

**Municipal Police Employees' Retirement System
Minutes of the Meeting of the Board of Trustees
October 20, 2021**

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, October 20, 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.

Ms. Camp led the Pledge of Allegiance.

C. Roll Call

Members Present

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

Rep. Tony Bacala
Mayor Greg Cromer
Senator Bob Hensgens
Chief Dwayne Munch

Others Present

Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel
Ms. Ashlee McNeely, Executive Management Officer
Ms. Melissa Rayburn, MPERS, Benefits Administrator
Ms. Taylor Camp, MPERS, CFO
Mr. Greg Curran, G.S. Curran & Co, Actuary
Mr. David Barnes, NEPC, Investment Consultant
Ms. Sheri Morris, Daigle Fisse & Kessenich
Mr. Brad Kelly, Global Governance Advisors

Mr. Peter Landers, Global Governance Advisors
Mr. Joey David
Mr. Mike O'Deay
Mr. Jessie Babcock
Ms. Bridgette Hull
Mr. Ron Crouch
Mr. Tony Gelderman
Ms. Hannah Ross

D. Public Comment

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

E. Regular Business

1. Approval of the August 18, 2021, Board Meeting Minutes

Motion by Mr. Landry, seconded by Mr. Reech, to approve the minutes of the meeting held August 18, 2021. Without objection, the motion carried.

2. Discussion and Action Regarding the Report and Recommendations of the Human Resources & Governance Committee.

The Board reviewed recommendations from the Human Resources & Governance Committee:

The committee recommended that the board authorize the Board Chair to execute the draft Employment Agreement for the Executive Director and General Counsel, with the change of adding an amendment to incorporate a requirement for an annual evaluation to be conducted in accordance with a policy to be adopted by MPERS, a revised definition of cause for termination, and a clarification of health insurance benefits.

The committee also recommended that GGA assist with formulating a policy to evaluate the Executive Director and General Counsel's performance annually.

Motion by Mr. Reech, seconded by Mr. DiMarco, to implement the recommendations of the committee per the minutes. Without objection, the motion carried.

3. Discussion and Action Regarding the Report and Recommendations of the Legislative Committee.

This item was initially skipped and discussed after item five.

Mr. Burkart stated that the Legislative Committee met on October 7, 2021.

The committee recommend that the board advertise and seek authors for a 2022 Regular Legislative Session bill to establish both a funding deposit account and a cost-of-living adjustment pre-funding account, as described in #1 of the attachment hereto entitled "MPERS PROPOSED LEGISLATION FOR THE 2022 REGULAR SESSION – FOR DISCUSSION PURPOSES ONLY – PREPARED BY BEN HUXEN," contingent on the support of the Louisiana Municipal Association.

The committee recommended that the board advertise and seek authors for a 2022 Regular Legislative Session bill to provide for certain exceptions to the retire-rehire provisions under R.S. 11:2220(J), as described in #2 of the attachment hereto entitled "MPERS PROPOSED LEGISLATION FOR THE 2022 REGULAR SESSION – FOR DISCUSSION PURPOSES ONLY – PREPARED BY BEN HUXEN," contingent on the support of the Louisiana Municipal Association and the Louisiana Association of Chiefs of Police.

The Board decided to contact other pension boards in order to seek approval and input.

Mr. Gibson stated that he was in favor of the prefunding of COLAs but had concerns related to the way the bill takes away control from the Board of Trustees and limits COLAs to members 67 or older. He requested Mr. Curran, Mr. Ford, and Mr. Huxen's opinion on amending the bill I so that it would be at the sole discretion of MPERS to grant COLAs from the prefunding account and to determine whether the COLAs could be recurring or non-recurring.

Mr. Huxen expressed favor for Mr. Gibson's recommendation and explained that the limit of age of 67 and the use of 2% of the original benefit would make COLAs more cost efficient. He also discussed possibly factoring in making COLAs non-recurring, applying to retirees younger than 67 and the potential frequency of COLAs. Mr. Huxen agreed with allowing non-recurring payments and the flexibility of paying COLAs to retirees younger than 67.

