

**Municipal Police Employees' Retirement System
Minutes of the Human Resources and Governance Committee Meeting
September 30, 2021**

The Human Resources and Governance Committee of the Municipal Police Employees' Retirement System held a Meeting on Thursday, September 30, 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 Chair Amy Matthews at 1:05 p.m.

B. Roll Call

Members Present

Chief G. Scott Ford

Ms. Amy Matthews, State Treasurer Designee - Chair

Chief Christopher Wilrye

Members Absent

Sgt. (Retired) Larry Reech

Others Present

Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel

Ms. Ashlee McNeely, MPERS, Executive Management Officer

Mr. Brad Kelly, Global Governance Advisors

Mr. Peter Landers, Global Governance Advisors

Ms. Sheri Morris, Daigle, Fisse, & Kessenich Law Firm

C. Public Comment

Ms. Matthews called for public comments. There were no public comments.

D. Old Business

1. Approval of the June 14, 2021, Committee Meeting Minutes

Motion by Mr. Ford, seconded by Mr. Wilrye, to approve the minutes of the meeting held June 14, 2021. Without objection, the motion carried.

2. Discussion Regarding Whistleblower Policy

Mr. Huxen stated that the policy hasn't changed and reminded the committee that the previous issue was in identifying an independent service provider.

Ms. McNeely then discussed EQS, a third-party online reporting platform. EQS would allow employees, trustees, investment managers, etc. to go online and report any type of fraud or abuse anonymously. The complaint would be sent to a secure inbox for review by the Human Resources and Governance Committee. The site went live October 1, 2021. Ms. McNeely informed the committee that the cost was a little less than \$2,000 annually.

There was further discussion on where the link to submit complaints could be accessed. The committee discussed adding the link to the MPERS webpage, SharePoint, and the employee handbook.

Ms. Morris pointed out that the contract date was September 1, 2021 and the site went live on October 1, 2021 so she suggested the contract to be updated. Ms. McNeely informed her that it's taken about a month to get the site ready and September 1, 2021 was the correct date for the start of the contract.

Ms. McNeely informed the committee that the policy will be posted on the EQS home page.

Motion by Mr. Ford, seconded by Mr. Wilrye, that the committee recommend that the board adopt the draft Whistleblower Policy, as presented. Without objection, the motion carried.

E. New Business

1. Discussion and Action Regarding Draft of Ethics and Fiduciary Policy

Mr. Huxen stated that it's not a good idea to recreate ethics laws and stated that MPERS would be combining what MERS was using with suggestions from GGA. There was positive feedback regarding the draft.

Motion by Mr. Wilrye, seconded by Mr. Ford, to recommend to the Board of Trustees to approve the Ethics and Fiduciary Policy as written. Without objection, the motion carried.

2. Discussion and Action Regarding Draft of Employment Agreement with the Executive Director & General Counsel

Mr. Kelly with GGA explained that part of their assessment was determining if any outstanding risk could be identified and one of the risks that they found was that MPERS did not have a formal employment agreement in place with the Executive Director. He stated that this was a risk for the Executive Director as an employee and a risk for MPERS as an employer. Mr. Kelly reminded the committee that GGA was asked to put together a general executive employment agreement to hopefully use in the future with a few minor changes. Mr. Kelly suggested that a performance incentive plan be put in place that would be completely risk mitigated. He further suggested the use of objective measurements instead of subjective measurements in a performance incentive plan.

Mr. Landers reiterated the importance of the risk incentive component of the agreement and, at the very least, the Board of Trustees should evaluate the Executive Director's performance based on objectives clearly stated at the beginning of the year.

Ms. Mathews expressed concern over the terminology used on "incentive based." She stated that once we accept this, the next step was to create an evaluation process.

Ms. Morris stated that the performance evaluation was not sufficiently discussed in the contract and needed to be. She pointed out that the reference to "unsatisfactory performance" doesn't state what the impact would be.

Mr. Landers suggested that a percentage of compensation should be associated with the different levels of feedback. For example, if the Executive Director "exceeds expectations" he gets a certain percentage of compensation, if he "meets expectations" he gets a lower percentage of compensation, or if his performance was "unsatisfactory" then maybe he would receive zero compensation.

Ms. Morris added that if MPERS feels that the Executive Director does not perform per the terms of the contract, the consequences should be clearly stated.

Ms. Morris also added that in Louisiana there was "at will" employment and termination for "cause" needed to be further defined. She stated that under COBRA you would lose your benefits for "gross negligence" and the proposed employment agreement used the term "gross incompetence." She suggested adding "gross negligence" to the contract.

Ms. Morris also explained that in the draft agreement under "termination without cause", some benefits are allowed after the contract, and she

encouraged MPERS to confirm whether that aligns with their current benefit policy and with rules of the benefit providers.

There was further discussion regarding the lump sum payments and continuation of benefits.

Motion by Mr. Wilrye, seconded by Mr. Ford, that the committee recommend 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. Without objection, the motion carried.

F. Other Business

Ms. Mathews stated that GGA will assist with formulating a policy to evaluate the Executive Director and General Counsel's performance annually.

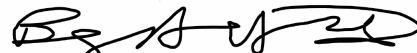
G. Adjourn

A motion was made by Mr. Ford, seconded by Mr. Wilrye, to adjourn the meeting at 1:50 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 September 30, 2021.



Amy Mathews, Chair



Ben Huxen,
Executive Director and General Counsel