

**Municipal Police Employee's Retirement System**  
**Minutes of the Meeting of the Board of Trustees**  
**November 13, 2024**

The Board of Trustees of the Municipal Police Employees' Retirement System held a regular meeting on Wednesday, November 13, 2024, at the system's office at 7722 Office Park Boulevard in Baton Rouge, Louisiana.

**I. Call to Order**

The meeting was called to order at 10:46 a.m. by Chief Christopher Wilrye who hosted as chair for Lt. (Retired) Chad King who could not attend in person.

**II. Pledge of Allegiance**

Mr. Julius Roberson led the Pledge of Allegiance.

**III. Roll Call**

**Members Present**

Lt. (Retired) Chad King (Chairman) (virtual)  
Chief Christopher Wilrye (Vice Chairman)  
Chief David Addison  
Chief Edwin Bergeron, Jr.  
Mr. Craig Cassagne, Commissioner of Administration Designee (virtual)  
Asst. Chief Jason DiMarco (virtual)  
Major (Retired) Kelly Gibson (virtual)  
Mr. Julius Roberson, State Treasurer Designee (virtual)  
Lt. Tyrone Warren  
Chief Beth Westlake

**Members Absent**

Mayor Rick Allen  
Rep. Tony Bacala  
Major Raymond Burkart, Jr.  
Mayor Greg Cromer  
Senator Bob Hensgens

**Others Present**

Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel  
Ms. Taylor Camp, MPERS, Chief Financial Officer  
Ms. Emily Thurston, MPERS, Accountant  
Mr. David Barnes, NEPC, Investment Consultant  
Mr. Greg Curran, Curran Actuarial Consulting, Consulting Actuary  
Ms. Sheri Morris, Daigle, Fisse, & Kessenich  
Ms. Alana Perrin, Senate Retirement Committee, Attorney (virtual)  
Ms. Laura Gail Sullivan, Attorney  
Ms. Ashlee McKneely, MPERS Executive Management Officer

Mr. Kevin Balaod, With, Intelligence (virtual)  
Ms. Erin Estilette, Curran Actuarial Consulting (virtual)  
Mr. Kenny Herbold (virtual)

**IV. Public Comment**

None.

**V. Approval of the October 16, 2024 Board Meeting Minutes**

**Motion by Lt. (Retired) Chad King and second by Chief David Addison to approve the minutes of the meeting held October 16, 2024. After a roll call and without objection, the motion passed unanimously.**

**VI. New Business**

**A. Adoption of the Calendar Year 2025 Board Meeting Schedule (Action Item)**

Mr. Huxen stated the board can approve the meeting schedule today or wait until the next meeting to give everyone time to review the dates.

**Motion by Chief Edwin Bergeron, Jr. and seconded by Lt. (Retired) Chad King to table the approval of the Calendar Year 2025 Board Meeting Schedule until the next meeting, which will be held on December 18, 2024.**

**B. NEPC Report on Investments and Update on NEPC Organizational Change (Presenter: David Barnes)**

Mr. Barnes explained to the board that the NEPC partners have sold 80% ownership to Hightower Advisors, with NEPCs partners and clients retaining the remaining 20% ownership. Mr. Barnes stated that NEPC would not be changing their name and there would be no changes to the current contract with MPERS. Mr. Barnes said the rationale behind the transaction was to provide better access to private market assets to Hightower's private individual clients. Mr. Barnes noted that Hightower has been a holding company since 2018 and is based in Chicago.

Chief Bergeron asked Mr. Huxen to look at how this change will affect MPERS and provide the Board with a full report.

Mr. Barnes stated that he has already set up meetings with other clients and Hightower next Tuesday to answer any questions. Mr. Barnes said they are trying to provide an avenue to do additional research for clients.

Mr. Huxen stated that he has spoken with others who are in the same situation as MPERS. He stated that he does not see how it is beneficial for MPERS, but also noted there are not many other options available. Mr. Huxen said that staff

is still gathering facts. Mr. Huxen stated it is disappointing but added that he understood given the market.

Mr. Barnes said that he has been in the investment industry for 24 years and the industry has been in consolidation mode during the entire period. Mr. Barnes explained that each time it happened to him, he left the company he was working for. He stated when you make two organizations one, it's usually a mess. Mr. Barnes told the board that in this transaction, he plans on staying. He stated that he likes what he is being told that the new company will not interfere with NEPC's business.

Chief Bergeron asked if the system should consider issuing a request for proposals given the change in ownership. Mr. Huxen stated that the Board could do so at any time. There was a discussion between Chief Bergeron and Mr. Huxen about looking into what other options are out there.

