

MINUTES | BOARD OF TRUSTEES

Public Employees' Retirement System of Mississippi

August 28, 2024 | PERS Board Room and Live Streamed via YouTube

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

- A. **Call to Order** (*Mr. Kelly Breland, Chair*)
 - A. Invocation
 - B. Pledge of Allegiance
 - C. Approval of Agenda
 - D. Approval of Minutes – June 26, 2024
 - E. Employee of the Quarter- October-December 2024
- B. **Report of Administrative Committee** (*Mr. Bill Benson*)
 - A. Approval of FY 2026 Final Administrative Budget Request
 - B. PERS State Representative Election Results-Unexpired Term
 - C. PERS State Representative Election-Full Term
 - D. Regulation 34: Reemployment after Retirement
 - E. Other
- C. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
 - A. Annual Investment Policy Reviews
 - MDC
 - ORP
 - B. Other
- D. **Report of Investment Committee** (*Dr. Randy McCoy*)
 - A. Annual PERS Investments Policy Review
 - B. Other
- E. **Report of Legislative Committee** (*Mr. George Dale*)
 - A. Other
- F. **Retiree Insurance Advisory Committee**
 - A. Approval of Medicare Supplement Open Enrollment and Premium Rate Increase
- G. **Staff Reports**
 - A. Retiree Report
 - B. Investment Report
- H. **Staff and Trustee Continuing Education**
 - A. NCTR 102nd Conference; October 5-9, 2024; Atlanta, GA
- I. **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, August 28, 2024, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Monday, August 19, 2024, at 10:02 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, 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, Dr. Jay Smith and State Deputy Treasurer Brian Wilson representing State Treasurer David McRae.

Via Teleconference: None.

Absent: None.

Current Board Vacancies: One of Two State Employee Representatives.

LEGISLATIVE LIAISON ATTENDEES

Absent: Senator David Blount, Representative Karl Oliver, and Senator Daniel Sparks.

Via Teleconference: None.

STAFF ATTENDEES

In Person: Executive Director Ray Higgins; Counsel and Policy Advisor Davetta Lee; Chief Investment Officer Charles Nielsen; Member and Employer Services Deputy Director Mason Frantom; Deputy Director Administrative Services Melanie Estridge; Jason Clark and David DeGuire, Investments; Cindy Byars, Christy Smith, and Yatorsha Griffin, Accounting; Chief Technology Officer Mike Lowry; Billy Means, Information Technology; Benefit Payments Program Administrator Susan Lyon; Member Account Support Program Administrator Chris Hudson; Employer Reporting Program Administrator Alisa Evans; Charlene Bilbo, Tarvus Jenkins, Althea Holmes, Sherita Tripp, Patsy Ramsey, and Nellie Jones, Document Services; and Communications Director Shelley Powers.

GUEST ATTENDEES

In Person: Assistant Attorney General Caroline Johnson; Ray Wright, Mississippi Joint Legislative Committee on Performance Evaluation; Ed Koebel, Cavanaugh Macdonald; Emily Tschiffely, Corbin Standford, and Lee Pittman, Legislative Budget Office; Kristen Williams and Tyrece Sayles, Jackson State University; Allan Cooper and Wendy Brown, Mississippi Department of Finance and Administration; Mike Larsen, Mississippi Retired Public Employees' Association; and Shannon Dyse, Mississippi Deferred Compensation.

CALL TO ORDER

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

INVOCATION

Breland gave the invocation.

PLEDGE OF ALLEGIANCE

Breland led the Pledge of Allegiance.

AGENDA

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

MINUTES

- **Motion:** To approve the minutes of the June 26, 2024, PERS Board of Trustees' meeting.
 - **Made by:** Benson.
 - **Seconded by:** Graham.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Rutledge, Smith, and Wilson.
 - **Voting against:** None.
 - **Absent:** None.

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- **Duly Passed.**

EMPLOYEE OF THE QUARTER

Breland presented the Employee of the Quarter for October 2024 through December 2024 to Jones.

REPORT OF THE ADMINISTRATIVE COMMITTEE

Committee Chair Benson reported that the Administrative Committee met the morning of August 28, 2024. Benson also brought before the Board the following items for consideration, as approved by the committee.

Approval of FY 2026 Initial Administrative Budget Request

Benson presented the Board with the FY 2026 Administrative Budget Request and asked for final adoption.

- **Motion:** To approve final adoption of the FY 2026 Administrative Budget Request of \$20,968,462.
 - **Made by:** Benson.
 - **Seconded by:** Hanna.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Rutledge, Smith, and Wilson.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum A – FY 2026 Final Administrative Budget Request)

PERS State Representative Election Results-Unexpired Term

Benson presented the committee with results from the election for the state employees' representative to fill the unexpired term left vacant upon the retirement of Chris Howard. The term runs through June 2026. Benson reported that a run-off election has been scheduled for this election between Terrance Yarbrough, Mississippi Department of Transportation deputy administrator human resources, and Allan Cooper, Mississippi Department of Finance and Administration budget officer, as neither candidate received a majority of the votes. The vote counts were as follows:

Terrance D. Yarbrough ..Mississippi Department of Transportation, deputy administrator, human resources	494 votes
Allan D. CooperMississippi Department of Finance and Administration, budget officer	399 votes
Dr. William J. AshleyMississippi Department of Employment Security, executive director.....	386 votes
Dr. Daniel E. MyersMississippi State Hospital, program specialist iv	136 votes
Rodney J. Burch, Jr.Mississippi Department of Public Safety, Capitol Police, lieutenant	120 votes
Gregory W. RamseyMississippi Department of Transportation, deputy director, financial management.....	118 votes

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

(Addendum B – Election Results)

PERS State Representative Election-Full Term

Benson presented the committee with results of the campaign to seek candidates for the state employee representative full term that runs from January 2025 to December 2030. Benson reported that the only candidate who applied/qualified for the election was incumbent Kelly Breland, who, by running unopposed, won the election.

