

# MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, April 21, 2021, via audio/video conference due to the public health emergency declared in response to the threat presented by COVID-19.

The meeting was called to order by Vice Chairman Larry Reech at 9:05 a.m.

Mr. Gibson led the Pledge of Allegiance.

## Roll Call

### Members Present

Chief G. Scott Ford, Chairman  
Dep. Chief Darrell Basco  
Maj. Raymond Burkart, Jr.  
Mayor Greg Cromer  
Asst. Chief Jason DiMarco  
Maj. (Retired) Kelly Gibson  
Chief Michael Glaser  
Mayor Gerard Landry  
Ms. Amy Mathews, State Treasurer Designee  
Sgt. (Retired) Larry Reech  
Chief Christopher Wilrye

### Members Absent

Rep. Tony Bacala  
Senator Bob Hensgens  
Mr. Rick McGimsey, Commissioner of Administration Designee  
Chief Dwayne Munch

### Others Present

Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel  
Ms. Ashlee McNeely, MPERS, Executive Management Officer  
Ms. Taylor Camp, MPERS, CFO  
Ms. Melissa Rayburn, MPERS, Benefits Administrator  
Mr. David Barnes, NEPC, Investment Consultant  
Mr. Greg Curran, Actuary  
Ms. Sheri Morris, Daigle, Fisse, & Kissenich  
Ms. Lindsay Saienni  
Mr. William Bardeen  
Ms. Samantha Jones, HarbourVest  
Ms. Melissa Cahill, HarbourVest  
Ms. Monique Austin, HarbourVest  
Mr. Edward Powers, HarbourVest  
Mr. Scott Higbee, Portfolio Advisors  
Mr. Todd A. Hughes, Portfolio Advisors  
Mr. Scott White, Adams Street  
Mr. Jeffrey Diehl, Adams Street  
Mr. Joseph Goldrick, Adams Street

## Public Comment

Mr. Reech called for public comment. There was public comment submitted electronically by Mr. Chris Landry. Mr. Landry submitted comments meant to clarify some statements that he felt were untrue or gave a false impression to the viewer. Mr. Landry stated that the Office of Police Secondary Employment is a City Hall office and not part of the NOPD. He noted that the size of the Reserve Division does not reduce the budgeted strength of active officers and the NOPD is actively recruiting to fill those positions. Mr. Landry pointed out that the Superdome and Smoothie King Center are currently paying active and reserve officers as W-2 employees. He also clarified misinformation from the March

meeting, stating that in the past Superdome details were controlled by the deputy chief and sometimes captains and commanders, not sergeants like was previously stated. The statement was read into the record by Ms. McNeely.

## **REGULAR BUSINESS**

### Approval of the March 17, 2021 Board Meeting Minutes

Motion by Mr. Landry, seconded by Mr. Cromer, to approve the minutes of the meeting held March 17, 2021. Without objection, the motion carried.

### Report and Recommendations of the Governance Committee

Ms. Mathews gave the report from the meeting of the Governance Committee that was held on April 4, 2021. The committee recommended that the board establish an Investment committee and obtain interest from all trustees in serving in this committee. The committee also recommended that the board adopt the Emergency Succession Policy and the Diversity Policy, which were both vetted by the Governance Committee at its meeting. She also noted that GGA will be conducting some education for the full board over the next few quarters. Ms. Mathews made the motion that the board establish the Investment Committee, adopt the Emergency Succession Policy and the Diversity Policy, seconded by Mr. Basco. Without objection, the motion carried.

## **NEW BUSINESS**

### NEPC Report on Investments (Qualifies as Investment Training)

Mr. David Barnes represented NEPC and presented the Investment Market Update for March 2021. The total market value of the portfolio as of March 31, 2021 was \$2,569,433,729, and performance was up 0.7% for the month and 18.6% for the fiscal year to date.

### NEPC Brief Overview of Private Equity and Its Role in MPERS' Investment Portfolio (Qualifies as Investment Training)

Mr. Barnes provided a brief recap on the recent decision of the Board to move to a private equity "Fund of One" manager to implement its new private market portfolio. At the March meeting, based on NEPC's recommendations, the Board chose to invite three managers to present their proposals to the full Board. The three managers interviewing are Adams Street, HarbourVest, and Portfolio Advisors.

### Private Equity Fund of One Manager Interviews

#### Adams Street Partners

Mr. Scott White, Mr. Joseph Goldrick, and Mr. Jeffrey Diehl represented Adams Street and presented to the Board on their fund. They provided an overview of the firm, gave a brief presentation on their strategies, and answered questions from the Board on fees and their projected allocations.

#### HarbourVest Partners

Ms. Monique Austin, Ms. Melissa Cahill, and Mr. Edward Powers attended the meeting representing HarbourVest. They outlined the benefits of the platform, portfolio construction and economics in the strategy. Mr. Powers gave details on how the firm will actively manage the portfolio and deploy the capital across the funds. They answered questions from the Board about their process and the number of other funds they manage.



### Portfolio Advisors

Mr. Scott Higbee and Mr. Todd Hughes represented Portfolio Advisors and presented their fund to the Board. They gave a short overview of the firm and outlined the strategies they use to manage these funds. They reviewed their fees and services they offer as a fund of one.