Mr. Barnes stated that other clients have asked them to provide a quarterly report on staff updates and gains/losses. He stated the report will state which professionals have stayed and which have left. Mr. Barnes let the board know that they can do this for MPERS as well.

Chief Bergeron asked if any of MPERS' fees or contracts will change. Mr. Barnes stated that the current contract stays in place through 2026 and there would be no changes. Chief Westlake stated that this timeline gives them about a year to see if there are any changes and asked Mr. Barnes if he foresees any changes. Mr. Barnes stated that he did not foresee any changes.

Mr. Barnes then moved on to the Performance Report. Mr. Barnes reviewed the flash report and stated that October was down across the board. Mr. Barnes stated that inflation is continuing to come down toward the Federal Reserve (FED) target of 2%. Mr. Barnes noted that following the election the FED is not going to have the ability to cut rates as aggressively as previously anticipated.

Mr. Barnes then reviewed MPERS' portfolio and stated that the negative returns have mostly been reversed for November. MPERS' portfolio total invested assets for October finished with net investment losses of -2%, but the fiscal year to date through October was positive 3.6%. Mr. Barnes stated the market is preceding Trump's policies. Mr. Barnes said MPERS' individual managers have kept pace with their benchmarks and went into detail on their performance. Mr. Barnes said the October report is almost null since the election has caused a reversal in markets.

Mr. Roberson asked Mr. Barnes if he had any concerns about the underperformance of KBI. Mr. Roberson also asked Mr. Barnes if he thought it was time to look at other managers for this.

Mr. Barnes stated he did not have any concerns about KBI. He stated they are not a traditional manager as they focus on dividends and the market has not

been rewarding that. Mr. Barnes said they have consistently done relatively well overall. He noted that KBI is not one of their top-rated managers, but there were no concerns. Mr. Barnes stated NEPC can provide a list of managers that they rank as best in this space, and they can draft a report for the next investment meeting so MPERS can compare them to KBI.

There were no other questions regarding the performance report.

C. Actuarial Comments, Including the Actuarial Valuation Report and Employer Allocations of Information for Financial Reporting Under GASB 68 for FYE 6/30/24 (Action Item and Qualifies as Actuarial Science Education) (Presenter: Greg Curran)

Mr. Curran presented the annual actuarial valuation. He stated that given system efforts to get members enrolled, plan active membership increased from 5,288 in 2023 to 5,419 in 2024 (a 130 increase in membership). The plan experienced a small increase in retired member and survivor levels. Overall plan payroll increased from \$332 million to \$350 million. A higher plan payroll helps to lower the percentage of pay cost of paying down system unfunded liabilities. He added that although system accrued liabilities increased slightly, assets grew by more. This lowered the system's unfunded actuarial accrued liability from \$887 million to \$794 million.

Mr. Curran stated that the system had its first balance in the Funding Deposit Account to be used to prefund future cost of living increases. The balance is \$1,550,523. He explained that since those funds could not be used to fund regular benefits, the actuarially smoothed asset figure was reduced by the Funding Deposit Account to determine employer contributions. This was called Net Valuation Assets. The system's funded ratio increased from 75.55% to 78.32%. The system's annual market rate of return on investments was 9.8% with a 6.1% rate of return on the smoothed actuarial value of assets.

Mr. Curran stated that the change to a 5-year DROP period resulted in gains and since employers contribute during the DROP period, the employer normal cost gets spread over a longer period of time. This resulted in a small reduction in the dollar normal cost. Gains for the year lowered the UAL and the required payment on the UAL. The projected administrative cost increased slightly and the expected level of Insurance Premium Taxes to be received by MPERS increased. This resulted in smaller dollar costs divided by larger projected payroll and a lower minimum recommended net direct employer contribution rate of 30.50%. Current board policy is to request the full funding amount for future COLAs of 0.85% in addition to the minimum level. Finally, based on recent legislation, in years where the minimum employer rate drops, the Board may hold the actual employer rate above the minimum by up to one-half of the decrease to pay off a portion of the UAL without re-amortization. This will lower the final payment owed on the oldest positive amortization base. The Board can request that employers pay up to an additional 2.125% toward system UAL. The current employer rate for Fiscal 2025 is 35.60% (including 0.85% for future

COLAs). Given the results of the valuation and based on the current board policy on funding future COLAs, the Board may set the employer contribution rate at any level between 31.35% and 33.475%.

Mr. Curran reviewed plan liability experience for the year. Active member retirements and retirements of DROP participants above projected levels tend to increase costs. Cost savings came from retiree deaths significantly above projected levels, withdrawals above projected levels, disability retirements, DROP entries, and retirements of former DROP participants below projected levels. Additionally, although average salary increases were near projected levels, the distribution of salary increases lowered costs.