Mr. Curran agreed with the board regarding the goal to maintain flexibility. He stated that the main change in the bill would be about prefunding of COLAs and removing the current provisions that allow for COLAs to be given outside of the prefunding construct. He expressed no opposition to greater flexibility as long as money spent on COLAs came from funds within the prefunding account. He further stated that the bill would stop the existing procedure of using excess interest to determine when COLAs

would be given and that it would allow the Board to decide how much funding to use on COLAs.

Motion by Mr. Gibson, seconded by Mr. Ford, to 1) amend the committee's report to provide that the proposed draft of the bill be amended to allow the board, in its sole discretion, to grant COLAs from the prefunding account both under the existing laws and as presently drafted, and to determine whether such COLAs are recurring or nonrecurring and 2) implement the recommendations of the committee with the amendment. Without objection, the motion carried.

4. Discussion and Action Regarding the Report and Recommendations of the Policy Committee.

The committee recommend that the board adopt the draft Policy committee Charter with amendments.

The committee recommend that the board adopt the draft Communication Policy with amendments.

The committee recommend that the board adopt the draft Procurement Policy with amendments.

Motion by Mr. Wilrye to implement the recommendations of the committee. Without objection, the motion carried.

5. Discussion and Action Regarding the Report and Recommendations of the Special Building Committee.

Mr. Ford stated that the special building committee met on October 6, 2021.

The committee recommended that the Board adopt the draft Special Building Committee charter as presented on October 6, 2021. The committee also nominated Scott Ford as the committee chairman. With no other nominations, Mr. Ford was selected.

The committee recommended that the Board authorize the executive director and general counsel to enter into lease agreements with the Louisiana Sales and Use Tax Commission for Remote Sellers and Office of State Examiner, Municipal Fire and Police Civil Service for a minimum of five-year terms and for not less than \$722,000 in total rental payments.

The committee recommended that the Board adopt a capital budget of \$666,239 for necessary renovations to the second floor of the MPERS building and to install a generator.

Motion by Mr. Ford, to implement the recommendations of the committee. Without objection, the motion carried.

F. New Business

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

Mr. David Barnes, NEPC Investment Consultant, presented a market overview for August and September 2021.

He presented the Investment Market Update for September 2021. The total market value of the portfolio as of September 30, 2021, was \$2,704,306,702 and performance was down 2.4% for the month of September and down 0.6% for the fiscal year-to-date. He also provided the Board an update on the private equity portfolio, the international equity portfolio, bond portfolio, as well as the private real estate portfolio.

He presented a brief overview of the MPERS October 2021 performance so far.

2. Actuarial Comments (Qualifies as Actuarial Science Education)

Mr. Curran had no actuarial comments and stated he was currently working on the valuation.

3. Discussion and Action Regarding a Proposed Contract with Duplantier, Hrapmann, Hogan & Mayer, LLP To Perform Audit and Agreed-Upon Procedures for Fiscal Years 2022 Through 2026.

Mr. Huxen explained that the previous contract was approved five years ago, and that MPERS had received a new five-year quote. Ms. Mathews suggested that the auditors be rotated every 3-5 years and explained the benefits of having new auditors. Mr. Huxen explained that the existing auditors were peer reviewed. There was further discussion on the difficulties of hiring new auditors. Ms. Mathews recommended to shorten the contract to 3 years and research new auditors in the future. Mr. Huxen agreed with Ms. Mathews's suggestion.

Ms. Mathews motioned to approve the auditor's contract subject to an amendment decreasing term from five years to three years, seconded by Mr. Wilrye. Without objection, the motion carried.

