

**Municipal Police Employees' Retirement System
Minutes of the Audit, Finance, and Risk Management Committee Meeting
March 20, 2024**

The Audit, Finance, and Risk Management Committee of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, March 20, 2024.

A. Call to Order

Committee Chairman Chief Edwin Bergeron, Jr. called the meeting to order at 9:07 am.

B. Roll Call

Members Present

Chief Edwin Bergeron, Jr., Committee Chairman
Major Raymond Burkart, Jr.
Mayor Gerard Landry

Members Absent

None

Others Present

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, Benefits Administrator
Ms. Karen Correll, Membership Analyst (virtual)
Ms. Brooke LeBoeuf, Data entry clerk (virtual)
Ms. Sarah Daniel, Accounts Analyst (virtual)
Mr. Tyler Brannan, PhD, Actuarial Analyst, Curran Actuarial Consulting
Mr. David Barnes, NEPC, Investment Consultant
Chief David Addison, MPERS Trustee
Asst. Chief Jason DiMarco, MPERS Trustee (joined while in progress)
Major (Retired) Kelly Gibson, MPERS Trustee
Lt. (Retired) Chad King, MPERS Trustee (joined while in progress)
Mr. Julius Roberson, State Treasurer Designee, MPERS Trustee
Lt. Tyrone Warren, MPERS Trustee
Chief Beth Westlake, MPERS Trustee
Chief Christopher Wilrye, MPERS Trustee
Mr. Shinji Hain, Actuarial Analyst, LLA
Mr. Kenny Herbold, Director of Actuarial Services, LLA

C. Public Comment

Chief Edwin Bergeron, Jr. called for public comments. There were no public comments.

D. Approval of the December 13, 2023 Committee Meeting Minutes

Motion by Major Raymond Burkart, Jr, seconded by Mayor Gerard Landry to approve the minutes of the committee meeting held December 13, 2023. Without objection, the motion carried.

E. New Business

1. Discussion and Action Regarding the Selection of an Audit Firm Pursuant to the Request for Proposals for Audits and Agreed Upon Procedures for the Fiscal Years Ended June 30, 2025, 2026, 2027, 2028, and 2029.

CFO Taylor Camp stated there were three proposals received by MPERS which were available for review on BoardPaq. Ms. Camp stated that because of the detailed work that their current auditor has done, the staff recommendation was to renew the contract with the current audit firm, Duplantier, Hrapmann, Hogan & Maher. She stated that there has been a long standing relationship with the firm, that they audit the vast majority of the statewide systems, and they have extensive knowledge in governmental accounting. She stated that the other two respondents are not quite as detailed with the Annual Comprehensive Financial Report (ACFR). She added that MPERS was currently the only statewide system to receive that honor in Louisiana. Ms. Camp stated that Duplantier was very useful and important to us in the process of completing their ACFR.

Motion by Mayor Gerard Landry, seconded by Major Raymond Burkart, Jr., to recommend selecting Duplantier, Hrapmann, Hogan & Maher as the system's audit firm.

2. Discussion and Action Regarding Amendments to the Fiscal Year 2024 Capital Budget and the Leases With the Office of State Examiner and the Louisiana Uniform Local Sales Tax Board.

Ben Huxen stated that the system's capital budget for the current fiscal year includes a replacement chiller for \$160,000. He added that in meeting with Arkel he was told that there was no way to do the replacement chiller within this fiscal year and also that there is no way it will cost \$160,000. Unfortunately, due to the extent of the work and given the needed parts a replacement chiller will have a cost closer to double that amount. He stated that the committee could discuss that issue again once when discussing next year's budget. Mr. Huxen stated that there was some good news that was completely unrelated. Their two tenants, The Louisiana Uniform Local Sales Tax Board and The Office of the State Examiner have requested renovations to their lease spaces upstairs. The Louisiana Uniform Local Sales Tax Board is hiring more

employees and although they have enough space they need to divide one big office into multiple offices, and they are going to need to extend into the kitchen/break area upstairs. He added that the Office of the State Examiner would like to close in the reception area and make it into an office. Because of the work that is going to be done and the fact that this work will encroach upon the kitchen, they will need to redo the remainder of the kitchen to make it usable. Arkel estimated the cost at about \$140,000. Mr. Huxen stated that since the system already has \$160,000 budgeted for the chiller, he proposed that the system shift that budgetary amount from the replacement chiller to the renovation projects. He stated that the portion used for The Louisiana Uniform Sales Tax Board and The Office of the State Examiner was going to be paid by them over the term of the lease, so MPERS would simply be providing up-front financing. He added that the system would receive a return of 6.75. He stated the system would eat the \$46,000 that is going towards the renovation of the upstairs breakroom to make it usable space and keep the current tenants. The Louisiana Uniform Local Sales Tax Board said they would have to move elsewhere without these changes.

Mr. Huxen stated that his two recommendations were to recommend to the Board of Trustees an amendment to the Fiscal Year 2024 Capital Budget to shift \$160,000 for replacement chillers to build out on the second floor, and to authorize the Executive Director to execute any lease amendments necessary to have the tenants pay for their share of the renovations, plus 6.75% interest.

Major Ray Burkhart, Jr. asked how long the lease would be once renovations are done. Mr. Huxen stated that he believed the State Examiner's lease was for ten years, and he was not sure about the other. He mentioned that as part of this deal they will have to extend their leases. He stated that they would discuss the details of that, but that the extension would probably depend on how long they need to finance the cost. From the MPERS standpoint, the longer they extend the leases, the better.

Chief Bergeron, Jr. asked if the tenants used the kitchen now. Mr. Huxen confirmed that they did. Chief Bergeron, Jr. asked why the \$46,000 wouldn't be added to the note that the tenants were paying off. Mr. Huxen stated that it was a good faith gesture to get it finished. After further discussion, Chief Bergeron, Jr. asked if there was a motion.

Motion by Major Raymond Burkart, Jr., seconded by Mayor Gerard Landry, to recommend the amendment to the Fiscal Year 2024 Capital Budget to shift the \$160,000 from the replacement cooler to the build out on the second floor and to authorize the Executive Director to execute any lease amendments necessary to have the tenants pay for their share of the renovations, plus 6.75% interest. Without objection, the motion carried.

F. Other Business


There was no other business presented to the committee.

G. Adjourn

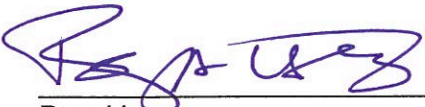
A motion was made by Major Raymond Burkart, Jr. and seconded by Mayor Gerard Landry, to adjourn the meeting at 9:15 a.m. Without objection, the motion carried.

The next meeting date is May 15, 2024.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held March 20, 2023.



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



Ben Huxen,
Executive Director and General Counsel