- **Motion:** To approve Kelly Breland as the sole candidate to apply/qualify for the state employee representative election for the term running from January 2025 to December 2030 and, thereby, maintaining his seat on the Board of Trustees due to running unopposed.
 - **Made by:** Benson.
 - **Seconded by:** Rutledge.

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

Regulation 34: Reemployment After Retirement

Benson presented the Board with committee-recommended changes to Regulation 34 for final adoption. 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 for final adoption 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:** Benson.
 - **Seconded by:** Hanna.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Rutledge, Smith, and Wilson.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum C – Regulation 34 Amendments)

REPORT OF THE DEFINED CONTRIBUTION COMMITTEE

Committee Chair Rutledge reported that the Defined Contribution Committee met the morning of August 27, 2024, and heard a market update and performance review from Callan, as well as an annual review of the Mississippi Deferred Compensation program and one miscellaneous update from TIAA. Rutledge also presented the following items for Board consideration.

Annual Investment Policy Reviews

Rutledge presented the Mississippi Deferred Compensation Plan (MDC) and the Optional Retirement Plan (ORP) Annual Investment Policy Statements Reviews (IPs). He advised that the IPs were being presented by staff for customary annual review and approval with no substantive changes recommended.

- **Motion:** To approve revisions to the Mississippi Deferred Compensation Plan Investment Policy and Optional Retirement Plan Investment Policy as recommended by staff.
 - **Made by:** Rutledge.
 - **Seconded by:** Smith.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Rutledge, Smith, and Wilson.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum D –MDC Policy Updates)

(Addendum E –ORP Policy Updates)

REPORT OF THE INVESTMENT COMMITTEE

Committee Chair McCoy reported that the Investment Committee met the morning of August 27, 2024, and heard a market update and performance review from Callan on FY 2024. During this presentation, McCoy said Callan reported that PERS had an end-of-fiscal-year return on investments of 10.78 percent, which was better than 73 percent of all public pension plans with \$10 billion plus in assets. McCoy reported that the committee also heard an update from Callan on the system's Capital Market Assumptions and Asset Allocation, which showed PERS has a good asset mix for meeting funding goals. McCoy also reported that the committee heard updates from DFA, Riverbridge, and Wellington domestic small cap managers and heard various miscellaneous updates regarding J.P. Morgan, Wellington, and Baillie Gifford. Finally, McCoy presented the following item for Board consideration.

Annual PERS Investments Policy Review

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McCoy presented the PERS Investment Policy Review (IPS). He advised that the IPS was being presented by staff for customary annual review and approval with minor edits.

- **Motion:** To approve revisions to the PERS Investment Policy Statement as recommended by staff.
 - **Made by:** McCoy.
 - **Seconded by:** Dale.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Rutledge, Smith, and Wilson.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum F – PERS Investment Policy)

REPORT OF THE LEGISLATIVE COMMITTEE

Dale reported that the Legislative Committee met the morning of August 28, 2024, and held a lengthy and good discussion on upcoming legislation for the 2025 Legislative session. No committee action was taken, but Dale commented that the discussion, which will be continued at the October meeting, included good input from PERS' legislative liaisons.

RETIREE INSURANCE ADVISORY COMMITTEE

Higgins presented the Board with a Medicare supplement open enrollment and 10 percent premium rate increase for approval for the PERS-sponsored Retiree Medical Insurance Plan. He said plan sponsor, Transamerica, requested either adopting a 10 percent increase in premiums or changing benefits for members. In response, the Retiree Insurance Advisory Committee voted and recommended to the Board maintaining current benefits and adopting the rate increase.

- **Motion:** To approve the Medicare supplement open enrollment and 10 percent premium rate increase for the PERS-sponsored Retiree Medical Insurance Plan, as recommended.
 - **Made by:** Benson.
 - **Seconded by:** Graham.
 - **Discussion:** Breland sought clarification on why PERS offered this insurance. Staff explained that not all PERS members are eligible for the state plan and that the third-party insurance allows for a Medicare supplement offering.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Rutledge, Smith, and Wilson.
 - **Voting against:** None.
 - **Absent:** None.
 - **Duly Passed.**

(Addendum G – RIAC Open Enrollment)

RETIREE REPORT

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

- **Motion:** To approve the Retiree Report.
 - **Made by:** Hanna.
 - **Seconded by:** Rutledge.
 - **Discussion:** None.
 - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, Rutledge, Smith, and Wilson.
 - **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 June 26, 2024, board meeting.

- **Motion:** To approve the Investment Report, as well as all trades and transactions performed by the PERS Investments division since the June 26, 2024, board meeting.

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

(Addendum I - Investment Report)

STAFF AND TRUSTEE CONTINUING EDUCATION

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

ADJOURN

Breland called the meeting adjourned at 1:17 p.m.

Respectfully Submitted,



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



Mr. Kelly Breland
Chair
PERS Board of Trustees

HRH