

**Municipal Police Employees' Retirement System  
Minutes of the Legislative Committee Meeting  
April 19, 2023**

The Legislative Committee of the Municipal Police Employees' Retirement System held a meeting on Wednesday, April 19, 2023 at the system's office at 7722 Office Park Boulevard in Baton Rouge, Louisiana.

**A. Call to Order**

The meeting was called to order by Major Burkart at 9:34 am following the completion of the Audit, Finance, and Risk Management Committee meeting.

**B. Roll Call**

**Members Present**

Major Raymond Burkart, Jr, Chairman  
Mayor Greg Cromer  
Major (Retired) Kelly Gibson  
Lt. (Retired) Chad King

**Members Absent**

None

**Others Present**

Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel  
Ms. Taylor Camp, MPERS, Chief Financial Officer  
Ms. Emily Thurston, Accountant  
Ms. Melissa Frazier, Benefits Administrator  
Ms. Christie Ziadeh, Benefits Analyst (virtual)  
Mr. Greg Curran, Curran Actuarial Consulting, Actuary  
Mr. David Barnes, NEPC, Investment Consultant  
Chief Edwin Bergeron, Jr., MPERS Trustee  
Assistant Chief Jason DiMarco, MPERS Trustee  
Mayor Gerard Landry, MPERS Trustee  
Mr. Julius Roberson, State Treasurer Designee  
Chief Christopher Wilrye, MPERS Trustee  
Mr. Richard Williams, LMA Deputy Director

**C. Public Comment**

No public comments.

**D. Approval of the March 15, 2023 Committee Meeting Minutes**

**Motion by Major (Retired) Kelly Gibson, seconded by Mayor Cromer, to approve the minutes of the meeting held March 15, 2023. Without objection, the motion carried.**

**E. New Business**

**1. Discussion and Action Regarding Legislation for the 2023 Regular Session**

Mr. Huxen stated that he had provided a report on legislation taken from LEGISCON tracking. He stated that MPERS had only one bill – House Bill 34, but that there were other items of interest related to retirement and policing.

Mr. Huxen stated that one example was a bill by Senator Bodie White to raise state supplemental pay for police officers. It would mean more contributions to the system. Another example was a bill for the Village of Noble to try to dissolve their police department. He added that Noble had no employees eligible for membership in MPERS. Senate Bill 18 by Senator Price is a COLA bill for the four state systems. He stated that the change was similar to what MPERS passed.

Major Burkart asked about House Bill 34. Mr. Huxen stated that the LMA would like to speak about possible revisions. Mayor Cromer stated that he wanted to talk about LMA's concerns. He stated that the employers were taking a big hit in costs this year. Mayor Cromer stated that he had spoken with Representative Bacala about concerns that the bill could face opposition without a change. The committee discussed the LMA's desire that the Board lower the additional 0.85% dedicated to the Funding Deposit Account to 0.25% for Fiscal 2024. The Board discussed the possibility of facing opposition to the bill.

Mr. Curran stated that he provided a letter to the Board regarding his best estimate of what would be generated by the additional 0.85% rate. Given the projected payroll for Fiscal 2024, he estimated that the additional 0.85% rate would generate approximately \$2.7 million. Using a 0.25% rate would generate about \$800,000. The nearly \$2 million difference would simply put off when the first COLA would happen.

Mr. Curran stated that he provided cost estimates of a few COLA types in the letter provided to the Board but stated that the cost of COLAs would increase if the system had more new retirees in the near future than retiree deaths. He stated that it was a policy issue whether to collect 0.85% versus 0.25% in Fiscal 2024. He warned that if the bill did not pass, the cost to the

cities could go up by more than 0.85% based on a possible need to make changes to the actuarial assumptions to account for potential future COLAs. He stated that the bill was not solely about funding COLAs but was also about ending the old regime. He stated that the LLA actuaries had expressed their belief that under the old COLA regime the system should add liabilities to account for future COLAs. Mr. Curran stated that he did not necessarily agree with the LLA actuaries on the matter but reminded the Board that they only passed the 2022 ad hoc COLA because the bill had passed, and no future ad hoc COLAs would be allowed. He stated that the Firefighters board had been warned that paying a COLA at the current employer rates could force a change in the actuarial assumptions about future COLAs because they did not have this bill. The Firefighters board elected not to grant a COLA given such concerns.

Mr. Curran stated that he was concerned about the future cost of the system without the bill, because the bill was supposed to give them more certainty about future COLA funding.

Mayor Cromer stated that he liked the greater certainty provided by the bill, but that he felt the addition of 0.25% for Fiscal 2024 was appropriate given the size of the increase in employer costs this year.

Major Burkart stated that he felt that they should stick to the plan that was passed which allowed 0.85%. He stated that they expected a lot of officers to retire this coming year. He stated that he did not favor lowering the COLA funding on the backs of retired police officers. He called for them to look for an alternative source of funding. He worried that he expected them to have the same conversation with the cities in the future.

Major (Retired) Kelly Gibson asked Mr. Huxen, as the system's general counsel, what would happen if House Bill 34 did not pass. Mr. Huxen stated that regardless of House Bill 34, the language of the bill passed in 2022 remained in law with the exception of the one missing paragraph. He stated that it was presumed constitutional but would be subject to challenge. He discussed the Board's options if it were challenged and reminded the Board that if the law were struck down, they would revert back to the prior law and face issues with how the actuary would handle future COLAs. He stated that this could lead to a new bill that would presumably look like this bill.

