

Municipal Police Employee's Retirement System
Minutes of the Meeting of the Board of Trustees
March 20, 2024

The Board of Trustees of the Municipal Police Employees' Retirement System held a regular meeting on Wednesday, March 20, 2024 at the system's office at 7722 Office Park Boulevard in Baton Rouge, Louisiana.

A. Call to Order

The meeting was called to order by Lt. (Retired) Chad King at 3:05 p.m.

B. Pledge of Allegiance

Chief Wilrye led the Pledge of Allegiance.

C. Roll Call

Members Present

Chief David Addison
Chief Edwin Bergeron, Jr.
Major Raymond Burkart, Jr.
Mayor Greg Cromer
Asst. Chief Jason DiMarco
Major (Retired) Kelly Gibson
Lt. (Retired) Chad King (Chairman)
Mayor Gerard Landry
Lt. Tyrone Warren
Chief Beth Westlake
Chief Christopher Wilrye (Vice Chairman)

Members Absent

Rep. Tony Bacala
Senator Bob Hensgens
Mr. Julius Roberson, State Treasurer Designee
Mr. Craig Cassagne, Commissioner of Administration Designee

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, MPERS, Benefits Administrator
Ms. Brooke LeBoeuf (virtual)
Ms. Karen Correll (virtual)
Mr. Greg Curran, Curran Actuarial Consulting, Consulting Actuary
Mr. David Barnes, NEPC, Investment Consultant
Ms. Sheri Morris, Daigle, Fisse, & Kessenich
Mr. Kenny Herbold, LLA (virtual)
Mr. Shinji Hain, LLA (virtual)
Mr. Kevin Balaod, With.Intelligence (virtual)

D. Public Comment

Chairman King asked if there were any public comments. There were no public comments.

E. Approval of the December 13, 2023 Board Meeting Minutes

Motion by Chief Christopher Wilrye, seconded by Asst. Chief Jason DiMarco, Jr. to approve the minutes of the meeting held December 13, 2023. Without objection, the motion carried.

F. Reports of Committees

1. Discussion and Action Regarding Report and Recommendations of the Audit, Finance, and Risk Management Committee

Mr. Huxen reviewed the Audit, Finance and Risk Management Committee held on March 20, 2024.

A motion was made by Major Raymond Burkart, Jr. seconded by Mayor Gerard Landry to approve the minutes from the meeting held on December 13, 2023. Without objection, the motion passed.

Ms. Taylor Camp made a presentation related to the request for proposals for audit firms. Ms. Camp recommended that the system continue to engage Duplantier, Hrapmann, Hogan, and Mayer because of their extensive experience in auditing state and statewide retirement systems. A motion was made by Mayor Gerard Landry and seconded by Major Raymond Burkart, Jr. to hire DHM as the audit firm. Without objection, the motion passed.

Mr. Huxen provided an update on the capital budget and lease for the second floor tenants. Due to unforeseen issues with the building chiller, Mr. Huxen recommended a pivot in the budget to use the reserved funds to complete a renovation on the second floor to better suit the needs of the tenants. A motion was made by Major Raymond Burkart, Jr. to move the line item budget of \$160,000 for the chiller to upstairs renovations. The board will allow two of the three tenants to do their renovations and amend the leases to pay for it over the lease timeline. MPERS would pay for the cost to update the kitchen to allow room for all tenants to utilize the space with the pending renovations. There was a second by Mayor Gerard Landry and without objection, the motion passed.

Motion by Chief Edwin Bergeron, Jr. to accept the report and recommendations of the Audit, Finance, and Risk Management Committee for the meeting held March 20, 2024. Without objection, the motion carried.

2. Discussion and Action Regarding Report and Recommendations of the Investment Committee

Mr. Huxen presented the report and recommendations of the Investment Committee from their March 20, 2024 meeting.

A motion was made by Major Raymond Burkart, Jr. to approve the minutes from the meeting held on October 18, 2023. The motion was seconded by Chief Christopher Wilrye. Without objection, the motion passed.

Mr. Barnes presented the NEPC Monthly Performance Report. The total market value of the portfolio as of February 29, 2024, was \$2,677,296,988. Performance was up 1.9% for the month and 6.8% for the fiscal year to date but was only up 1.7% for the calendar year to date.

Mr. Barnes next presented the 2024 Asset Class Update. His presentation included an overview of the capital markets and how the different asset classes performed over the last year. The presentation included how the forecasts have changed over the last year for all core assets and how these assumptions apply specifically to the MPERS portfolio. Mr. Barnes presented on the proposed change to the stock portfolio. NEPC recommended shifting assets to what is noted on page 32 of his report. This will include an increase to a 3% allocation to International Small Cap with the addition of a new manager, a decrease to 4% allocation to Core Real Estate, and a new allocation of 3% to Real Assets – Infrastructure. Motion by Major Raymond Burkart, Jr. to accept the recommendation made by NEPC on page 32 of their report. Seconded by Chief Christopher Wilrye and without objection, the motion passed.

