

# MINUTES | BOARD OF TRUSTEES

Special Called | Public Employees' Retirement System of Mississippi  
November 19, 2024 | PERS Board Room and Live Streamed via YouTube  
Page 1



## Board of Trustees Meeting Agenda *Special Called Meeting, November 19, 2024* 10:00 A.M.

- I. Call to Order
  - A. Approval of Agenda
- II. Actuarial Information
- III. Upcoming Legislative Session
- IV. Other
- V. Adjourn

*The PERS board room on the fourth floor of 429 Mississippi Street, Jackson, MS, will be open to any member of the public who wishes to attend this meeting.*

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**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  
Mr. Terrance Yarbrough

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Page 2

The Public Employees' Retirement System of Mississippi (PERS) Board of Trustees met Tuesday, November 19, 2024, at 429 Mississippi Street, Jackson, MS 39201. This meeting was duly announced to the public Friday, November 15, 2024, at 2:42 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, State Treasurer David McRae, Dr. Brian Rutledge, Dr. Jay Smith, and Mr. Terrance Yarbrough.

**Via Teleconference:** None.

**Absent:** None.

**Via Teleconference:** None.

## LEGISLATIVE LIAISON ATTENDEES

**In Person:** Representative Karl Oliver and Representative John Read.

## 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, Jason Clark, and Ryan Holliday, Investments; Comptroller Tracy Day; Christy Smith, LaMelody Lewis, and Cindy Byars, Accounting; Retirement Services Program Administrator Terri Bennett; Chief Technology Officer Mike Lowry; Billy Means and Antonio Fisher, Information Technology; 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, CavMac Consulting; Bonnie Granger and Mike Larsen, Mississippi Retired Public Employees' Association; Emily Tschiffely and Lee Pittman, Legislative Budget Office.

**Via Teleconference:** Audra Ferguson and Rob Gauss, Ice Miller; Janet Cranna and Patrick Nelson, Cheiron; and Cassie Rapoport, GRS.

## CALL TO ORDER

*Board Chair Breland called the meeting to order at 10:00 a.m.*

*McRae arrived at 10:03 a.m.*

## ACTUARIAL INFORMATION

### Actuarial Reports

Higgins presented the Board with final FY 2024 actuarial reports from GRS and Cheiron and the final FY 2024 actuarial valuation from CavMac.

- **Motion:** To acknowledge and accept the final FY 2024 independent actuarial reports from GRS and Cheiron.
  - **Made by:** Hanna.
  - **Seconded by:** Rutledge.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, Smith, and Yarbrough.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**
  
- **Motion:** To acknowledge and accept final FY 2024 actuarial valuation from CavMac.
  - **Made by:** Benson.
  - **Seconded by:** McCoy.
  - **Discussion:** None.
  - **Voting for:** Benson, Breland, Dale, Graham, Hanna, McCoy, McRae, Rutledge, Smith, and Yarbrough.
  - **Voting against:** None.

# MINUTES | BOARD OF TRUSTEES

Special Called | Public Employees' Retirement System of Mississippi  
November 19, 2024 | PERS Board Room and Live Streamed via YouTube  
Page 3

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

*(Addendum A – Actuarial Valuations and Reports)*

## 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, Smith, and Yarbrough.
  - **Voting against:** None.
  - **Absent:** None.
  - **Duly Passed.**

*Oliver arrived at 10:15 a.m.*

### Fiduciary Training

IceMiller conducted fiduciary training with the Board, which prompted questions and answers and a brief discussion regarding legal protections for the Board in fulfilling its fiduciary duties under 2024 changes in law.

*Board broke at 10:42 a.m.*

*Board reconvened at 11:03 a.m.*

### Actuarially Determined Contribution

Higgins presented the Board with a recommendation to approve recommending to the Legislature the actuarially determined contribution (ADC) of 25.92 percent. This ADC was recommended by CavMac and further supported by the independent GRS and Cheiron actuarial reports. After some discussion about previous board action and the possibility of the Legislature phasing in the increased rate, the Board delayed voting until after hearing Koebel's presentation.