Mr. Curran stated that much of the lower employer contribution rate was related to the increased payroll which came partly due to a larger population and partly from salary experience. He stated that the change to 5-year DROP lowered amortization costs by approximately 0.66%, investment returns increased costs by approximately 0.50%, liability experience decreased costs by approximately 1.05%, and contribution losses (based on contribution rate timing) increased costs by 0.09%.

The Board discussed the pros and cons of holding the rate above the minimum to pay down unfunded accrued liability. Mr. Curran discussed his experience with other systems and stated that holding the rate above the minimum would still result in a decrease in the rate employers will pay. He discussed how holding the rate above the minimum could help to reduce volatility in the rate paid by employers over time.

**Motion to adopt the Actuarial Valuation Report by Chief Edwin Bergeron, Jr., seconded by Lt. (Retired) Chad King. After a roll call vote and without objection, the motion passed unanimously.**

1. Determination of the Net Direct Employer Contribution Rate Under R.S. 11:2225.5, Contingent Upon Approval of the System's Annual Funding Valuation (Action Item)

**Motion to set employer contribution rate for FY26 at 33.475% contingent on PRSAC's approval of the valuation report by Chief Edwin Bergeron, Jr., seconded by Lt. (Retired) Chad King. After a roll call vote and without objection, the motion passed unanimously.**

Mr. Curran explained the difference between the funding valuation and the GASB 67 and 68 valuation report needed to provide numbers to the system for inclusion in its audited financial statements.

**Motion to adopt the Information for Financial Reporting Report for FY24 by Chief David Addison, seconded by Asst. Chief Jason DiMarco. After a roll call vote and without objection, the motion passed unanimously.**



D. Executive Director & General Counsel Comments (Presenter: Ben Huxen)

Mr. Huxen did not have any comments.

1. Update on Delinquent Municipalities/Employers (Action Item) (Presenter: Taylor Camp)

Ms. Camp reviewed the delinquent report and then Mr. Huxen stated that it was an overall good report. He said more people that were enrolled by delinquent municipalities elect to remain members than they previously expected.

Chief Beth Westlake asked how many had not opted out or been enrolled. Ms. Camp stated that there had not been many, but they still needed to deal with issues related to their prior service. Ms. Camp stated that the first payments were not due until Dec 10<sup>th</sup> so they would not really know until the December 18<sup>th</sup> meeting. Ms. Camp said that the numbers were shocking in a good way, and they had a positive, good reception at the Clerks conference. Ms. Camp discussed staff efforts to train employers on using the MPERS computer system.

Mr. Huxen stated that they are waiting to see if these municipalities will pay contributions on the people they have enrolled. He added that Mayor Allen told him this morning that they would work out some dates to meet. There was some discussion between Ms. Morris and Mr. Huxen about a meeting location and Ms. Morris' trial schedule. Mr. Huxen stated they would get it all figured out and noted that the enrollments would not have happened without Mayor Allen helping and putting pressure on the municipalities involved.

Chief Edwin Bergeron stated that he wanted to meet with these municipalities at MPERS.

2. Compliance Certification Tracking Update (Presenter: Taylor Camp)

E. Executive Session (Under the Provisions of R.S. 42:17(A)(10) To Facilitate Privileged Communications Under La. Code Evid. Art. 506) Regarding the Following:

The board elected not to enter into an executive session to discuss settlement issues and litigation.

1. Consideration of Proposed Settlement Agreements and/or Prospective Litigation (Action Item)

- a. Town of Albany
- b. Village of Choudrant
- c. MPERS vs. Town of Killian, 19<sup>th</sup> JDC, Number 692605, Section 21

d. MPERS vs. Town of Zwolle, et al., 19<sup>th</sup> JDC, Number 731350, Section 23

Ms. Morris stated the resolution adopted at August last meeting was very effective for enrollment. Ms. Morris said the October 31<sup>st</sup> deadline showed a lot more were in contact with MPERS and were trying to enroll. She said RMI assisted and sent a list of claims from their clients. She stated the report provided in the board package was on page 160-161. It showed that the majority did comply in some fashion, and they have a lot more in compliance. Ms. Morris said some of the first payments aren't due until December and the past has shown that some provide paperwork but do not pay. She stated that this was always a concern. Ms. Morris explained that they still have several pending lawsuits and a couple of them that were originally scheduled for November have been continued. Ms. Morris let the board know there are a few new suits which include challenges to MPERS' procedural moves. Ms. Morris stated there is no clear-cut procedure to do what MPERS is trying to do as it's an action that doesn't fit neatly into any box. She stated that she feels they have chosen the best path. She said these new suits are challenging that path. Ms. Morris stated in two that were nearly settled, once MPERS received the documents back, the documents had been altered with no explanation.

