

**Municipal Police Employee's Retirement System
Minutes of the Meeting of the Board of Trustees
December 18, 2024**

The Board of Trustees of the Municipal Police Employees' Retirement System held a regular meeting on Wednesday, December 18, 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 10:05 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

Asst. Chief Jason DiMarco led the Pledge of Allegiance.

III. Roll Call

Members Present

Rep. Tony Bacala
Major Raymond Burkart, Jr.
Craig Cassagne, Commissioner of Administration
Mayor Greg Cromer
Asst. Chief Jason DiMarco
Major (Retired) Kelly Gibson
Lt. (Retired) Chad King
Mr. Julius Roberson, State Treasurer Designee
Chief Beth Westlake
Chief Christopher Wilrye

Members Absent

Chief David Addison
Mayor Rick Allen
Senator Bob Hensgens
Chief Edwin Bergeron Jr.
Lt. Tyrone Warren

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. Laura Gail Sullivan, Attorney
Mr. Dennis Onderick, BNY
Mr. Michael McDermott, BNY (virtual)
Mr. Porus Chadha, BNY (virtual)
Mr. Kevin Balaod, With, Intelligence (virtual)

Mr. Gar Chung, FIN-News (virtual)
Ms. Christie Ziadeh, MPERS, Benefits Analyst (virtual)
Ms. Erin Estilette, Curran Actuarial Consulting (virtual)

IV. Public Comment

None.

V. Approval of the November 13, 2024 Board Meeting Minutes

Motion by Asst. Chief Jason DiMarco and second by Major Raymond Burkart Jr. to approve the minutes of the meeting held November 13, 2024. Without objection, the motion carried.

VI. Reports of Committees

A. Report and Recommendations of the Human Resources and Governance Committee (Action Item)

Mr. Huxen reviewed the motions passed by the committee during its December 17, 2024 meeting. The following motions passed unanimously:

1. The committee approved the minutes of the meeting held May 8, 2024.
2. Pursuant to the previous authority granted by the Board of Trustees, the committee voted to increase the budget and authorize the payments to reflect the additional amounts in the 2024 GGA System Compensation Review at the recommended amount for each position on page 8 under Alternative #1 retroactive to July 1, 2024.
3. The committee voted to recommend that the Board:
 - a. Provide an additional 3% increase, retroactive to July 1, 2024 for the CFO, Membership Analyst, and Benefit Analyst
 - b. Approve and adopt the same Staff Education Policy as MERS, and
 - c. Authorize the Executive Director and General Counsel to hire GGA and Curran Actuarial to evaluate the accrual rate differential for both MPERS staff and police department employees who got the shaft in 2012-2013.

Motion by Major Retired Kelly Gibson and seconded by Asst. Chief Jason DiMarco to approve the report and recommendations of the HRG Committee. Without objection, the motion carried. Mr. Julius Roberson abstained.

B. Report and Recommendations of the Audit, Finance, and Risk Management Committee (Action Item)

Mr. Huxen reviewed the Audit, Finance and Risk Management Committee meeting held on December 18, 2024. The following motions passed unanimously:

1. The committee approved the minutes of the meeting held May 15, 2024.
2. The committee voted to recommend acceptance of the Annual Comprehensive Financial Report presented by Duplantier, Hrapmann, Hogan & Maher for Fiscal Years ended June 30, 2024 and 2023.

Motion by Chief Christopher Wilrye and seconded by Asst. Chief Jason DiMarco to approve the report and recommendations of the AFRM Committee. Without objection, the motion carried.

