

MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, November 20, 2019, at 7722 Office Park Boulevard, Baton Rouge, Louisiana.

The meeting was called to order by Chairman G. Scott Ford at 9:01 a.m.

Pledge of Allegiance

Chief Wilrye led the pledge of allegiance.

Roll Call

Members Present

Chief G. Scott Ford, Chairman
Rep. Tony Bacala
Maj. Raymond Burkart, Jr.
Chief Michael Glaser
Lt. Chad King, Vice-Chairman
Mayor Gerard Landry
Ms. Amy Mathews, State Treasurer Designee
Mr. Rick McGimsey, Commissioner of Administration Designee
Sgt. (Retired) Larry Reech
Mayor Donald Villere
Chief Christopher Wilrye

Members Absent

Chief Dwayne Munch
Senator Barrow Peacock

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. Scott Kemper, LSV Asset Management
Mr. James Owens, Jr., LSV Asset Management
Mr. Jean Beckemeyer, NOPD, Retired
Mr. Wallace Lore, NOPD Retired

Public Comment

Chairman G. Scott Ford called for public comment. There was none.
The Board then held a moment of silence to remember the late Chief (ret.) Jerry Hansen who was a long-time member of the MPERS Board of Trustees.

REGULAR BUSINESS

Approval of the October 16, 2019 Board Meeting Minutes

Motion by Mr. Burkart, seconded by Mr. Landry, to approve the minutes of the meeting held October 16, 2019. Without objection, the motion carried.

NEW BUSINESS

Adopt Election Schedule for Retiree District I and Non-chief District I

November 26, 2019 Postcards mailed to eligible members with information on how to request a nomination packet

<u>January 7, 2020</u>	Petitions due in the post office box of Election Services Corporation by 4:30 p.m.
<u>January 15, 2020</u>	Nomination petitions accepted by Board of Trustees
<u>January 22, 2020</u>	Election postcards mailed and online voting is open
<u>February 13, 2020</u>	Online voting closes and Ballots due in the post office of Election Services Corporation by 4:00 p.m.
<u>February 14, 2020</u>	Ballots counted and verified by Election Service Corporation
<u>February 19, 2020</u>	Board accepts certified ballot count and publishes results
<u>Upon Taking Oath of Office</u>	Nominated or elected trustee takes office

Mr. Reech made a motion to adopt the election schedule for the Retiree District I and Non-chief District I positions, which was seconded by Mr. Villere. Without objection, the motion carried.

Adopt 2020 Board Meeting Schedule

January 15, 2020
February 19, 2020
March 18, 2020
April 15, 2020
May 20, 2020
June 17, 2020
July 15, 2020
August 19, 2020
No September 2020 meeting
October 21, 2020
November 18, 2020
December 16, 2020

A motion was made by Mr. Burkart to adopt the 2020 Board Meeting schedule, which was seconded by Mr. Villere. Without objection, the motion carried.

NEPC Report on Investments

Mr. David Barnes represented NEPC and presented the Investment Market Update for October. The total market value as of October 31, 2019 was \$2,186,593,224 and performance was up by 1.7% for the month and was up by 1.7% for the fiscal year to date.

Mr. Barnes also noted that NEPC will be carrying out a full fee review in the new year, as the Board requested at the previous meeting.

Presentation by LSV Asset Management

Mr. Scott Kemper and Mr. James Owens represented LSV Asset Management and presented its annual report to the board. The market value as of October 31, 2019 was \$80,150,229 and was up 2.4% for the month and up 2.0% for the fiscal year to date.