Motion by Major (Retired) Kelly Gibson to accept the report and recommendations of the investment committee. Without objection, the motion carried.

3. Discussion and Action Regarding Report and Recommendations of the Legislative Committee

Mr. Huxen presented the report and recommendations of the Legislative Committee from their March 20, 2024 meeting.

Motion by Major (Retired) Kelly Gibson to approve the minutes from the meeting held on December 13, 2023. Seconded by Lt. (Retired) Chad King and without objection, the motion passed.

Mr. Robert Gauss with Ice Miller presented on plan qualification and corrections and how they relate to the board maintaining its fiduciary duty to the plan members. He also commented on how these issues relate to the proposed legislation that's been introduced this legislative session. Mr. Gauss, along with Ms. Morris, answered questions from trustees regarding the actions necessary for the system to maintain its tax status.

The committee received a presentation from Global Governance Advisors on governance best practices and trends in the marketplace, and how those tie into the proposed House Bill 42.

Mr. Joe Stamey spoke on behalf of the Louisiana Municipal Association and RMI. Due to the length of the meeting, LMA leadership had to leave the meeting before presentation time. Mr. Stamey noted the LMA's desire to work with the system to come to a solution that works for both parties. Mr. Randall Kaiser briefly presented the LMA proposal that was submitted to move forward which would avoid litigation for municipalities.

The board received comments from the public (Mark Kraus) about the issues stemming from the unenrolled municipalities and the pending legislation.

The committee discussed meeting dates with LMA and the attorneys to discuss possible resolution regarding the legislation. MPERS asked the LMA attorneys if RMI could provide information that would determine what employees are eligible for MPERS.

Major (Retired) Kelly Gibson made a motion to approve a four person committee to oversee the discussions with LMA regarding the litigation. Mayor Greg Cromer seconded the motion to be brought to the board for approval. The Chairman and Vice Chairman of the board will appoint the committee.

Mr. Huxen made recommendations to the committee related to proposed legislation. Mr. Huxen stated that House Bill 14 by Representative DeWitt would remove rehired retiree restrictions. Mr. Huxen recommended that the committee recommend that the Board oppose the bill as written and take Mr. Robert Gauss' recommendations to seek that legislation require that retirees must be separated for at least 90 days to constitute a bona fide break in service. Motion by Lt. (Retired) Chad King and seconded by Mayor Greg Cromer. The motion passed with no opposition.

Mr. Huxen reviewed House Bill 15 by Representative Fontenot that also deals with rehired retiree provisions. He suggested that the committee vote to recommend that the Board oppose the bill as written, to suggest amendment to cover only officers already retired as of March 10, 2024, to require that retirees make the irrevocable decision to not receive an additional benefit, to change the 60 day separation period to 90 days for tax purposes, and to include a 2028 sunset date. Motion by Lt. (Retired) Chad King and seconded by Mayor Greg Cromer. The motion passed without opposition.

Mr. Huxen reviewed House Bill 36 by Representative Bacala which was the Board's requested legislation. He reviewed the changes to the bill. Major (Retired) Kelly Gibson made a motion to amend the section on retirement rules for chiefs affected by term limits to allow retirement at age 62 instead of 67. Mayor Greg Comer seconded the motion. The motion passed without opposition.

Mr. Huxen reviewed House Bill 38 by Representative Freeman. The bill would increase from 50 to 100 the reduction in the number of participating employees that triggers partial dissolution. Mr. Huxen recommended opposing the bill. Motion by Mayor Greg Cromer and seconded by Major (Retired) Kelly Gibson to oppose the bill. The motion passed without opposition.

Mr. Huxen reviewed House Bill 42 by Representatives Firment and Butler which would affect the definition of employee in MPERS and would provide municipalities with the right to decide if they want to submit for Board approval an agreement for extending the benefits of the system to its employees. Motion by Major (Retired) Kelly Gibson and second by Lt. (Retired) Chad King to oppose the bill. The motion passed without opposition.

Mr. Huxen reviewed House Bill 43 by Representative Bacala related to membership in MPERS, required enrollment forms, service on the board for elected board members with no more than two years left on their term, changes to the partial dissolution rules, and creation of mandatory reporter rules. Motion by Lt. (Retired) Chad King and second by Major (Retired) Kelly Gibson to support the bill. The motion passed without opposition.

Mr. Huxen reviewed House Bill 52 by Representative Firment which would change the venue for lawsuits filed by MPERS against participating employers, requiring actions to be filed in the judicial district in which the employer is located. Motion by Major (Retired) Kelly Gibson and second by Lt. (Retired) Chad King to oppose the bill. The motion passed without opposition.