VII. New Business

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

Mr. Huxen presented the following proposed meeting schedule for 2025:

January 22, 2025:

Legislative Committee and Board of Trustees

March 19, 2025:

Legislative Committee, Investment Committee, and Board of Trustees

April 16, 2025:

Human Resources and Governance Committee, Legislative Committee, Policy Committee, and Board of Trustees (via electronic means)

May 21, 2025:

Audit, Finance, and Risk Management Committee, Legislative Committee, and Board of Trustees

July 23, 2025:

Human Resources and Governance Committee, Investment Committee, Legislative Committee, and Board of Trustees (via electronic means)

August 20, 2025:

Board of Trustees

Oct. 15, 2025:

Investment Committee and Board of Trustees

Nov. 12, 2025:

Legislative Committee and Board of Trustees

December 17, 2025:

Audit, Finance, and Risk Management Committee, Human Resources and Governance Committee, Legislative Committee, and Board of Trustees (via electronic means)

Motion by Asst. Chief Jason DiMarco and seconded by Chief Christopher Wilrye to move the January meeting date to Tuesday, January 21, 2025, and accept the remaining dates. Without objection, the motion carried.

B. Nominations for Board Chair for Calendar Year 2025 (Action Item)

Motion to nominate Major (Retired) Chad King as Chairman for 2025 by Asst. Chief Jason DiMarco and seconded by Major Retired Kelly Gibson. Without objection, the motion carried.

C. Nominations for Board Vice-Chair for Calendar Year 2025 (Action Item)

Motion by Asst. Chief Jason DiMarco and seconded by Chief Beth Westlake to nominate Chief Christopher Wilrye as Vice-chairman for 2025. Without objection, the motion carried.

D. NEPC Report on Investments (Qualifies as Investment Training), Presenter: David Barnes

Mr. Barnes stated that due to the length of agenda for this meeting, he reserved additional time to present more at the January meeting. Mr. Barnes reviewed briefly what they would be discussing in January and then reviewed the flash report for the month of November. The biggest market concern was a lack of a clear and decisive election result, but that was avoided and the markets responded well to election clarity. Mr. Barnes stated the week of the election results saw the biggest positive gains all year. He stated that annual inflation was at 2.6% with November inflation at 2.7%, the largest month over month rate in about 7 to 8 months. Mr. Barnes noted that the Federal Reserve (FED) cut rates in November by 25 basis points. He stated the FED November meeting was currently conducting their November meeting, so they are waiting to see if anything changes. Mr. Barnes stated that the overall feeling was that there would be another rate cut of 25 basis points, but the FED would be in no rush to get rates to a neutral level.

Mr. Barnes said there was a mixture of economic data as retail sales grew, jobless claims were lower, existing home sales were up, and new home starts were down. He stated the US Market was up 34% over the prior one-year period. Mr. Barnes said NEPCs perspective is that there is still room for positive market returns if they continue to see a strong economy, a strong labor market, modest inflation, and the FED continues to cut rates.

Mr. Barnes stated there is a gap in economic growth between the US and other countries outside of the US. Europe had GDP growth of 1.4% in the third quarter, compared to the US economy up 2.8%. He stated this shows a continuing divergence between the US and Europe. Mr. Barnes noted that everyone seems to be getting inflation under control. He stated the S&P 500 was up almost 6% for November, small caps were up 11%, international stocks were flat, bonds were up, high yield were up, and emerging markets were down 3%.

Mr. Barnes stated that MPERS finished November with assets of \$2.891 billion, which is a gain of \$61.6 million, or a positive 2.2% return. The Fiscal Year to date return through November is 5.9%. Mr. Barnes noted they are waiting for the results of the private markets. Mr. Barnes said that overall, the managers did well and mostly kept pace with the market. He stated that large cap slightly outperformed and small cap slightly underperformed while the international portfolio kept pace. Mr. Barnes stated that KBI underperformed, but this is something they would look at next month. Mr. Barnes stated that William Blair outperformed, which balanced out with KBI. Mr. Barnes said that the small cap international portfolio was up while the MPERS emerging markets portfolio was down 2.2% (outperforming overall emerging markets which were down 3.4%). The outperformance was driven by Acadian. He stated the fixed income returned well and the broader global market was up 1%, driven by Loomis Sayles. Mr. Barnes said the real estate portfolio will be reflected next month in the cash flow section. Mr. Barnes reminded the board that two years ago there was a redemption order put in place. Mr. Barnes said at the end of 2022 everything was down, and the redemption order was to rebalance that. He said MPERS is starting to get that cash back. The real estate portfolio has redeemed almost \$19.9 million. Mr. Barnes noted there is \$24 million left to receive and MPERS will be getting it back faster than expected. He stated that the Private Market Infrastructure portfolio is set up now and it will use these new funds.

