

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, May 20, 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 9:04 a.m.

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
Mr. Greg Curran, Actuary
Mr. Lowell Good, Legislative Auditor's Office
Mr. Tom Smith, Provaliant
Ms. Wendy Sanchez, Provaliant
Mr. Paul Schmidt, BNY Mellon
Mr. Bruce Nones, BNY Mellon
Ms. Lindsay Saienni, Financial Investment News
Mr. Zack Cziryak, Financial Investment News
Ms. Ana Irizarry, Financial Times

Public Comment

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

REGULAR BUSINESS

Approval of the April 15, 2020 Board Meeting Minutes

Motion by Mr. Villere, seconded by Mr. Wilrye, to approve the minutes of the meeting held April 15, 2020. Without objection, the motion carried.

UNFINISHED BUSINESS

Discussion and Action Regarding Proposed Changes to Election Rules

Mr. Huxen outlined the suggested changes to the election rules for the board. Mr. Reech brought up concerns regarding who can approve nominations and that the board should be careful not to unintentionally exclude those with disabilities from being able to serve on the board. Mr. Reech expressed a desire to keep elections open, transparent, and recorded in the minutes, to which all members of the board and staff agreed. Mr. Wilrye made a motion to approve the changes to the election rules as proposed, subject to the deletion of the terms "able and" under the heading "Board Member Responsibilities." That motion was seconded by Mr. Reech and, without objection, carried.

Provaliant Retirement's Technology Update and Discussion and Action Regarding Certain Technology-Related Policies and Procedures

Tom Smith with Provaliant presented MPERS' business continuity plan to enable the system to continue to do business in the case of a disaster. Additionally, he outlined several new policies and cybersecurity best practices for the MPERS staff to comply with to ensure the data remains safe. A motion was made by Mr. King to adopt the Information Security Policy, Access Control Policy, Confidential Information Policy, and Clean Desk Policy, as presented. Mr. Villere seconded and, without objection, the motion carried.

Cybersecurity and Information Protection at BNY Mellon

Mr. Paul Schmidt and Mr. Bruce Nones with BNY Mellon gave a presentation on their policies and procedures related to cybersecurity and information protection as our custodian bank. Mr. Nones outlined the security program and protocols they use to keep our funds safe.

NEW BUSINESS

Accept Nominations for Non-chief District II

Chairman Ford reported that only one person, Mr. King, was nominated for the Non-chief District II position. Being that there was only one nominee, there will be no need for an election, and Mr. King will continue in his role with a new term starting July 1, 2020. Mr. Wilrye made a motion to accept the nomination, seconded by Mr. Reech. Without objection, the motion carried.

NEPC Report on Investments, Including but Not Limited to Discussion and Action Regarding 2020 Private Markets Commitments

Mr. David Barnes represented NEPC and first presented the Investment Performance Review for the first quarter of 2020. He highlighted that compared to our peers, MPERS returns come in about 75% better than other similar plans, meaning MPERS held up better in the down market than most other plans. Over the last year, MPERS has outperformed 60% of its peers.

He then reviewed Investment Market Update for April. He noted there was a bit of an upturn during the month. The total market value of the portfolio as of April 30, 2020 was \$2,074,530,281 and performance was up by 6.1% for the month and was down by 2.7% for the fiscal year to date.

Mr. Barnes also presented the Private Market Program Review and Strategic Investment Plan. The Board previously approved an increase in the target allocation for the private equity program of 7%, and NEPC modeled out the investments that are required to get the system to that level. He presented the model and outlined the commitment schedule to get to the target allocation, which should occur around 2022-2023. Mr. Barnes recommended that the Board approve the \$50 million in commitment for this year to the private equity program, and then invite CarVal Investors, LP to the next meeting for

interviews. This motion was made by Mr. Reech, seconded by Ms. Mathews. Without objection, the motion carried.

Actuarial Comments

Mr. Greg Curran presented on his recommendation to lower the valuation interest rate for the system. The experience study that the Board recently approved has resulted in about a 4% savings for the plan. This allows the Board to lower the valuation rate without significantly increasing the employer contribution rate. This is a step to get the plan in a better posture for the future. Several trustees echoed support for lowering the valuation interest rate. There was some discussion of which rate to use. Mr. Reech made a motion to lower the valuation interest rate to 6.95%, which was seconded by Mr. King. Without objection, the motion carried.

Executive Director and General Counsel Comments

Mr. Huxen first updated the Board on the 2020 legislative session. All of MPERS' bills have passed the House and are waiting a hearing in the Senate Retirement Committee. They were well received on the House side. He did note that a few minor changes need to be made to HB 19 in the Senate committee. The amendments are as follows:

1. Corrects the date at which the account balance is set to zero.
2. Sets a more realistic date by which a COLA could possibly be granted.
3. Ensure that the board could still grant a COLA even if the account balance was, for example, \$1 short of the amount needed for the 2% level.

A motion was made by Mr. Villere to approve the amendments to HB 19, seconded by Mr. Reech. Without objection, the motion carried.

Mr. Huxen updated the Board on the status of the PATROLE project. We are currently 2% ahead of schedule. He also announced that staff has pushed back the go-live date for employers to September 1, 2020, for logistical reasons.

Next, Mr. Huxen provided an update on delinquent municipalities. Several of them have paid since adding to the agenda. The Town of Washington is working with system on a payment plan to repay what they owe.

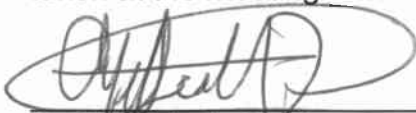
Mr. Huxen also updated the board on actuarial certification from the Baton Rouge bill for the fourteen members who had retired with overtime. The actuary has completed the certification and Baton Rouge owes MPERS roughly \$250,000.

Other Business

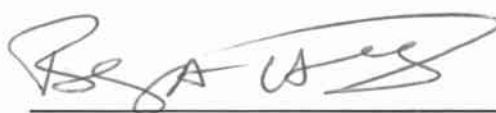
There was no other business to come before the Board.

A motion was made by Mr. Reech, seconded by Mr. Burkart, to adjourn the meeting at 10:57am. Without objection, the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held May 20, 2020.



G. Scott Ford, Chairman



Ben Huxen,
Executive Director and General Counsel