

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, March 17, 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 9:12 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
Senator Bob Hensgens
Ms. Amy Mathews, State Treasurer Designee
Mr. Rick McGimsey, Commissioner of Administration Designee
Sgt. (Retired) Larry Reech
Chief Christopher Wilrye

Members Absent

Mayor Gerard Landry
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
Mr. Jason Montegut, DHHM
Ms. Michelle Cunningham, DHHM
Mr. Mike Glasser, PANO
Mr. Peter Hansche, PANO

Public Comment

Mr. Ford called for public comment. There were two individuals present for public comment, Mr. Glasser and Mr. Hansche to speak about the new return to work provisions that were put into law last year. This new law will have some adverse impacts on those individuals who go back to work for the city in private detail following their retirement. There was some discussion on the intention of the law that the system brought last year and who it was meant to impact. Mr. Huxen noted that the intent of the law is to ensure that individuals who are retired and receiving a monthly benefit are not also receiving a paycheck from an MPERS employer during the first twenty-four months following retirement. Chairman Ford stated that we would add this to the agenda for the Legislative Committee to examine and try to come up with a solution that works for all parties.

REGULAR BUSINESS

Approval of the January 20, 2021 Board Meeting Minutes

Motion by Mr. Bacala, seconded by Mr. Wilrye, to approve the minutes of the meeting held January 20, 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 March 12, 2021. The committee recommended that the board expand its title to also include Human Resources; mainly, succession planning and management. In the coming months, GGA will present some trustee education, and the committee will likely recommend that some additional committees be created, like the Policy and the Special Buildings Committees. The next meeting of the committee will be April 8, 2021. Ms. Mathews made a motion to adopt the report and recommendations of the Governance Committee, including but not limited to the proposed revised committee charter to include Human Resources, seconded by Mr. Wilrye. Without objection, the motion carried.

NEW BUSINESS

NEPC Monthly Performance Update, Asset Allocation Review and Update, and Private Equity Fund of One Implementation and Proposals (Qualifies as Investment Training)

Mr. David Barnes represented NEPC and presented the Investment Market Update for February 2021. The total market value of the portfolio as of February 28, 2021 was \$2,552,513,708 and performance was up 1.2% for the month and was up by 17.8% for the fiscal year to date.

Mr. Barnes then went over the Asset Allocation Update and the forecasts for the portfolio. He also noted some changes that NEPC has recommended to make positive changes in the fund. He outlined several scenarios that could play out after implementing the forecast changes. He went over the plans to expand access with Loomis Sayles and give more flexibility in a rapidly changing bond market. NEPC feels that it is a good time in the market to add that risk and this move will better align the portfolio for the future and improve the expected returns. Mr. Barnes recommended that MPERS adopt the alternative policy mix proposed by NEPC as the 2021 Policy Target for the portfolio. Ms. Mathews made a motion to adopt the alternative policy mix, seconded by Mr. Burkart. Without objection, the motion passed.

Mr. Barnes then reviewed plans for the Private Equity Fund of One implementation and proposals from prospective managers. He outlined the process NEPC went through to carry out due diligence to narrow down managers. He also reviewed the structure of the fund, how it will operate, and the burdens it will alleviate on the staff. A motion was made by Mr. Burkart to bring the top three Fund of One managers to present to at the April meeting, seconded by Ms. Mathews. With a vote of 10-1, the motion passed. Mr. Reech was the one "no" vote.

Mr. Barnes stated that he would invite Adams Street, HarbourVest, and Portfolio Advisors, to present their individual funds to the Board at the April meeting.

Presentation and Acceptance of the GASB 68 Report for the Fiscal Year Ended June 30, 2020

Mr. Jason Montegut and Ms. Michelle Cunningham represented Duplantier, Hrapmann, Hogan, & Maher and presented the GASB 68 report for the previous year. Ms. Cunningham noted that this is an audit of the employer allocations and net pension liability. There were no significant deficiencies and there were no material violations of any laws or regulations. The total pension liability was \$3,180,974,031 on June 30, 2020, which is based on actual assumptions. The system complied with all GASB standards on all parts. The audit had two schedules: Schedule of Employer Allocations and Schedule of Pension Amounts by Employer.

Mr. Montegut presented the calculations and figures. The net pension liability from employers was \$924,233,054, which is allocated to all employers. He went over the deferred outflows and deferred inflows from employers and how they are allocated. He also presented a sample of the schedule of pension amounts by employers, based on

their individual resources. A motion was made by Mr. Wilrye to accept the GASB 68 report, seconded by Ms. Mathews. Without objection, the motion carried.

2021 Regular Legislative Session Update

Mr. Huxen updated the Board on the piece of legislation MPERS was seeking to pass. The bill was introduced and subsequently withdrawn due to opposition from Senator Peacock. Staff had done considerable amounts of leg work to get the bill in a good posture but, unfortunately, it was not the right year for this legislation. Just for the board's information, he also mentioned a bill by Senator Peacock that would affect LASERS by raising the retirement age for new employees to Social Security age.

Discussion and Action Regarding Appointments to the Legislative, Policy, and Special Building Committees

Mr. Ford requested that trustees reach out to them with their interest to serve on either the Legislative Committee, Policy Committee, or Special Building Committee. He has the authority to appoint members to the committees. Mr. Wilrye was nominated to serve as the Chairman of the Policy Committee.

Actuarial Comments, Included but Not Limited to Discussion Regarding the Retiree Return to Work Provisions of R.S. 11:2220(J) (Qualifies as Actuarial Science Education)

Mr. Curran provided an update on the interest rate to follow up on Mr. Barnes' presentation. He noted that our possible figures at the end of the year may lead to a COLA. The system may be able to grant a 2% COLA to retirees age 65 and older if the system ends the year at 17.8% rate of return. MPERS would need at least 15.2% to be able to meet the requirement to grant a COLA.

He also provided some background on the return-to-work issue that was discussed at the beginning of the meeting. The bill was meant to incentivize members to wait to retire until they are actually ready to retire. Rep. Bacala requested that staff provide an official interpretation of the statute so every is clear on what exactly is affected by the law.

Executive Director and General Counsel Comments

Mr. Huxen provided an update on delinquent municipalities. There are no major issues this month. He also provided an update on the office renovations. MPERS signed the lease with the Louisiana Uniform Local Sales Tax Board and signed the broker agreement to lease the upstairs space. The contract was also signed to begin the renovations of the downstairs space and construction is set to begin the second week of April.

Executive Session

The board chose not to go into executive session. The board considered two cases. The first was a discussion of finding of disability for Erin N. Hollier. Ms. Mathews made a motion to approve this disability finding, seconded by Mr. Wilrye. Without objection the motion carried.

Next was a determination of whether Charles F. Dotson was killed as a result of injuries sustained in the line of duty. After brief discussion, a motion was made by Mr. Ford, seconded by Mr. Bacala, that, based upon the facts contained in the affidavits of Cpl. Brian Strong and Mrs. Anita Dodson, Mr. Dotson was killed in the line of duty. Specifically, the board found that:

1. Mr. Dotson was engaged in an official duty and circumstances indicate that it was medically possible that he was exposed to the virus while so engaged;
2. he contracted the illness within a timeframe where it was medically possible to contract the illness from that exposure; and
3. COVID-19 is listed as a cause of death on his death certificate.

Without objection, the motion carried.

Other Business


There was no other business to come before the Board.

A motion was made by Ms. Mathews, seconded by Mr. Wilrye, to adjourn the meeting at 11:42am. Without objection, the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held March 17, 2021.



G. Scott Ford, Chairman



Ben Huxen,
Executive Director and General Counsel