Actuarial Comments, Including but Not Limited to Discussion and Action Regarding the Actuarial Valuation Report for Fiscal Year Ended 6/30/19

Mr. Greg Curran of G.S. Curran & Company, Ltd. presented the results of the actuarial valuation of assets and liabilities, as well as funding requirements for the Municipal

Police Employees' Retirement System as of June 30, 2019. A brief summary of the more important figures developed in this valuation, with comparable results from the previous valuation are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Membership Census		
1. Active Members	5,729	5,685
2. Retired Members & Survivors	4,770	4,736
3. DROP Participants	203	180
4. Terminated Due Deferred Benefit	201	187
5. Terminated Due Refund	1,670	1,563
 Annual Benefits	 \$148,972,071	 \$144,162,327
 Total Payroll	 \$305,445,379	 \$294,988,865
 Actuarial Valuation Assets (AVA)	 \$2,283,284,109	 \$2,202,302,093
 Market Rate of Return	 3.8%	 7.0%
Actuarial Rate of Return	4.6%	6.9%
 Unfunded Actuarial Accrued Liability	 \$804,165,345	 \$804,879,225
 Funded Ratio (Ratio of AVA to Actuarial Accrued Liability)	 72.89%	 73.23%
	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>
<u>Hazardous</u>		
1) Employee Rate	10.0%*	10.0%*
2) Employer Rate	32.50%*	32.25%*
<u>Non-Hazardous</u>		
1) Employee Rate	8.0%	8.0%
2) Employer Rate	32.50%*	32.25%*
 Premium Tax Allocation	 \$21,797,215	 \$20,587,174

*For members with earnings greater than the Department of HHS poverty guidelines. For members with earnings below the poverty guidelines, employer rates will be 2.5% higher and employee rates will be 2.5% lower.

Although MPERS's funded ratio as of the end of Fiscal Year 2019 is 72.89%, the Board is prohibited by the legislature from granting a COLA in FY 2020, because the system did not earn the necessary "excess interest" in the fiscal year.

The minimum recommended net direct employer contribution rate for Fiscal Year 2021 is 33.75%.

There was some discussion about possibly establishing a funding deposit account for COLAs, such as the bill that MPERS will be pursuing in the upcoming legislative session. Several other systems (but not the Firefighters' Retirement System) in the state have similar accounts and have used them to pay out COLAs in the past. Mr. Reech moved to approve the actuarial valuation report for the fiscal year ended June 30, 2019, and that motion was seconded by Mr. King. Without objection, the motion carried.

Executive Director and General Counsel Comments

Mr. Huxen presented the Memorandum of Understanding Regarding Act 92 of the 2019 Regular Legislative Session. Mr. Reech moved to approve the final MOU with exhibits, and Mr. Glaser seconded. Without objection, the motion carried.

Next, Mr. Huxen reviewed the contract with Empower Retirement for the Self-Directed DROP program. He outlined the cost for members and the investment options that go along with the plan. Ms. Mathews moved to approve the contract with Empower Retirement. Mr. King seconded the motion and, without objection, the motion carried.

Mr. Huxen outlined changes made to the MPERS Travel Policy that incorporate changes to more closely align the policy with that of the State. This policy applies to both trustees and MPERS staff. Ms. Mathews moved to approve the updates to the travel and expense reimbursement policies and add the LATEC and any national conference being held in state to the list of conferences that aren't subject to the thirty miles from domicile provision. Mr. Villere seconded and, without objection, the motion carried.

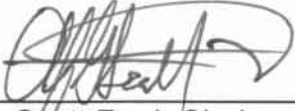
Mr. Huxen updated the Board on the status of the PATROLE pension administration system and informed them that we are currently 3% ahead of schedule for completion. The Board also discussed New Orleans' refusal to report overtime for police officers and the impact it will have on the PATROLE project. A motion was made by Mr. Landry to publicize a notice of intent to file legislation requiring employers to break out overtime payment in their monthly reporting. Mr. Villere seconded the motion and, without objection, the motion carried.

Other Business

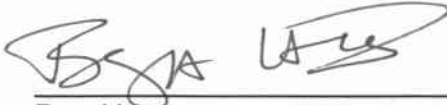
There was no other business to come before the Board.

Mr. King moved, seconded by Mr. Reech, to adjourn the meeting at 10:30 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 November 20, 2019.



G. Scott Ford, Chairman



Ben Huxen,
Executive Director and General Counsel