Mr. Roberson asked if the timing was working.

Mr. Barnes said it would have worked well if MPERS had received the money when they asked for it. Mr. Barnes stated this was a long-term, better return, and more a strategic decision than a timing decision. Mr. Barnes closed out by stating that the close of market yesterday was flat for December so far and that his estimate was that the mixed market would be generally flat for December.

E. Actuarial Comments, Including Adoption of the Revised Funding Valuation to Include Additional Disclosures for FY Ending June 30, 2024 (Qualifies as Actuarial Science Education) (Action Item), Presenter: Greg Curran

Mr. Curran reviewed some additional disclosures they wrote this past summer after last year's reviews. Mr. Curran asked the board to adopt the revision of the report including these additional disclosures and stated that none of the numbers had changed. He reviewed the summary of these disclosures. The letter now states specifically that assumptions are based on the most recent experience study and reminds readers that there is a separate report for that study. Mr. Curran stated that in the general comments section there is a statement required by the actuarial standards of practice. He said this is just reminding readers that there is a range of possible results and that future results will not be what the valuation says. He stated putting a range on future results is outside the scope of the valuation. Mr. Curran stated they added a note to the data review section about the fact that benefits and expenses in the plan exceed contributions so there was a discussion about cash flow needs. Mr. Curran noted that in the comments on assumptions and methods, they are

just stating for the record in the report the actual statute that sets the funding method. Mr. Curran said they have always talked about what the funding method was in the report, but they have never stated that it was statutorily set. Mr. Curran said there was additional language regarding an update to the inflation risk section and reinvestment risk section. Lastly, Mr. Curran stated that when looking at actuarially determined contributions, the standards that apply to public pension plans ask that actuaries state whether the plan's funding policy meets the standard of a reasonable actuarially determined contribution. Mr. Curran explained that this comes out of jurisdictions where they don't actuarially fund, and the standards wanted actuaries to state that in the report. He said they are just stating for the record that the State of Louisiana's legislative rules do meet the standard for a reasonable actuarially determined contribution.

Motion by Chief Christopher Wilrye and seconded by Asst. Chief Jason DiMarco to Amend and Adopt the Revised Funding Valuation as presented. Without objection, the motion carried.

Mr. Curran then explained that it was time to do the experience study. He told the board that this is done every 5 years. The study is a review of assumptions for the plan and results in a full report on the recommended changes. Mr. Curran stated this is not part of the retainer because it is required once every five years, so there will be a fee for this. Mr. Curran stated the fee would be the same as for the previous study. Mr. Curran said they expect to complete the project by April. Mr. Curran noted the challenge for MPERS' plan is that there is little experience in the newer tiers of benefits.

Mr. Huxen stated that the experience study is in the budget, and they are good to go.

F. Presentation by BNY Mellon Custody and Securities Lending (Qualifies as Investment Training)

Mr. Onderick introduced himself as MPERS' Relationship Manager at BNY. He then introduced Mr. McDermott from the securities lending department and Mr. Chadha from the information securities department. Mr. Onderick stated that BNY is unique. He stated they are a bank, but they are different from traditional banks. Mr. Onderick stated the difference is between the services provided, such as safekeeping. Mr. Onderick said they help markets function smoothly. BNY focuses on 4 areas: optimizing core, building next generation solutions, developing industry leading talent and brand, and achieving superior outcomes. Mr. Onderick referenced slide 4 and reviewed the comprehensive range of services they provide. He stated there are 4 subcategories: operate, administer, manage, and optimize. Mr. Onderick then stated that they are committed to serving public funds and are number one among service providers for their top 100 clients. He then reviewed his role as account manager and how he and BNY can support MPERS and their needs.