Mr. Huxen stated he recommended a rejection of the offer and to send those documents back. He said he would give them 10 days to redo what they lined out of the documents.

Ms. Morris stated that taking out the protective language in the settlement documents suggests to MPERS that these municipalities may be continuing to hire people without enrolling them. Ms. Morris stated that a lot of the information received is based on the honor system. She said the language was put there to protect the system from what it can't know. Ms. Morris said that they only know what is reported to them and explained that if there is no violation, this language does not do anything to the municipalities. Ms. Morris told the board that there were some towns that asked for language to be tweaked and MPERS has worked with them on that to reach an agreement.

They stated that they had hoped to have an update on Killian, but they have not enrolled officers yet. Killian and Roseland are not in Social Security, so their officers are required to be enrolled. Zwolle has not yet returned the settlement paperwork, but they had agreed in principle.

2. Legal Strategy Regarding Noncompliant Employers (Action Item)

- a. MPERS vs. Town of Elton, et al., 19<sup>th</sup> JDC, Number 729135, Section 31
- b. MPERS vs. Town of Greensburg, et al., 19<sup>th</sup> JDC, Number 79284, Section 26

- c. MPERS vs. Town of Springfield, et al., 19<sup>th</sup> JDC, Number 730012, Section 30
- d. MPERS vs. Town of Cheneyville, et al., 19<sup>th</sup> JDC, Number 730043, Section 22
- e. MPERS vs. Town of Glenmora, et al., 19<sup>th</sup> JDC, Number 731063, Section 31
- f. MPERS vs. Town of Grand Coteau, et al., 19<sup>th</sup> JDC, Number 734857, Section 32
- g. MPERS vs. Paris Sumrall, In Her Official Capacity as Mayor for the Village of Varnado, et al., 19<sup>th</sup> JDC, Number 739462, Section 24
- h. MPERS vs. Sherbin Collette, In His Official Capacity as Mayor for the Town of Henderson, et al., 19<sup>th</sup> JDC, Number 741228, Section 21
- i. MPERS vs. Herman Williams, In His Official Capacity as mayor for the Town of LeCompte, et al., 19<sup>th</sup> JDC, Number 741267, Section 23
- j. MPERS vs. Kelvin McCoy, In His Official Capacity as Mayor for the Town of Boyce, et al., 19<sup>th</sup> JDC, Number 753207, Section 32

Mr. Huxen discussed the fact that House Bill 42 asked to limit MPERS from going back more than 3 years. Now, these employers are arguing they do not owe for 3 years, instead they do not owe anything because these items were not budgeted. The law states that enrollment is mandatory so MPERS believes that if a town hires an officer they must budget for retirement. Ms. Morris stated that they had procedural challenges in several cases. RMI lawyers had made public records requests. This information will be provided but it slows down the process.

- 3. City of New Orleans Lawsuits
  - a. City of New Orleans vs. MPERS, et al., 19<sup>th</sup> JDC, Number 724562, Section 24 (Subject Matter: Leave Conversion Issues)
  - b. City of New Orleans vs. MPERS, et al., 19<sup>th</sup> JDC, Number 732243, Section 24 (Subject Matter: Earnable Compensation)
  - c. City of New Orleans vs. MPERS, 19<sup>th</sup> JDC, Number 751911, Section 25 (Subject Matter: Partial Dissolution)

Ms. Morris reviewed the City of New Orleans lawsuits and stated there was no action for contribution on incentive pay. Ms. Morris said there were two pending suits involving leave conversions which were won. Ms. Morris said it seemed like they were paying the conversions at first, but now they are not. Ms. Morris let the board know that they will be moving forward on about 40 officers that have not been paying properly. She stated that New Orleans previously said they would appeal, but that has not happened. Ms. Morris explained there is also a suit related to partial dissolution payments that New Orleans owes and has not paid. New Orleans filed a restraining order request that had not yet been heard.

Mr. Huxen stated that when they don't pay it affects the valuation rates for everyone else.



**VII. Other Business.**


None


**VIII. Adjourn**

**Motion by Asst. Chief Jason DiMarco and seconded by Chief Beth Westlake to adjourn the meeting at 12:45 pm. Without a vote, the chairman recognized the meeting adjourned.**

Next Meeting Date is December 18, 2024 in Baton Rouge, Louisiana.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held on November 13, 2024.

  
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Lt. (Retired) Chad King, Chairman

  
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Ben Huxen,  
Executive Director and General Counsel