

**Municipal Police Employees' Retirement System
Minutes of the Legislative Committee Meeting
March 19, 2025**

The Legislative Committee of the Municipal Police Employees' Retirement System held a meeting on Wednesday, March 19, 2025, at the system's office at 7722 Office Park Boulevard in Baton Rouge, Louisiana.

I. Call to Order

The meeting was called to order by Asst. Chief Jason DiMarco (Chair) at 9:05 am.

II. Roll Call

Members Present

Major Raymond Burkart, Jr.
Chief Edwin Bergeron, Jr.
Asst. Chief Jason DiMarco, Chairman
Major (Retired) Kelly Gibson
Lt. (Retired) Chad King
Chief Beth Westlake

Members Absent

Mayor Rick Allen
Rep. Tony Bacala
Mayor Greg Cromer
Senator Bob Hensgens
Division of Administration Designee Craig Cassagne
Mayor Jonathan Taylor

Others Present

Chief David Addison
Mr. Julius Roberson, State Treasurer Designee
Lt. Tyrone Warren, 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. Melissa Frazier, MPERS, Benefits Administrator
Ms. Emily Thurston, System Analyst
Mr. David Barnes, NEPC, Investment Consultant
Mr. Greg Curran - Curran Actuarial Consulting, Actuary
Ms. Sheri Morris - Daigle, Fisse, & Kessenich
Mr. Joey David, Louisiana House of Representatives
Ms. Laura Gail Sullivan, Attorney
Mr. Pdraig Sheehey, Senior VP, KBIGI
Ms. Christie Ziadeh, MPERS Staff (remote)
Ms. Erin Estilette, Curran Actuarial Consulting (remote)

III. Public Comment

None

IV. Approval of the October 16, 2024, Meeting Minutes

Motion by Major (Retired) Kelly Gibson, seconded by Lt. (Retired) Chad King, to approve the minutes of the meetings held October 16, 2024. Without objection the motion carried.

V. New Business

A. 2025 Regular Legislative Session Legislation

1. HB 17 by Representative Tarver (R-Lake Charles) (Action Item)

Mr. Huxen explained the details of HB 17 and stated that it stemmed from 2024 legislation when MPERS went to a five-year DROP. Mr. Huxen noted that the 2024 statutory change was prospective only, meaning if a member went into DROP after the effective date of the law, they could choose a DROP participation period of up to sixty months. Mr. Huxen said there were some DROP participants who wanted to extend their participation because they were already in DROP. Mr. Huxen said he did think the Board would support this if someone sponsored the legislation. He added that MPERS needed to make sure that if a member decides to extend to 60 months, they are still in DROP at the time they make the election. Mr. Huxen stated that Ms. Sullivan has been working on this. He stated that the Board would probably want to allow maximum flexibility to let the largest number of people have the option to extend.

Ms. Sullivan stated that MPERS would probably need some amendments or just the authority to make some administrative procedures. Ms. Sullivan stated they were not ready to set specifics but would like to come back to the Board next month with those specifics. She noted that she would work with legislative staff and the author to make sure that it is in line with what MPERS is thinking.

Asst. Chief DiMarco asked questions to clarify the specifications of DROP currently, and what members can and can't do with the extension. Mr. Huxen answered his questions.

Chief Bergeron asked why the Board would oppose anyone wanting to go back in, and Ms. Sullivan stated that this was not what the bill provides for. Mr. Huxen noted that he would have to speak to someone at Empower, and he would ask the question if the Board requested it.

Mr. Curran stated that the analysis he has done is based on the original version of the House Bill. He explained how being in DROP versus being

active after DROP would affect the cost of the change. Mr. Curran added that while a member is in DROP, they are accumulating a larger lump sum, essentially receiving a benefit, but not accruing a new benefit. He noted that if MPERS had not made the change it did years ago to require employer contributions during DROP, the change to a five-year DROP would have had a detrimental cost. Mr. Curran stated that if you have someone who remains employed post-DROP who is accumulating an additional benefit, they are going to give up accumulating further benefits if allowed to return to DROP participation. He further explained that they were going to freeze their final average compensation for the extra benefit in the past. Mr. Curran stated that he did not think this would have a major cost and said that it could save money in the sense that this would not be optimal for everyone. Mr. Curran noted that if the Board was interested in proposing an amendment as discussed, he would prefer to be given more time until next month to run comparative numbers on a few that are in this situation and might be affected. Mr. Curran stated he would like to test long term, reemployed, remaining employed, and newly employed. He stated he would have to make some assumptions and do testing of different scenarios to see what makes a difference. Mr. Curran stated that nothing comes to mind that would be significantly detrimental. Mr. Curran noted that it would be a different thing administratively. He noted he was not sure that the MPERS pension administration system could handle these sorts of transactions.

Ms. Sullivan reiterated that based on what the law looks like right now, it would not allow people who have completed their DROP already to essentially reenter DROP. Ms. Sullivan stated this would require several choices on the part of the Board about how that would look. Ms. Sullivan explained that until those choices have been made, the Board may not be able to get numbers from Mr. Curran. Ms. Sullivan went on to explain a few complications.

Chief Westlake added that in her opinion, she would say if a member was currently in DROP, they can extend, but if they are out of DROP, they cannot. Chief Westlake stated it would be too much work for small amount of people that would want to do it.

The board discussed whether to leave things as they are in the current bill and discussed the potential cost a change could have. Mr. Curran discussed more examples. Mr. Burkart made some suggestions and Ms. Sullivan stated that they are happy to do and charge for all the work that MPERS wants done. She said that whatever the Board decides, they will do their best to make that work but was not sure how quickly that could happen.