Mr. McDermott then introduced himself and gave an overview of what they have seen from the capital markets and then touched on MPERS' performance. He stated their goal is to simply generate some incremental revenue for the plan to offset the custody fees and other administrative expenses. Mr. McDermott then reviewed their status as a bank and gave their stats.

Mr. Chadha introduced himself next as an information security officer. He reviewed the basics of cyber threats and cyber threat landscapes. Mr. Chadha explained BNY's approach to these issues including threat monitoring, implementing detective and preventative controls, and aggressive mediation of any weaknesses if identified. He stated BNY has a robust technology control framework as well as the information security program in place to defend their network and data of their employees, staff, clients, and third-party vendors.

Mr. Barnes stated that he wanted to clear something up for the board members. Mr. Barnes noted that someone asked about the \$63,500 and why is MPERS investing in that because it isn't much. Mr. Barnes stated this is not an investment, it is additional revenue. Mr. Barnes noted that MPERS is engaged in what is called a securities lending program. He said that MPERS' investments are MPERS' investments. But people want to borrow the securities that MPERS has in their portfolio, and they will pay MPERS an interest rate to borrow those securities. Mr. Barnes said they are required to post collateral for those securities, which are invested very securely. He said if they don't return your security, you have 105% collateral. Mr. Barnes explained that the \$63,500 is income that has been generated for lending out the securities that MPERS already owns. Mr. Barnes told the board that they don't need to do this, but if they don't, they will forego the additional revenue. Mr. Barnes stated that BNY orchestrates everything on behalf of MPERS and there is a revenue split, but MPERS gets to keep the majority at a 75/25 split.

Mr. Roberson asked if there was a target utilization rate for proactively seeking out deals.

Mr. McDermott said that it is dependent on MPERS constituent portfolio. He stated there is not a right or wrong answer. Mr. McDermott stated they just take what holdings there are and look to generate as much revenue for MPERS as they can within the risk parameters that MPERS gives them.

Mr. Roberson asked if there was anything specific to BNY that makes them unique regarding the indemnification elements of the program.

Mr. McDermott stated that they are a high-quality partner, meaning their capital and balance sheet backs that indemnification.

G. Proposed Updates/Changes to MPERS' Regulations (Action Item)

This item was deferred until next month.

H. Executive Director & General Counsel Comments, Presenter: Ben Huxen

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

Ms. Camp stated that some municipalities are starting to trickle off the list and they are in contact with others daily, or every other day, trying to get them caught up. Ms. Camp stated they have made a lot of progress and will continue to do so.

2. Compliance Certification Tracking Update, Presenter: Taylor Camp

Covered above.

I. Report of the December 5, 2024 Meeting Between MPERS and RMI, Inc. (Action Item), Presenters: Sheri Morris and Taylor Camp

Ms. Morris stated that at a previous meeting, Mayor Allen suggested that if he were present as a facilitator in meetings with municipalities, there may be some progress made in resolving some of the issues. Ms. Morris said that Mayor Cromer also stated he would assist as someone who was not adversarial. She stated Mayor Allen also serves on the RMI board. Ms. Morris said it was their understanding that there would be a representative of the municipalities present. Ms. Morris said prior to the meeting being conducted, she sent a list of municipalities that she thought were close to resolution and some discussion or education might help resolve these. Ms. Morris stated there were 8 on that list and the list was shared with other counsels for them to add anyone. Ms. Morris stated there were no representatives of any municipalities present, and they didn't learn that until the day before, or two days before, the meetings. Ms. Morris stated there was no opportunity to discuss any of the issues with representatives of the municipalities. Ms. Morris said Mayor Allen did attend, as well as Mr. Arceneaux, who is the new Executive Director of LMA, and Patrick Cronan from LMA. She stated the counsel from RMI that they have been communicating with was also there. Ms. Morris stated the beginning of the meeting was not productive to current issues. She stated it was more about legislation, and she recommended they present that to those boards.

Ms. Morris explained that hours into the meeting, they did go through the list. Ms. Camp was able to pull up information on her computer in detail. Ms. Morris stated that based on the meeting date, they weren't able to get the status of particular municipalities. Ms. Morris reviewed Zwolle, Choudrant, and Albany. She stated these will be discussed in executive session. She stated that other than that, the other litigation is still pending.