4. Clarification of Board vs. Management Responsibilities Presentation by Global Governance Advisors (Qualifies as Fiduciary Duty Instruction)

Mr. Kelly and Mr. Landers, of Global Governance Advisors reviewed their presentation "Board & Management Responsibilities" which was a brief education on the proper division of board versus management team responsibilities. They also discussed working more efficiently with the management team, the value of positive working relationships, and areas of responsibilities. They then reviewed a case study from a much larger fund and discussed managing the future.

5. Executive Director & General Counsel Comments

Mr. Huxen stated there was nothing to vote on this month.

a. Update on Delinquent Municipalities

Mr. Huxen gave a packet to the board members with an update.

b. Review of First Quarter FY 2022 Operating Budget to Actual

Mr. Huxen stated no action from the board was required.

6. Executive Session

a. Determination of Whether Theresa Simon (Slidell) Was Killed as a Result of Injuries Sustained in the Line of Duty. May be heard in executive session, without the survivors present, under the provisions of R.S. 42:17(A)(10) to facilitate privileged communications under La. Code Evid. art. 506.

Mr. Huxen reminded the board that if a member was killed as a result of an injury sustained in the line of duty, the survivors are eligible for a benefit equal to 100% of that member's average final compensation. Ms. Simon had a heart attack while on duty doing reports about a stressful previous day. The officer subsequently died as a result of the heart attack.

A motion was made by Mr. Landry, and seconded by Mr. McGimsey, to go into executive session. After a roll call vote, the motion carried to go to executive session with the following result:

Yays: Gibson, Landry, Mathews, McGimsey, Reech, Warren

Nays: Burkart, DiMarco, Ford, Glaser

A motion was made to return to regular session. Without objection, the motion was carried.

Mr. Huxen recommended that the Board approve survivor benefits under the rules related to death as a result of an injury sustained in the line of duty for the survivors of Theresa Simon. Mr. Huxen stated that this recommendation was based on consideration of the first circuit court of appeals ruling in Henning v. Carrier, the fact that Sgt. Simon had no prior history of heart problems, the fact that she had a heart attack while on duty writing reports detailing several stressful incidents that she dealt with the previous day, and that she subsequently died due to severe coronary artery atherosclerosis.

A motion was made by Mr. Reech per Mr. Huxen's recommended language, seconded by Mr. Burkart, to find that Sgt. Simon was killed as a result of injuries sustained in the line of duty. Without objection, the motion carried.

- b. Discussion and Action Regarding *Camelot Event Driven Fund, A Series of Frank Funds Trust v. Morgan Stanley & Co.*, No. 654959-2021 (Sup. Ct., N.Y. Cnty.) to be Held in Executive Session Pursuant to R.S. 42:17(A)(2)

A motion was made by Mr. Reech, and seconded by Mr. DiMarco, to go into executive session. Without objection, the motion carried.

A motion was made to return to regular session. Without objection, the motion was carried.

A motion was made by Mr. McGimsey to defer this matter until next month's meeting. There was no second, so the motion failed.

Mr. McGimsey asked for clarification on why an intervention was needed. Mr. Gelderman explained that since there was no process for requesting money back there would probably not be a positive result. He further explained that it's about policing the market.

A motion was made by Mr. Reech and seconded by Mr. Gibson for the board to authorize the firm of Bernstein, Litowitz, Berger, and Grossmann LLP to intervene in *Camelot Event Driven Fund, A Series of Frank Funds Trust v. Morgan Stanley & Co.*, No. 654959-2021 (Sup. Ct., N.Y. Cnty.) on the board's behalf and other similarly situated investors. Without objection, the motion was carried.

G. Other Business

There was no other business to come before the Board.

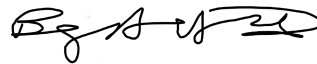
H. Adjourn

A motion was made by Mr. Burkart, seconded by Mr. Wilrye, to adjourn the meeting at 12:12 p.m. Without objection, the motion carried.

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



G. Scott Ford, Chairman



Ben Huxen,
Executive Director and General Counsel