### CavMac Presentation

Koebel gave the Board a presentation that looked at investment, demographic, assumption, and contribution risk. Koebel said CavMac, based on assessment of the plan, recommends the Board and the Legislature consider a funding change to either pay the full ADC of 25.92 percent of annual compensation beginning July 1, 2026, or continue the phased-in approach for five consecutive fiscal years; however, increase the fixed contribution rate (FCR) by 2 percent each year until it reaches 27.90 percent of annual compensation. This recommendation would move the plan to a green signal light status in funding and cash flow and would bring the funding ratio to 93.3 percent by 2047. Koebel stressed that a proposed new tier (Tier 5) does not change the plan today but will positively affect funding after 2047. McRae pointed out that action today on a new tier would alleviate the need to annually revisit increases.

- **Motion:** To approve recommending to the Legislature an actuarially determined contribution (ADC) of 25.92 percent for PERS, as recommended by CavMac and supported by the independent actuarial reports from GRS and Cheiron.
  - **Made by:** Benson.
  - **Seconded by:** Rutledge.
  - **Discussion:** The Board discussed the possibility that the Legislature could phase in this increase or approach funding as they see fit (e.g., a cash infusion). Benson said the Legislature has the authority to determine funding, but the Board can only recommend what is needed. Higgins said this will be relayed to Legislature through the actuary reports when the recommendation is made.
  - **Voting for:** Benson, Breland, Dale, Hanna, McCoy, Rutledge, Smith, and Yarbrough.
  - **Voting against:** Graham and McRae.
  - **Absent:** None.
  - **Duly Passed.**

*(Addendum B – Summary of Key Results and Contribution Rate Increase by Employer Type)*

*(Addendum C – Navigating Your Future CavMac presentation)*

# MINUTES | BOARD OF TRUSTEES

Special Called | Public Employees' Retirement System of Mississippi  
November 19, 2024 | PERS Board Room and Live Streamed via YouTube  
Page 4

Board broke for lunch at 12:03 p.m.

Oliver left the meeting at 12:03 p.m.

Read left the meeting 12:03 p.m.

Board reconvened from lunch at 12:51 p.m.

Dale returned at 12:53 p.m.

## Funding Policy Updates

Higgins also presented the Board with updates to the PERS Funding Policy to reflect the new actuarially determined contribution (ADC) of 25.92 percent, moving to an ADC policy, and adjusting for the recent changes in law. The Board decided to delay the vote to adopt the revised policy until the next meeting.

## UPCOMING LEGISLATIVE SESSION

Higgins presented the Board with an update on a recent senate leadership meeting about the possible Tier 5, as well as presented additional information with revised scenarios and a hybrid option for their discussion and review. While no action was taken, the Board had an in-depth discussion about the need for a new tier. Higgins, while not presenting a recommendation, encouraged the Board to think of how they feel about a hybrid should state leadership want to pursue a hybrid. He said that, while the Board's obligation is to the trust, the state and employer responsibility is to develop the plan. He gave the example that, if a hybrid reflected better sustainability for PERS and helped pay down unfunded liability while creating less risk, supporting such a new tier might be good. He further said that, regardless of adding a new tier or not, funding is the message of the day. Finally, the Board discussed the possibility of an Investment Advisory Committee or a way to provide audit or review of the agency's investment consultant, similar to the way PERS audits the actuary. Higgins said PERS would consider how best to accomplish and reach out to others like NASRA as needed.

Rutledge left the meeting at 1:59 p.m.

## OTHER

No other business was discussed.

## ADJOURN

Breland called the meeting adjourned at 2:18 p.m.

Respectfully Submitted,



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



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Kelly Breland  
Chair  
PERS Board of Trustees

HRH