legislative items would be covered during the Board meeting. Dale reported that the Board will have two staff-recommended items on which to vote. Prior to the vote, Higgins commented on a potential Tier 5, ORP, the possibility of surplus funding being dedicated to PERS, and the previously mentioned idea of a surcharge or assessment of some type for contracts or outsourcing.

No action was taken.

After hearing Higgins' comments, the Board voted on the two proposals Dale mentioned in the beginning of his report.

- **Motion:** To approve the staff recommended legislative proposal to add Roth provisions to MDC consistent with recent changes in federal law and make MDC subject to Qualified Domestic Relations Orders(QDROs).
 - **Made by:** Rutledge.
 - **Seconded by:** Graham.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

Sparks left at 1:30 p.m.

- **Motion:** To approve the staff recommended legislative proposal to require any covered employer that is terminated from PERS through legislation, privatization, sale, dissolution, actions of the Board of Trustees, or any other method of termination, to pay their proportionate share of the unfunded actuarial accrued liability (JAAL) as of June 30, 2025, or the date of termination, whichever is greater.
 - **Made by:** Benson.
 - **Seconded by:** McCoy.
 - **Discussion:** Dale and Graham asked for clarification of proposal and Higgins provided.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum D – 2025 Legislative Initiatives)

Read left at 1:35 p.m.

FY 2025 MUNICIPAL COLA CERTIFICATION FOR TUPELO

Higgins presented the Board with a request from Tupelo to approve the pay a 2 percent ad hoc cost-of-living adjustment to the 67 retirees and beneficiaries of the City of Tupelo Fire and Police Disability and Relief Fund, retroactive to October 1, 2024.

- **Motion:** To approve the pay a 2 percent ad hoc cost-of-living adjustment to the 67 retirees and beneficiaries of the City of Tupelo Fire and Police Disability and Relief Fund, retroactive to October 1, 2024.
 - **Made by:** Rutledge.
 - **Seconded by:** Hanna.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum E – Tupelo COLA Certification)

RETIREE INSURANCE ADVISORY COMMITTEE

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Higgins presented the Board with appointments for Mr. Steve Allen, Dr. Kim S. Benton, and Dr. Larry G. Bailey to fill vacancies on the Retiree Insurance Advisory Committee for terms ending October 31, 2027.

- **Motion:** To approve appointments for Mr. Steve Allen, Dr. Kim S. Benton, and Dr. Larry G. Bailey to fill vacancies on the Retiree Insurance Advisory Committee for terms ending October 31, 2027.
 - **Made by:** McCoy.
 - **Seconded by:** Dale.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, and Smith.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum F – RIAC Appointments)

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. 24-04 - 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 approved, subject to reexamination in accordance with PERS regulations.

- **Motion:** To accept the findings of the DAC and approve the DAC recommendations.
 - **Made by:** Benson.
 - **Seconded by:** Graham.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, 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:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, 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 August 28, 2024, board meeting. Higgins called attention to the information on investment fees, which totaled \$105 million. He said that number may seem high, but when looking at that number in relation to the value of the entire portfolio, the amount is .31 percent, which is slightly less than last year.

Breland said he appreciated the Investment staff and their "ever-present and never-satisfied effort" to reduce fees.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the August 28, 2024, board meeting.

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

(Addendum I - Investment Report)

Higgins reminded the Board of its November 19, 2024, special called meeting at 10 a.m. and announced the swearing in of Yarbrough immediately following the board meeting.

ADJOURN

Breland called the meeting adjourned at 1:43 p.m.

Respectfully Submitted,



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



Mr. Kelly Breland
Chair
PERS Board of Trustees

HRH

