

Municipal Police Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
December 15, 2021

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, December 15, 2021, via audio/video conference due to the public health emergency declared in response to the threat presented by COVID-19.

A. Call to Order

The meeting was called to order by Chairman G. Scott Ford at 9:05 a.m.

B. Pledge of Allegiance.

Mr. Huxen led the Pledge of Allegiance.

C. Roll Call

Members Present

Rep. Tony Bacala
Maj. Raymond Burkart, Jr
Asst. Chief Jason DiMarco
Chief G. Scott Ford, Chairman
Maj (Retired) Kelly Gibson
Chief Michael Glaser
Mayor Gerard Landry
Ms. Amy Mathews, State Treasurer Designee
Mr. Rick McGimsey, Commissioner of Administration Designee
Sgt. (Retired) Larry Reech
Lt. Tyrone Warren
Chief Christopher Wilrye

Members Absent

Mayor Greg Cromer
Senator Bob Hensgens
Chief Dwayne Munch

Others Present

Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel
Ms. Melissa Frazier, MPERS, Benefits Administrator
Ms. Taylor Camp, MPERS, CFO
Mr. Greg Curran, G.S. Curran & Co, Actuary
Mr. David Barnes, NEPC, Investment Consultant
Mr. Kenny Herbold, Louisiana Legislative Auditor, Director of Actuarial Services
Mr. Joey David
Ms. Michelle Cunningham, Auditor DHHM
Mr. Jason Montegut, Auditor DHHM
63-322521006, Reporter no name

D. Public Comment

Mr. Ford called for public comments. There were no public comments.

E. Regular Business

1. Approval of the November 17, 2021, Board Meeting Minutes

Motion by Mr. Glaser, seconded by Mr. Wilrye, to approve the minutes of the meeting held November 17, 2021. Without objection, the motion carried.

F. New Business

1. Discussion and Action Regarding Nominations for the 2022 Board Chair

Mr. Ford was the only nomination for Board Chair.

Motion by Mr. Glaser, seconded by Mr. Wilrye, to elect Mr. Ford as the 2022 Board Chair. Without objection, the motion carried.

2. Discussion and Action Regarding Nominations for the 2022 Board Vice-Chair

Mr. Reech was the only nomination for Board Vice-Chair.

Motion by Mr. Landry, seconded by Mr. Ford, to elect Mr. Reech as the 2022 Board Vice-Chair. Motion carried without a vote needed.

3. NEPC Report on Investments (Qualifies as Investment Training)

Mr. David Barnes, NEPC Investment Consultant, presented an overview of the November 2021 market background.

He presented the Investment Market Update for November 2021. The total market value of the portfolio as of November 30, 2021, was \$2,740,302,825. He stated that performance was down 1.3% for the month of November and up 9.8% year to date, 1.1% for the FYTD, and 14.3% in the last 12 months. He also provided the Board an update on the total large cap equity composite as well as the small and mid-cap stock portfolio, the international equity portfolio, fixed income portfolio, hedge fund portfolio, as well as the private real estate portfolio.

Mr. Barnes also gave a brief market update through close of business December 14, 2021.

4. Actuarial Comments, Including but Not Limited to Employer Allocations of Information for Financial Reporting Under GASB 68 (Qualifies as Actuarial Science Education)

Mr. Curran reminded the Board that the actuary prepares a separate actuarial valuation of plan liabilities under the GASB (Governmental Accounting Standards Board) standards. He added that the results within the actuary's GASB 67 and 68 report was needed to support the auditors in producing the annual audit report. Mr. Curran directed the board's attention to page 16 which includes a history of the total pension liability (the accounting name for the actuarial accrued liability) and the net pension liability (the accounting name for the system's unfunded accrued liability determined using the market value of assets). Mr. Curran stated that the net pension liability decreased from \$924 million in 2020 to \$533 million in 2021. He also highlighted the GASB funded ratio, which increased from 71% in 2020 to 84% in 2021.

Mr. Curran informed the board that his office was working on the partial dissolution review and hoped to have it completed for the board by its January 2022 meeting.

5. Presentation of the Audit Report for the Fiscal Year Ended June 30, 2021

Ms. Cunningham of DHHM stated that the annual audit was finished but they were in the final phases of completing the Annual Comprehensive Financial Report (ACFR). She reported that the ACFR would be completed within the next couple of weeks. She stated that the ACFR would be submitted to the Government Finance Officers Association (GFOA) who will review it and award the fund with a certificate of excellence. She reminded the board that the ACFR includes an introductory letter, information about the board, information about the system and its employees, information about the actuary, investments, and statistical information.

Ms. Cunningham reviewed the role of management responsibilities versus the auditors' responsibilities in the financial reporting. She also reported that there were no significant deficiencies or material weaknesses related to MPERS' internal controls and no material violations of laws and regulations. Ms. Cunningham gave a brief overview of the GASB audit. She stated that, overall, it was a very good audit.

Ms. Cunningham reviewed the new items in the audit (schedule of professional fees and schedule of investment expenses) as required by the ACFR.

Mr. Montegut reviewed the Condensed Comparative Statement of fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

Ms. Cunningham reviewed the fund's discount rate. She stated that it was decreased from 7.5% in 2014 to the current rate of 6.75% for 2021. She stated that the money weighted rate of return was about 8.4%.

Mr. Montegut reviewed the results of Census Data Testing on St. Martinville, Lafayette, Broussard, Carencro, and New Orleans.

6. Executive Director & General Counsel Comments

a. Update on Delinquent Municipalities

Mr. Huxen reviewed the delinquent municipalities: Oberlin, White Castle (has since paid), Killian, Moreauville, Bastrop, Boyce, Many, and Ringgold.

G. Other Business

There was no other business to come before the Board.

Mr. Ford reminded the Board that the next meeting date was January 19, 2022, and wished everyone a Merry Christmas.

H. Adjourn

A motion was made by Mr. Burkart, seconded by Mr. Wilrye, to adjourn the meeting at 10:10 a.m. Without objection, the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held December 15, 2021.



G. Scott Ford, Chairman

Ben Huxen,
Executive Director and General Counsel