

Municipal Police Employees' Retirement System
Minutes of the Audit, Finance, and Risk Management Committee Meeting
December 18, 2024

The Audit, Finance, and Risk Management Committee of the Municipal Police Employees' Retirement System held a Meeting on Wednesday, December 18, 2024.

NOTE: Asst. Chief Jason DiMarco was assigned to the committee in place of Mayor Rick Allen and Lt. (Retired) Chad King was assigned to the committee chair in place of Chief Edwin Bergeron Jr. for this meeting

I. Call to Order

Acting Committee Chairman Lt. (Retired) Chad King called the meeting to order at 9:20 am.

II. Roll Call

Members Present

Lt. (Retired) Chad King
Asst. Chief Jason DiMarco
Major Raymond Burkart, Jr.

Members Absent

None (Mayor Rick Allen and Chief Edwin Bergeron, Jr. were replaced as committee members for this meeting)

Others Present

Rep. Tony Bacala, MPERS Board member
Mr. Craig Cassagne, Commissioner of Admin Designee, MPERS Board member
Mayor Greg Cromer, MPERS Board member
Major (Retired) Kelly Gibson, MPERS Board member
Mr. Julius Roberson, State Treasurer Designee, MPERS Board member
Chief Beth Westlake, MPERS Board member
Chief Christopher Wilrye, MPERS Board member
Mr. Benjamin Huxen II, MPERS Executive Director and General Counsel
Ms. Taylor Camp, MPERS, Chief Financial Officer
Ms. Emily Thurston, MPERS, Accountant
Ms. Melissa Frazier, MPERS, Benefits Administrator
Mr. Gregory Curran, Actuary, Curran Actuarial Consulting
Mr. Joey David, LA House of Representatives
Ms. Sheri Morris; Daigle, Fisse, & Kessenich
Ms. Laura Gail Sullivan, Attorney
Ms. Michelle Cunningham, DHHM (remote)
Mr. Jeffrey Hamilton, DHHM (remote)
Ms. Erin Estilette, Curran Actuarial Consulting (virtual)

III. Public Comment

Lt. (Retired) Chad King called for public comments. There were no public comments.

IV. Approval of the May 15, 2024 Committee Meeting Minutes

Motion by Asst. Chief Jason DiMarco, seconded by Major Raymond Burkart, Jr. to approve the minutes of the committee meeting held May 15, 2024. Without objection, the motion carried.

V. New Business

A. Nomination of Committee Chair (Action Item)

Item removed from Agenda

B. Presentation and Acceptance of the Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2024 and June 30, 2023 (Action Item)

Ms. Cunningham introduced herself and presented the result of the audit. She reviewed the summary of the audit results stating that they audited MPERS' balance sheet and income statements, and the notes to those financial statements. Ms. Cunningham noted that MPERS received an unmodified opinion on these basic financial statements. She stated there was nothing they couldn't audit and based on all the test work they did, they felt like the financial statements, footnotes, and report on internal controls were materially stated. Ms. Cunningham reported there were no significant deficiencies or material weaknesses in MPERS' internal controls. Ms. Cunningham stated there with no material noncompliance reported in the audit, it was an overall very good audit. Ms. Cunningham noted the Emphasis of Matter Paragraph and stated that the total pension liability number was calculated using actuarial assumptions. The total pension liability number as of June 30th, 2024, was \$3.75 billion, which was up slightly from the prior year.

Ms. Cunningham reviewed the responsibilities of management as well as the responsibilities of the auditor. Ms. Cunningham said there were no uncorrected misstatements and no difficulties in performing the audit. She stated there were no disagreements with management, no noted consultations, and there was no management letter for this current year. Ms. Cunningham went on to explain the ten year schedules that are required, which are supplementary information required by the standards.

Ms. Cunningham explained that the balance sheet is as of June 30th of 2023 and 2024 and looks at the total assets and liabilities at each point time. MPERS' total assets at the end of 2024 were \$2.8 billion, when in 2023 it was \$2.6 billion. This was an increase of \$221 million from 2023 to 2024. Ms. Cunningham pointed out that this included a decrease in receivables and changes in the fair market value of investments. Ms. Cunningham stated that investments

increased in value from \$2.5 billion in 2023 to \$2.7 billion in 2024 which was an increase of almost \$223 million. Ms. Cunningham stated the MPERS net position is equal to the net assets available to fund benefits, or \$2.8 billion, or an increase of about \$218 million from one year to the next.

Ms. Cunningham then reviewed the income statement with total contributions of \$180 million. There was an increase in employer contributions from \$106 million in 2023 to \$120 million in 2024. Net investment income was \$255 million, an increase of \$61.3 million from 2023 to 2024. Ms. Cunningham stated that total additions for 2024 were \$435 million, up \$80.4 million from the prior year. Ms. Cunningham reviewed the deductions side next. She stated there was a total of \$216 million in 2024 versus \$208 million in 2023, which is an increase of \$8.1 million.

She stated that GASB wanted a ten-year period to show whether the system was earning a return on assets that reflects the discount rate being used to calculate the total pension liability number. Ms. Cunningham stated that MPERS' most recent ten year average was about 5.1%, which is in the range of the discount rate of 6.75%. Ms. Cunningham noted that for GASB purposes, MPERS is 75%, almost 76%, funded.

Major (Retired) Kelly Gibson asked if Ms. Cunningham thought the 76% funded was good or bad. Ms. Cunningham stated that it was definitely not bad. She said it was good that MPERS is staying in the 70% funded range.

Ms. Cunningham then reviewed the census data. She said that one of the things they must do as MPERS' auditor is audit the information in the footnotes. She explained that one of these footnote items is the total pension liability number. She explained how that is calculated and how that information is gathered.

Ms. Cunningham reviewed the results of the census data and stated that the results were typical. They saw nothing that would change the total pension liability number. The census data testing reviewed data with the City of Bogalusa, the City of Gretna, the City of Covington, the City of Natchitoches, and the City of New Orleans.

She stated that overall, the audit was good news and that for MPERS, the LLA has decided that anyone who does not have a finding in 2024 will not have to repeat the agreed-upon procedures for 2025.

Motion by Asst. Chief Jason DiMarco, seconded by Lt. (Retired) Chad King, to accept the ACFR Report as presented. Without objection, the motion carried.


VI. Other Business

There was no other business presented to the committee.

VII. Adjourn

A motion was made by Asst. Chief Jason DiMarco and seconded by Major Raymond Burkart, Jr., to adjourn the meeting at 9:51 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 18, 2024.



Chief Edwin Bergeron, Jr.
Audit, Finance, and Risk Management
Committee Chairman



Ben Huxen,
Executive Director and General Counsel