Mr. Huxen reviewed Senate Bill 1 by Senator Price regarding the determination of employer contributions in transfers of service credit out of state and statewide retirement systems. Motion by Lt. (Retired) Chad King and second by Major (Retired) Kelly Gibson to support the bill. The motion passed without opposition.

Mr. Huxen reviewed Senate Bill 5 by Senator Miguez regarding investments. The committee discussed their opposition to the bill in its original form but stated that if possible, amendments were approved, they would be willing to be neutral or possibly support the bill. Motion by Lt. (Retired) Chad King and second by Major (Retired) Kelly Gibson to oppose the bill in its original form. The motion passed without opposition.

Mr. Huxen reviewed Senate Bill 329 by Senator Seabaugh related to venue in legal cases filed by MPERS. Motion by Major (Retired) Kelly Gibson and second by Lt. (Retired) Chad King to oppose the bill. The motion passed without opposition.

Chief Christopher Wilrye asked if they could add an alternate to the four person committee being considered to oversee discussions with the LMA in case a member was unable to make a meeting. There was no opposition to including an alternate in the recommendation of the legislative committee.

Motion by Major Raymond Burkart, Jr. to accept the report and recommendations of the legislative committee. Without objection, the motion carried.

G. New Business

1. Actuarial Comments, Including but Not Limited to, Discussion and Action Regarding a Determination of Municipalities That Partially Dissolved Their Police Departments in FY 2023 (Qualifies as Actuarial Education)

Mr. Huxen stated that the Board had a letter from the actuary detailing partial dissolution for 2023. Mr. Huxen notified the Board that New Orleans would not have an added charge for 2023. Mr. Curran stated that although New Orleans did partially dissolve during the year, because their overall salaries increased there was no payment required. He stated that the Board needed to accept the determination for the staff to request the money from other dissolving employers.

Motion by Chief Edwin Bergeron, Jr., seconded by Chief Christopher Wilrye to accept the actuary's certification of partial dissolution for fiscal year 2023 as presented. Without objection, the motion carried.

2. Executive Director & General Comments

a. Update on Delinquent Municipalities/Employers

The following employers are delinquent:

- | | |
|-----------------|---|
| 1. Arcadia | January to current. |
| 2. Baskin | January to current. |
| 3. Campti | December to current. |
| 4. Clinton | January to current. |
| 5. Cullen | January to current. |
| 6. Delta | December to current. |
| 7. Elton | December to current. |
| 8. Ferriday | January to current. |
| 9. Montpelier | December to current. |
| 10. New Orleans | Working on members not enrolled on time |
| 11. Newellton | December to current. |
| 12. Shreveport | Working on members not enrolled on time |
| 13. Tullos | December to January |

b. Discussion and Action Regarding Employers' Representations to Its Auditors and the Louisiana Legislative Auditor That Employer and Employee Portions of Retirement Contributions Have Been Paid and Any Associated Forms Have Been Filed by Required Deadlines

The wording is included in audits under the agreed upon procedures. Mr. Huxen stated that there are towns that MPERS is suing for not enrolling members and they do not all mention the suit in their audit report. Mr. Huxen stated that he planned to look up each such town and look at their audit report. Mr. Huxen will also reach out to the legislative auditor about the issue. The auditors are relying on assurances from the municipalities.

c. Update on Municipalities/Employers That Have Executed Amended Resolution Settlements

Mr. Huxen stated that he had an update on municipalities and employers that have executed amended resolution settlements. He stated that staff would provide the board with a copy.

3. Executive Session (Under the Provisions of R.S. 42:17(A)(10) To Facilitate Privileged Communications Under La. Code Evid. Art. 506) Regarding the Following:

a. Legal Strategy Regarding Delinquent Municipalities, Whose Failure to Enroll Eligible Police Officers Has Resulted in a Higher Employer contribution Rate for All Participating Municipalities and Lower Cost of Living Adjustments for Retirees and Also Deprives Police Officers and Their Families of Valuable Disability, Survivor, and Retirement Benefits.

b. Consideration of the Following Proposed Settlement Agreements:

- I. Claim Against Town of Albany for Failure to Timely Enroll Employees and Pay Contributions
- II. Claim Against Village of Choudrant for Failure to Timely Enroll Employees and Pay Contributions
- III. Claim Against Village of Elizabeth for Failure to Timely Enroll Employees and Pay Contributions
- IV. Claim Against Village of Fenton for Failure to Timely Enroll Employees and Pay Contributions (Amendment to Existing Settlement Agreement)
- V. MPERS vs. Village of Forest Hill, *et al.*, 19th JDC, Number 731317, Section 26
- VI. MPERS vs. Jeannie Y. Richardson, In Her Official Capacity as Mayor for the Town of Gibsland, *et al.*, 19th JDC, Number 740514, Section 22
- VII. MPERS vs. Village of Grayson, *et al.*, 19th JDC, Number 732079, Section 32
- VIII. Claim Against Town of Krotz Springs for Failure to Timely Enroll Employees and Pay Contributions

