

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, January 20, 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 Chairman G. Scott Ford at 9:00 a.m.

### Roll Call

#### Members Present

Chief G. Scott Ford, Chairman  
Rep. Tony Bacala  
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  
Chief Dwayne Munch  
Sgt. (Retired) Larry Reech  
Chief Christopher Wilrye

#### Members Absent

Senator Bob Hensgens  
Mr. Rick McGimsey, Commissioner of Administration Designee

#### 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. Jessie Babcock, Beau Box Commercial Real Estate  
Mr. Mike O'Deay, Arkel Construction  
Mr. Preston Laney, Arkel Construction  
Ms. Lindsay Saienni, Financial Investment News  
Mr. Maja Ben Saed, FundMap

#### Public Comment

Mr. Ford called for public comment. There was no public comment submitted for the record.

## **REGULAR BUSINESS**

### Approval of the December 16, 2020 Board Meeting Minutes

Motion by Mr. Landry, seconded by Mr. Glaser, to approve the minutes of the meeting held December 16, 2020. Without objection, the motion carried.

### Report and Recommendations of the Governance Committee

Ms. Mathews gave the report from the first meeting of the Governance Committee. The committee consists of four members: Ms. Mathews, Mr. Ford, Mr. Reech, and Mr. Basco. Initial business of the committee includes implementing policies and practices to help the board make fair and good decision. The first step is creating a committee structure, creating a charter and bylaws, and making a board education and orientation plan. A motion was made by Ms. Mathews to adopt the report and recommendations of the Governance Committee, and to direct the Governance Committee to amend the committee charter to expand the committee's scope to include Human Resources and Compensation committee. A second was made 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 December 2020. The total market value of the portfolio as of December 31, 2020 was \$2,516,183,161 and performance was up 3.6% for the month and was up by 15.5% for the fiscal year to date. He noted that the portfolio has had really good performance recently and markets are looking positive.

### Actuarial Comments, Included but Not Limited to Discussion and Actions Regarding the Legislative Auditor's Comprehensive Actuarial Review of the 2020 Actuarial Valuation (Qualifies as Actuarial Science Education)

Mr. Greg Curran reported that the Legislative Auditor had presented the audit report for MPERS at PRSAC, who subsequently approved the report. He noted that they found the system's 2020 investment return assumption of 6.95% to be overly optimistic. He also discussed the cost of a future COLA and the recommendation of the Legislative Auditor that the board of trustees consider the likelihood of granting a COLA when they are permitted to do so. There has been a great deal of legislative conversations around granting COLAs, however Mr. Curran noted the difficulties with trying to predict a COLA and factor it into the valuation. He also noted that he will soon begin working on

assumptions of the assumed rate of return and will be coming to the board in the spring to discuss the valuation interest rate and whether it should be lowered.

Representative Bacala added that there was discussion at the Capitol the previous day and what should be done regarding a COLA and that is something that needs to be ironed out.

#### Executive Director and General Counsel Comments

Mr. Huxen outlined the proposed MPERS Legislation for the upcoming 2021 Regular Legislative Session. The bill would establish a funding deposit account and a cost-of-living adjustment pre-funding account. This bill is like the bill introduced last year that subsequently failed in the Senate Retirement Committee.

Mr. Curran went over some possible next steps and different scenarios given the current law and what is included in the legislation. Mr. Huxen requested that Mr. Curran run some numbers to see what would be possible under the two scenarios. There was some discussion among staff and trustees on the best strategy to get this type of legislation passed and the timing of when to pursue such a change. Mr. Landry did bring up some concerns on behalf of the mayors on the board. A motion was made by Mr. Reech to authorize and direct Mr. Huxen to work with the legislature on a path forward on this issue. There was a second by Mr. Basco. With a vote of 9 yeas and 2 nays, the motion passed.

Mr. Huxen then opened discussion on plans to renovate and rework the office space for the MPERS building. He has been working with architect and contractor to build out the vacant space downstairs and intends to move the staff to the smaller office space, while reworking and leasing out the upstairs portion of the building. Jessie Babcock with Beau Box Realtors provided information on the financial aspect of leasing out the upstairs portion of the building. Based on the finances, MPERS would be expected to recover the expenses of the renovation in four to five years. The total cost of renovation would be \$415,745, with an anticipated annual income of \$140,000 from the leasing. A motion was made by Mr. Wilrye, seconded by Mr. Burkart, to amend the capital budget to proceed with construction and grant authority to lease the upstairs portion to the Louisiana Uniform Local Sales Tax Board and to execute a listing agreement with Beau Box. With a vote of 11 yeas and 1 abstain, the motion passed.

Next Mr. Huxen discussed additional regulations to be promulgated. Most of the rules to be promulgated are already existing policies that need to be added to the Administrative Code, with three of them being new. The rules to be promulgated include:

- Changes to the DROP account distribution rules
- Clarifying the definition of "line of duty" for death, injury or illness, as it pertains to survivor benefits
- Purchases of service by reinstated employees
- Qualifications to receive disability retirement
- Updates to the election rules

A motion was made by Mr. Glaser to proceed with promulgating these rules as approved by the board, seconded by Mr. Wilrye. Without objection, the motion carried.

Next, he updated the board on the delinquent municipalities. Staff continues to work with those having issues.

Mr. Huxen directed trustees to the operating budget in their packet and mentioned things are looking good but he would return to the board if any changes are needed.

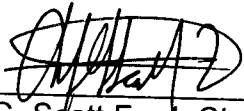
The PATROLE project is done but staff is still tweaking issues as they arise. He also noted that the member portal is live and working. All trustees have received a letter with information to create their account.

Other Business

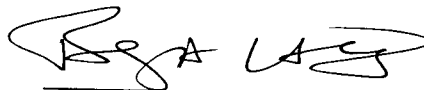
There was no other business to come before the Board.

A motion was made by Mr. Reech, seconded by Mr. Glaser, to adjourn the meeting at 11:14am. Without objection, the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held January 20, 2021.



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G. Scott Ford, Chairman



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Ben Huxen,  
Executive Director and General Counsel