Major (Retired) Kelly Gibson asked Mr. Curran about the chart he provided showing funding for the Funding Deposit Account over the next 10 years. Mr. Curran stated that the chart provided in the email to Mr. Huxen showed a simplified accumulation of funds with interest based on the most recent projected payroll based on an additional 0.85% rate. He stated that, at the \$12 million mark after 4 years, the Board would likely have to put an age or time limit in the COLA definition to make one affordable. He stated that even with the new law and 0.85% funding each year, it will take longer than 3 or

4 years to provide even a 2% COLA to all retirees who have been retired at least a year.

Mr. Huxen reminded the committee that the Firefighters' Retirement System had faced consequences for not granting a COLA. The legislature passed a study resolution in 2022. Mr. Curran stated that there were bills this year seeking to change the Board makeup in response to the COLA discussions. Mr. Curran reiterated that the added cost to the municipalities without the Funding Deposit Account law would be higher than the additional 0.85%.

The committee discussed that the 0.85% funding level was a compromise. Mr. Curran stated that the COLA granted effective July 1, 2022 had a lifetime cost of \$50.4 million and resulted in payments of \$5 million in additional employer contributions for the next 15 years. This represents 1.69% of the projected payroll. He stated for the record, to give a COLA under the old rules, the system needed to collect 1.69% each year for 15 years. He added that with only 0.85% per year, even over 15 years, the Funding Deposit Account would not generate enough funds to give that size COLA. The committee discussed that the 0.85% COLA funding level was chosen based on affordability. Mr. Curran stated that once the oldest UAL base is paid off, it may be possible to increase the funding for COLAs.

Mr. Huxen asked about future cost estimates. Mr. Curran stated that from what he had seen related to investment returns for Fiscal 2023, it was likely that additional cost increases were coming related to investment returns. He also stated that heavy retirements could exceed expectations which would also increase costs. Heavy withdrawals could save money. Recent larger than typical pay increases could also add costs.

Lt. (Retired) Chad King asked if the Board should "kick the can down the road" and ask the legislature to extend the UAL payments to give cities relief. Mr. Curran stated that he knew he would eventually get this question. He stated that the legislature had two choices – finally fund this plan by requiring the payoff of the oldest base of the UAL over the coming 12 years, or "kick the can" by extending the UAL amortization period and give employers relief in the near future. He added that systems that had never done those things currently have employer rates in the low teens. He stated that although it was painful to pay off the UAL, his primary concern was the plan's funded level. He added that to him it would be the wrong time to put less money in the plan when they faced systemic problems with policing and membership levels.

Mayor Cromer stated that, as a mayor, the potential to extend the UAL payment period would be appealing, but as a responsible Board member he did not think they should go in that direction. He stated that the Board needed to get the UAL paid off. He added that he wasn't trying to balance

the budget on the backs of police officers, but higher costs would affect the city's police budget.

Major Burkart suggested they consider a fee on events as a possible way to add funding to the plan. He disagreed with lowering COLA funding up front. He stated that public safety employees supported the tourist industry and suggested getting funding from that area.

Mr. Huxen stated that being a statewide system represented a problem with looking for funding from events in New Orleans for instance because funds provided to MPERS would benefit all police in the system. Mayor Landry stated that an alternative would be something like a fee on every traffic ticket or some other activity.

Major Burkart stated that giving the cities the authority to assess fees could allow that money to go to the pension system. Mayor Landry stated that he felt something needed to happen at the state level. Mayor Cromer asked if the Board could hear from Richard Williams from LMA. Mr. Williams stated that the LMA was not asking for the prefunding COLA plan to go away. LMA did not oppose the bill. He stated that LMA ideally wanted to defer the 0.85% additional funding for a year, but as a compromise they were willing to accept an additional contribution of 0.25% for the year beginning July 2023, with 0.85% beginning in the following year. He stated that, with such a compromise, he believed the legislative committee of the LMA would not oppose the bill.

Major Burkart stated that MPERS had no way to be sure that the cities would not oppose the 0.85% in future years. Lt. (Retired) Chad King asked Mr. Williams if the problem was the cost in this particular year. He asked if they lowered the rate in the first year, could they receive 1.7% in the following year. Mr. Williams stated that the thought was that the employer contribution rate was going up more than typical and this would give cities time to budget the increase for the following year.

**A motion was made by Lt. (Retired) Chad King to reaffirm the 0.85% additional contribution effective July 1, 2023. Mayor Cromer offered a substitute motion that they support the LMA compromise of 0.25% for the year beginning July 1, 2023 with 0.85% in future years. The substitute motion died for lack of second. The original motion was seconded by Major (Retired) Kelly Gibson. With no opposition, that motion passed.**

Mr. Huxen asked the committee for clarification that they did not want to support any amendments to this bill. Mayor Cromer stated that although the recommendation of the Board would be no amendment, Representative Bacala could amend the bill to get it through the committee. Mr. Huxen

stated that Representative Bacala asked that they work it out before the legislative committee meeting.

**F. Other Business**

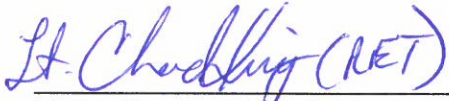
There was no other business brought before the committee.

**G. Adjourn**

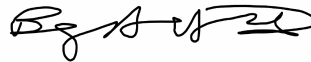
**Motion by Lt. (Retired) Chad King, seconded by Mayor Cromer, to adjourn the meeting at 10:38 a.m. Without objection, the motion carried.**

The next meeting date is May 17, 2023.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held April 19, 2023.



Major Raymond Burkart, Jr.  
Legislative Committee Chairman



Ben Huxen,  
Executive Director and General Counsel