Ms. Morris said she was asked that MPERS not reset for hearing any matter before the LMA midwinter conference in January. Ms. Morris said that she did agree to that, in exchange for them not requiring MPERS to answer the numerous public records requests that they have sent on behalf of those same

municipalities until after that. Ms. Morris stated that unfortunately, they did not get any closer to a resolution to these matters.

Major Burkart made a few statements and Ms. Morris let him know that is what they are trying to do. She stated the meeting wasn't about resolving the issues, it was about discussing all the technical problems and their positions on those.

In response to comments from Major Burkart, Ms. Morris stated that she believed the last big push of enrollments came because RMI was encouraging them to provide the records. She felt RMI did help in that regard prior to the October 31st deadline.

Mr. Huxen reviewed some of the misinformation that's out there. Rep. Bacala then stated that he does have some empathy for the smaller towns, but they have been trying to do things the nice way. He stated he understands the viewpoint of the small-town mayors. Rep. Bacala stated MPERS is doing what they can do to calm things down and let people know they want to work with them. Rep. Bacala said they are continuing to delay in the hopes that in the upcoming session they can pass a bill that will be a decision that they want in their position.

Rep. Bacala suggested calling a meeting to discuss just this topic and invite everyone. He stated to make sure the agenda says specifically what they want to accomplish. Rep. Bacala said that if they show up, they show up. He suggested making sure every police officer has a way to tune in.

Motion by Rep. Tony Bacala and seconded by Asst. Chief Jason DiMarco to hold a special meeting at MPERS on February 12, 2025 beginning at 11:00 am and invite all parties affected by delinquent contributions issues and litigation to participate. The motion passed unanimously.

Motion by Rep. Tony Bacala and seconded by Chief Christopher Wilrye to publicly state in a position letter that the MPERS board has voted unanimously to set a goal to work amicably with municipalities and their mayors as their representatives to resolve current issues in a manner that is pain free, economical, and serves the police officers as well as we can during a special meeting in pursuit of that goal. The motion passed unanimously.

J. 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: Presenters: Ben Huxen and Sheri Morris

1. Consideration of Proposed Settlement Agreements and/or Prospective Litigation (Actin Item)
 - a. Town of Albany
 - b. Village of Choudrant

- c. MPERS vs. Town of Killian, 19th JDC, Number 731350, Section 23
 - d. Village of Marion
 - e. MPERS vs. Town of Zwolle, et al., 19th JDC, Number 731350, Section 23
2. Legal Strategy Regarding Noncompliant Employers (Action Item)
- a. MPERS vs. Town of Elton, et al., 19th JDC, Number 729135, Section 31
 - b. MPERS vs. Town of Greensburg, et al., 19th JDC, Number 729284, Section 26
 - c. MPERS vs. Town of Springfield, et al., 19th JDC, Number 730012, Section 30
 - d. MPERS vs. Town of Cheneyville, et al., 19th JDC, Number 730043, Section 22
 - e. MPERS vs. Town of Glenmora, et al., 19th JDC, Number 731063, Section 31
 - f. MPERS vs. Town of Grand Coteau, et al., 19th JDC, Number 734857, Section 32
 - g. MPERS vs. Paris C. Sumrall, In Her Official Capacity as Mayor for the Village of Varnado, et al., 19th JDC, Number 739462, Section 24
 - h. MPERS vs. Sherbin Collette, In His Official Capacity as Mayor for the Town of Henderson, et al., 19th JDC, Number 741228, Section 21
 - i. MPERS vs. Herman Williams, in His Official Capacity as Mayor for the Town of Lecompte, et al., 19th JDC, Number 741267, Section 23
 - j. MPERS vs. Kelvin McCoy, In His Official Capacity as Mayor for the Town of Boyce, et al., 19th JDC, Number 753207, Section 32
 - k. Village of Creola
 - l. Town of Maringouin
3. City of New Orleans Lawsuits
- a. City of New Orleans v. MPERS, et al., 19th JDC, Number 724562, Section 24 Subject Matter: Leave Conversion Issues
 - b. City of New Orleans vs. MPERS, 19th JDC, Number 732243, Section 24 Subject Matter: Earnable Compensation

c. City of New Orleans vs. MPERS, 19th JDC, Number 751911, Section 25 Subject Matter: Partial Dissolution

It was determined that no executive session was needed because the lawsuits would be reset for after the LMA midwinter meeting and MPERS would be having a special meeting in February to attempt to resolve things.