Mr. Huxen stated he was willing to take the next couple of days to see if there is an easy way to accommodate as many people as possible. He

stated the amendment would need to be done quickly. He added that he wanted to think about the administrative side of things.

No action was taken at this time.

2. HB 30 by Representative Taylor (D-LaPlace) and Co-Sponsored by Representative Butler (R-Ville Platte), Firmont (R-Pollock), and Gadberry (R-West Monroe) (Action Item)

Mr. Huxen stated this bill was withdrawn so no action was needed.

3. SB 7 by Senator Hodges (R-Denham Springs) (Action Item)

Mr. Huxen stated that SB 7 was similar to last year's bill by Senator Miguez, though it wasn't exactly the same. Mr. Huxen summarized the bill as a kind of anti-ESG bill. Mr. Huxen invited Mr. Barnes to explain that the effects of this bill would be. Mr. Huxen noted that almost all the retirement systems who have met so far have voted to oppose this bill.

Mr. Barnes stated he has read through SB 7 multiple times and has discussed it with other investment staff and at conventions around the state. Mr. Barnes said that everyone who he has spoken to about the bill agrees that the way the bill is currently written is extraordinarily restrictive in terms of what MPERS would be able to invest in. Mr. Barnes' interpretation is that it would result in significant changes to the pension plan's investment structure. He stated his belief that every pension plan would oppose SB 7 as written.

Mr. Huxen asked Mr. Barnes if he thought this would make MPERS bring investments in-house, or had his opinion changed on that.

Mr. Barnes stated that he thought it would significantly alter MPERS' options for investing system assets. Mr. Barnes was asked if he thought it could result in a potential loss. Mr. Barnes explained the state auditor has sent a form for each system to fill out with estimates of potential costs. Mr. Barnes noted that they are in the process of working with some other systems to figure out a consistent approach to estimating those costs, but that this process was ongoing. Mr. Barnes said his estimate is that yes, there would be costs.

The committee discussed the possibility that the bill could cause the system's assumed rate of return to be lowered. Mr. Barnes stated that in his initial estimate the changes probably would affect the return assumption. He went on to say that employer contributions would likely increase, but what the auditor sent to him is more focused on administrative costs than actuarial costs. Mr. Barnes stated he would work with Mr. Curran to evaluate actuarial costs. Mr. Barnes noted they

are in the early stages of estimating the costs as requested by the state's legislative auditor.

Mr. Curran stated that he thought the cost impact would take a while to unfold if the bill passes. He mentioned that he studies the assumed rate of return annually and the analysis starts with the system's target asset allocation. If the bill caused changes to the asset allocation, it would have an impact on costs. Mr. Curran explained that he could perform some tests on possible asset allocation changes and asked Mr. Barnes if he would have an opinion on what he would do to change it.

Mr. Barnes stated that if MPERS ended up having to manage everything in-house, MPERS would have to manage the stock portion in index funds, US and International Market, and MPERS would not have the capacity to do that. Mr. Barnes went on to explain that MPERS would have to manage the fixed income portfolio and the treasury portfolio like the state treasurer's department does. Mr. Barnes said that in being consistent with other plans of similar sizes, they are looking at all these things to estimate costs. Mr. Barnes noted that in the bill's current form, it is their understanding that it will result in meaningful costs to the plan.

Lt. (Retired) King asked Mr. Barnes if he was having conversations with the West Coast since they are the opposite of this.

Ms. Sullivan stated that she believed it's not necessarily the systems on the West Coast that are making those decisions, it is state laws that require the systems to invest based on ESG principles. Ms. Sullivan said it is not the individual boards that are making decisions that aren't strictly financial. She noted they are not violating the fiduciary duty laws because they are being told by legislative bodies or other people that are outside the board itself that they must consider certain things or have to do certain things.

Mr. Roberson asked if the biggest obstacle would be liability exposure for investment managers that MPERS does business with or is it just that they can't customize.

Mr. Barnes stated that in his opinion the number of managers that would qualify to invest MPERS' assets based on the current legislation would significantly diminish.

Chief Westlake asked if anyone knew what the author's purpose was in writing this bill. As a part of the discussion, Ms. Sullivan noted some boards are saying they will oppose it as it is written but will authorize their legislative team to work with the author going forward. There was some more discussion on the current bill and a similar looking bill filed in 2024.

Motion by Mayor Raymond Burkart, Jr., seconded by Major (Retired) Kelly Gibson, to oppose SB 7 as written. Without objection the motion carried.

4. Other Retirement Legislation

NONE

VI. Other Business

NONE

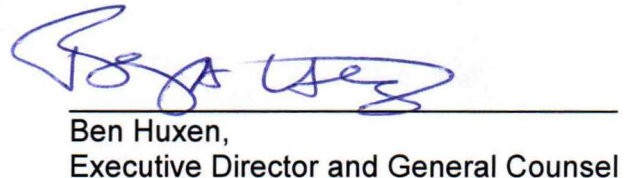
VII. Adjourn

Motion by Lt. (Retired) Chad King, seconded by Mayor Raymond Burkart, Jr., to adjourn the meeting at 9:33 a.m. Without objection, the motion carried.

The next meeting date is November 12, 2025.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held March 19, 2025.


Asst. Chief Jason DiMarco
Legislative Committee Chairman


Ben Huxen,
Executive Director and General Counsel