- IX. MPERS vs. The Unopened Succession of Shirley Mortellaro, 24th JDC, Docket No. 840-913, Division G
- X. MPERS vs. The Unopened Succession of Darryl Glen James, Sr. 1st JDC, Docket No. 644,655, Division A

c. Pending Litigation Involving Municipalities:

- I. Happy P. Mendoza vs. City of New Orleans, *et al.*, Civil District Court, Orleans Parish, Number 2011-10000, Section/Division "A-16"
- II. MPERS vs. Town of Stonewall, 19th JDC, Number 688504, Section 25
- III. MPERS vs. Town of Killian, 19th JDC, Number 692605, Section 21
- IV. MPERS vs. Village of Moreauville, 19th JDC, Number 723617, Section 25
- V. City of New Orleans
 - City of New Orleans vs. MPERS, *et al.*, 19th JDC, Number 724562, Section 24. Subject Matter: Leave Conversion Issues
 - City of New Orleans cs. MPERS, 19th JDC, Number 732243, Section 24. Subject Matter: Earnable Compensation
- VI. MPERS vs. Town of Cottonport, *et al.*, 19th JDC, Number 728606, Section 26
- VII. MPERS vs. Town of Simmesport, *et al.*, 19th JDC, Number 729099, Section 32
- VIII. MPERS vs. Town of Elton, *et al.*, 19th JDC, Number 729135, Section 31
- IX. MPERS vs. Town of Greensburg, *et al.*, 19th JDC, Number 729284, Section 26
- X. Town of Ferriday
 - MPERS cs. Town of Ferriday, *et al.*, 19th JDC, Number 729284, Section 22. Subject Matter: Failure to Enroll Employees and Pay Contributions and Failure to Respond to Public Records Request
 - MPERS vs. Rydell Turner, *et al.*, 10th JDC, Number 739286, Section 21. Subject Matter: Failure to Make Partial Dissolution Payments
- XI. MPERS vs. Town of Springfield, *et al.*, 19th JDC, Number 730012, Section 30
- XII. MPERS vs. Town of Cheneyville, *et al.*, 19th JDC, Number 730043, Section 22
- XIII. MPERS vs. Town of Glenmore, *et al.*, 19th JDC, Number 731063, Section 31
- XIV. MPERS vs. Town of Roseland, *et al.*, 19th JDC, Number 731190, Section 23

- XV. MPERS vs. Town of Zwolle, et al., 19th JDC, Number 731350, Section 23
- XVI. MPERS vs. Town of Melville, et al., 19th JDC, Number 734852, Section 25
- XVII. MPERS vs. Town of Grand Coteau, et al., 19th JDC, Number 734857, Section 32
- XVIII. MPERS vs. Paris C. Sumrall, In Her Official Capacity as Mayor for the Village of Varnado, et al., 19th JDC, Number 739462, Section 24
- XIX. MPERS vs. Sherbin Colette, In His Official Capacity as Mayor for the Town of Henderson, et al., 19th JDC, Number 741228, Section 21
- XX. MPERS vs. Herman Williams, In His Official Capacity as Mayor for the Town of Lecompte, et al., 19th JDC, Number 741267, Section 23

Motion by Asst. Chief Jason DiMarco, seconded by Major (Retired) Kelly Gibson to go into executive session at 3:20 pm to discuss items noted on the agenda. Without objection, the motion carried.

Motion by Asst. Chief Jason DiMarco, seconded by Major (Retired) Kelly Gibson to return to regular session at 4:07 pm. Without objection, the motion carried.

Mr. Huxen stated that the recommendation was approval of the proposed settlements under agenda item 3(b) items 1 through 10.

Motion by Asst. Chief Jason DiMarco, seconded by Chief Christopher Wilrye to approve the proposed settlements listed under agenda item 3(b) items 1 through 10. Without objection, the motion carried.

Ms. Sheri Morris recommended that the Board vote to extend the resolution settlement deadline in order to allow the legal staff to conclude negotiations with other municipalities.

Motion by Asst. Chief Jason DiMarco, seconded by Chief Christopher Wilrye to extend the settlement deadline to conclude negotiations with other municipalities. Without objection, the motion carried.

H. Other Business.

There was no other business to come before the board.


I. Adjourn

Chairman King recognized the meeting adjourned at 4:15 p.m.

Next Meeting Date: April 17, 2024. Baton Rouge, Louisiana.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held on March 20, 2024.


Lt. (Retired) Chad King, Chairman


Ben Huxen,
Executive Director and General Counsel