The Board discussed the settlement negotiated with Zwolle for \$40,000. The issue was that the assistant chief, now chief of police had worked for the town for many years but was never enrolled and never filed an affidavit. He since filed the affidavit after the court hearing.

Motion by Asst. Chief Jason DiMarco and seconded by Chief Christopher Wilrye to approve the Zwolle settlement of \$40,000. Without objection, the motion carried.

Mr. Huxen stated that with the Village of Creola, he just wanted to get the Board's approval to forego a settlement because the issues in the case were so minor.

Motion by Chief Christopher Wilrye and seconded by Asst. Chief Jason DiMarco to approve forgoing the settlement with the Village of Creola. Without objection, the motion carried.

Mr. Huxen mentioned Albany and Choudrant stating that in the past they returned settlement agreements to MPERS where they struck out the indemnification language. Ms. Morris stated that they asked LMA to submit some alternate language. She stated that they submitted the alternate language earlier this morning and she was able to quickly review it. She stated that their response addresses items outside of the struck through paragraphs. She responded to them about which portions were acceptable, and which were not.

The Board discussed the issues surrounding the indemnification language. Ms. Morris stated that in some cases they have found that MPERS was provided with full records for some employees and not others. The indemnification is needed for cases where MPERS wasn't provided complete information. Mr. Huxen stated that they did not want to be in a situation where a court orders MPERS to pay someone a pension and the system doesn't have the ability to get the funding for the pension.

The Board discussed the facts surrounding Choudrant. The current chief of police is not qualified for membership because he does not make at least \$1,000 per month. The prior chief of police was over the old standard of \$100 per month but made less than \$1,000 per month. Given the population below 1,000 there is little chance that they had any officers because it appears they were only paying a part time salary. Based on these figures and the fact that

the only resolution would be going to court, it was discussed that accepting a settlement and avoiding spending more resources was likely the best course of action. Albany had at least 17 eligible employees shown on their records. It appeared to staff that they were forcing employees to opt out, including one who was vested with 17 years of MPERS service. Mr. Huxen suggested that based on the facts in the case the Board approve the Choudrant settlement without the indemnification based on the RMI suggested language.

Motion by Asst. Chief Jason DiMarco and seconded by Chief Christopher Wilrye to approve \$2,500 settlement with Choudrant subject to additional language suggested by the RMI attorneys. Without objection, the motion carried.

Mr. Huxen said that they met with the mayor of Killian and they have been trying to get him enrolled so they can get his officers enrolled and get a settlement. He stated they have been working with Rep Bacala, but the mayor has not called them back and he has not enrolled his officers. Mr. Huxen stated he would have to file an amended petition for Killian. They will be included in the special meeting.

Mr. Huxen stated that he did not have anything to report on the New Orleans lawsuits. He stated that they would be filing appropriate stuff with the court.

VIII. Other Business

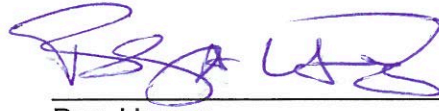
IX. Adjourn at 12:23 p.m.

Motion by Asst. Chief Jason DiMarco and seconded by Chief Beth Westlake to adjourn the meeting at 12:23 pm. Without a vote, the chairman recognized the meeting adjourned.

Next Meeting Date is January 21, 2025 in Baton Rouge, Louisiana.

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



Lt. (Retired) Chad King, Chairman

Ben Huxen,
Executive Director and General Counsel