

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, June 17, 2020, 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 9:06 a.m.

Pledge of Allegiance

Mr. Huxen led the Pledge of Allegiance.

Roll Call

Members Present

Chief G. Scott Ford, Chairman
Lt. Chad King, Vice-Chairman
Dep. Chief Darrell Basco
Maj. Raymond Burkart, Jr.
Maj. (Retired) Kelly Gibson
Chief Michael Glaser
Mayor Gerard Landry
Ms. Amy Mathews, State Treasurer Designee
Mr. Rick McGimsey, Commissioner of Administration Designee
Chief Dwayne Munch
Sgt. (Retired) Larry Reech
Mayor Donald Villere
Chief Christopher Wilrye

Members Absent

Rep. Tony Bacala
Senator Bob Hensgens

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
Ms. Sheri Morris, Daigle, Fisse, & Kessenich
Mr. Greg Curran, Actuary
Mr. Lowell Good, Legislative Auditor's Office
Ms. Kerry Fauver, CarVal Investors
Mr. Lucas Detor, CarVal Investors
Ms. Lindsay Saienni, Financial Investment News

Public Comment

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

REGULAR BUSINESS

Approval of the May 20, 2020 Board Meeting Minutes

Motion by Mr. King, seconded by Mr. Landry, to approve the minutes of the meeting held May 20, 2020. Without objection, the motion carried.

NEW BUSINESS

NEPC Report on Investments

Mr. David Barnes represented NEPC and first presented the Investment Market Update for May. The total market value of the portfolio as of May 31, 2020 was \$2,138,862,078 and performance was up by 2.9% for the month and was up by 0.3% for the fiscal year to date.

NEPC Private Markets 2020 Commitment Review and Recommendation

Mr. Barnes then went over the private markets commitments recommendations. The Board had previously invited CarVal Credit Value Fund V to present at this meeting. NEPC conducted due diligence research on a second fund, HarbourVest Dover Street X. NEPC's recommendation is to allocate \$25 million in 2020 to CarVal and to invite HarbourVest to the June meeting to present to the Board. A motion was made by Ms. Mathews, seconded by Mr. King, to invite HarbourVest Dover Street X to present at the next meeting. Without objection, the motion carried.

Presentation by CarVal Investors, LP Regarding CarVal Credit Value Fund A V LP

Ms. Kerry Fauver and Mr. Lucas Detor represented CarVal Credit Value Fund V, introduced the Board to the fund, and outlined their investment strategy. Mr. Detor answered several questions from trustees regarding their process and specific investment strategies.

Discussion and Action Regarding a Commitment to CarVal Credit Value Fund A V LP

Mr. Barnes then discussed NEPC's recommendation regarding the commitment to CarVal. He noted that this gives the portfolio a more diversified approach in the current market. The official recommendation is to give a \$25 million commitment to CarVal Credit Value Fund A V. A motion was made by Mr. Reech to make the \$25 million commitment to CarVal, followed by a second by Mr. Burkart. Without objection the motion carried.

Actuarial Comments

Mr. Greg Curran went over how the current investment returns may impact the actuarial yield. He said that they currently have MPERS around 4.7% for the fiscal year. This would result about a 2% increase in cost, which is slightly less than the previous year. He did note that any decrease in payroll due to layoffs or furloughs from Covid-19 could have an impact on the Fiscal Year 2021 valuation.

Discussion and Action Regarding Unpaid Contributions on Earnable Compensation Paid by the City of Mandeville Under the Mandeville Police Department Incentive Program

Mr. Huxen outlined the history of the Mandeville Police Department Incentive Program for the Board and informed them that the incentive pay has not been included in the final retirement benefit calculations, as they should have been, because Mandeville did not pay contributions on this income over the years. MPERS has worked with Mayor Villere on this issue, and he has stated that Mandeville is willing to make the contributions. However, Mandeville's attorney has opined that they can only legally pay for the last three years. MPERS attorney disagrees and states that Mandeville should pay the full actuarial cost. Ms. Sheri Morris outlined the attorney general opinions on this issue. She recommends that MPERS allow Mandeville to pay the previous three years that they are willing to pay, but when a member applies for retirement, MPERS should do a full actuarial calculation to ensure the payment is reflective of the true cost. This is what MPERS is currently doing with the Baton Rouge police officers. Mr. Villere stated that Mandeville will pay the full amount if the Attorney General states Mandeville must pay. However, they need to have the legal authority documented to show their auditors. Mr. Huxen stated that he will proceed based on the advice of Ms. Morris, and the system will only pay the retirees what they are owed. A motion was made by Mr. Reech, seconded by Mr. Landry, to request an Attorney General opinion on his issue. Without objection, the motion carried. Mr. Burkart then inquired if we need to implement a process to notify retirees of this issue

to avoid future lawsuits. Ms. Morris agreed. Mr. Munch then requested that the system send a letter to municipalities to let them know they must pay on incentives.

Discussion and Action Regarding the Proposed FY 2021 Operating and Capital Budgets

Mr. Huxen went over the proposed budget for the next fiscal year. He showed the comparison with the 2019-2020 year and outlined any changes. He also proposed that the system conduct a compensation study and succession plan to be held in the fall months. A motion was made by Mr. Wilrye, seconded by Ms. Mathews, to accept the budget for FY 2020-2021. Without objection, the motion carried.

Executive Director and General Counsel Comments

Mr. Huxen first updated the Board on the 2020 legislative session. Three out of four MPERS bills passed the Legislature and were signed into law by the Governor. The effective date of these bills is July 1, 2020. He let the Board know that the COLA bill brought by the system did not pass due to concerns expressed by Senator Peacock. However, Senator Price, Chair of the Senate Committee on Retirement, has indicated that he will work with us on a COLA bill for 2021 or 2022. Mr. Curran noted that he is hopeful we can work something out in the future. Mr. Lowell Good also echoed the statements of Mr. Huxen and Mr. Curran and stated that he also believed that the cost to employers under HB 19 would have been lower than under current law.

Next, Mr. Huxen gave an update on the status of the PATROLE project. The project is on track for completion. An amendment to the contract was brought before the Board to extend the contract date to 12/31/2020 to be able to address any issues that come about after the go-live date. A motion to approve the amendment was made by Mr. Wilrye and was seconded by Mr. Glaser. Without objection, the motion carried.

Mr. Huxen then updated the Board on those municipalities that were delinquent in payments to the system. There are only three that he has concerns with, the rest are working with the system on repaying. Any delinquent municipalities will be charged interest. He will provide another update at the next meeting.

Executive Session


The Board chose not to go into Executive Session to approve two disabilities for Dawn M. Celestin and Jennifer A. Winzer. Mr. Reech made a motion to approve both disabilities applications, which was seconded by Mr. Glaser. Without objection, the motion carried.

Other Business

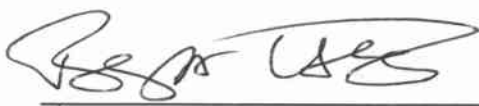
There was no other business to come before the Board.

A motion was made by Mr. Wilrye, seconded by Mr. King, to adjourn the meeting at 10:58am. Without objection, the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held June 17, 2020.



G. Scott Ford, Chairman



Ben Huxen,
Executive Director and General Counsel