### Discussion and Action Regarding Potential Commitment to a Private Equity Fund of One

Mr. Barnes reiterated the need to move funds to the fund of one and the burden that it will lessen on MPERS staff. He reviewed the implementation model for the fund of one and noted that all managers would be well suited to manage the fund. Mr. Barnes answered several questions from trustees and covered all aspects of the implementation model. NEPC recommended \$215 million in new private equity commitments to the fund of one manager. Ms. Mathews made the motion to make the commitment to fund of one and to move forward to select a manager, seconded by Mr. Reech. Without objection, the motion carried.

### Discussion and Action Regarding Private Equity Fund of One Manager Selection

The Board then moved on to discussion and ranking of the prospective managers. Mr. Huxen reviewed the method of voting. After tallying the votes, HarbourVest came out as the 1<sup>st</sup> place option, followed by Portfolio Advisors, and then Adams Street. A motion was made by Mr. Reech to select HarbourVest as the Fund of One manager and to authorize the executive director to take any and all actions to negotiate favorable terms with the manager, with the caveat that he can move on to the 2<sup>nd</sup> place choice if negotiations fall apart. The motion was seconded by Mr. Wilrye. Without objection, the motion carried.

### Actuarial Comments, Included but Not Limited to the Following Items (Qualifies as Actuarial Science Education)

### Discussion and Action Regarding the Valuation Rate to Be Used for the June 30, 2021 Valuation and for Options Factors

Mr. Curran addressed the valuation interest rate to be used in the upcoming valuation. Currently, the system has an employer contribution rate of 33.75% and it is set to decrease to 29.75% for the next fiscal year. Any change in the valuation interest rate will have an impact on the employer contribution for FY 2022. The current valuation interest rate is 6.95% and was set in FY 2020. Mr. Curran discussed the different impacts that would come about with changes in the valuation interest rate. A motion was made by Mr. Reech, seconded by Mr. Landry, stating that because the system is in the reasonable range, the board authorizes the actuary to lower the valuation interest rate from 6.95% as much as possible with caveat that it would not lower any further than what would set employer contribution rate no higher than the 31.75% level. With a vote of 10 yeas, 1 nay (Mr. Gibson), the motion passed. Mr. Curran also recommended that the Board approve the presented chart depicting the mortality and interest assumptions for all calculations the actuaries will have to run over the next year. A motion was made by Mr. Reech, seconded by Mr. Basco, to approve the tables with a valuation interest rate of 6.75%. Without objection, the motion passed.

### Overview of Certain Employers' Obligation Under R.S. 11:2225.4 to Pay a Portion of the Unfunded Accrued Liability and Discussion and Action Regarding a Determination of Municipalities that Partially Dissolved the Police Departments in FY 2020

Mr. Curran presented on certain employers' responsibility to pay down a portion of the Unfunded Accrued Liability. He provided a brief background on the UAL for trustees and briefed them on the differences in employers in the system. He also addressed the disparity between small and large municipalities and the issues they face with partial dissolution.



This also led into certain issues on smaller municipalities that had a partial dissolution in 2020, specifically, the Towns of Livonia and Tallulah who faced a partial dissolution due to a discrepancy in the retirement date of an officer. The board made the legal interpretation on when service credit actually ends as it relates to calculating a partial dissolution. A motion was made by Mr. Reech, seconded by Mr. Basco, to accept actuary's determination of the municipalities that partially dissolved their police departments in FY 2020 in accordance with the attorney's interpretation of what constitutes a participating employee of the employer as of June 30. Without objection, the motion carried.

#### Review and Approval of a Professional Services Agreement of FY 2022

Mr. Curran briefly presented his contract with the next fiscal year and noted there would be no change in his fees. Mr. Reech made a motion to renew the contract with G.S. Curran and Company for FY 2022, seconded by Mr. Cromer. Without objection, the motion carried.

#### Discussion and Action Regarding a Potential Attorney General's Opinion Request on R.S. 11:2220(J)'s Applicability to Paid Details

Mr. Huxen provided a brief summary on the return to work after retirement in a paid detail position that was discussed at the previous meeting. There was a great deal of discussion on this issue and the impact it will have on those who will retire on or after July 1, 2021. The different scenarios of detail work and possible employers were all examined. A motion was made by Mr. Burkart, seconded by Reech, that anyone retiring after July 1, 2021 shall receive a notice of possible forfeiture of their retirement benefit if they work details as a reserve officer or seek employment with their former employer as a police officer. Without objection, the motion carried. A motion was also made by Mr. Basco, seconded by Mr. Guillory, to authorize the executive director and general counsel to request an Attorney General's opinion as to whether a retiree of MPERS who retires on or after July 1, 2021 will be considered "employed by an [MPERS] employer" when working as a reserve officer who works private details. Without objection, the motion carried.

#### Executive Director and General Counsel Comments

Mr. Huxen provided an update on delinquent municipalities. There are no major issues this month and staff continues to work with those who are behind schedule.

He also provided an update on the office renovations. The renovation has begun and is going smoothly. The expected completion date as this point is June 30, 2021.


#### Other Business

There was no other business to come before the Board.

A motion was made by Mr. Ford, seconded by Mr. Landry, to adjourn the meeting at 1:31pm. Without objection, the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held April 21, 2021.

  
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G. Scott Ford, Chairman

  
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Ben Huxen,  
Executive Director and General Counsel