

Minutes of Meeting

April 13, 2017





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BOARD OF TRUSTEES' MEETING

THURSDAY, APRIL 13, 2017

1:00 p.m.

**1913 William Street
Jefferson City, Missouri**

TRUSTEES PRESENT: Ms. Sue W. Cox, Vice Chair
Colonel Sandy Karsten (via phone)
Mr. Patrick McKenna
Mr. Mike Pace (via phone)
Mr. William "Bill" Seibert
Major Kemp Shoun
Mr. Gregg Smith (via phone)
Mr. Todd Tyler (via videoconferencing)

TRUSTEES ABSENT: Mr. John Briscoe
Representative Shawn Rhoads
Senator Dave Schatz

STAFF PRESENT: Mr. Scott Simon, Executive Director
Mr. Greg Beck, Assistant Executive Director
Ms. Greta Bassett-Seymour, General Counsel
Ms. Lois Wankum, Executive Assistant II

GUESTS/PRESENTERS: Mr. Kevin Leonard, NEPC (via phone)
Mr. Ken Alberts, GRS
Mr. Mike Winter, Legislative Consultant

A regularly scheduled meeting of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) was held on Thursday, April 13, 2017, at the System's office located at 1913 William Street in Jefferson City, Missouri. The meeting was called to order by Ms. Sue W. Cox pursuant to Section 104.180 of the Revised Statutes of Missouri, as amended.

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ELECTION OF VICE CHAIR

Major Kemp Shoun announced his retirement effective May 1, 2017. Major Shoun currently serves as the Board's Vice Chair and Mr. Bill Seibert was elected as the new Vice Chair on the Board of Trustees.

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SPECIAL ELECTION

– by Mr. Scott Simon, MPERS’ Executive Director

In anticipation of the retirement of Major Kemp Shoun on May 1, 2017, a special election will need to be held to replace Major Shoun.

Colonel Karsten made a motion to move forward with a Special Election to replace Major Shoun’s position on the Board. Mr. Smith seconded the motion. By unanimous vote of all members present, the motion carried.

The newly elected trustee will complete the term for the MSHP Employee Representative and will serve through June 30, 2018. Nomination forms will be emailed to members on April 17, 2017. The election period will begin on May 26, 2017 and will end on June 9, 2017. The new trustee will be elected in time to attend the June board meeting.

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LEGISLATIVE UPDATE

– by Mr. Scott Simon, MPERS’ Executive Director

Mr. Simon explained a new provision (referred to here as the “cash-out amendment”) that has been introduced in the House and the Senate in various bills. As of the date of the Board meeting, the provision had been made a part of HB 729, HB 831, and SB 62.

The cash-out amendment, if enacted, would allow vested-former members to elect to receive a percentage of the present value of their future retirement benefits, if they are not receiving or eligible to receive a retirement benefit at the time the law becomes effective. The provision gives discretion to the Board for a number of details, including whether or not to implement the cash-out amendment at all and, if implemented, at what percentage to pay out lump sum benefits.

Mr. Simon indicated the Board has the discretion to take a position on this piece of legislation. If the legislation does pass, the Board will need to make a determination on the details listed above. Mr. Pace opined there was no need to take a position at this time and wait to see if the legislation passes. All Board members agreed.

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INVESTMENT UPDATE

– by Mr. Scott Simon, MPERS’ Executive Director

Mr. Simon provided an update on investments since Mr. Larry Krummen, MPERS’ Chief Investment Officer, was unable to attend the meeting. As of March 31, 2017, MPERS’ fund value was \$2.11 billion. MPERS’ fiscal year-to-date return (July 1, 2016 through March 31, 2017), was an estimated 7.8%. MPERS’ portfolio generated a healthy 3% return in the 1st quarter of 2017, led by the global equity markets which posted returns just under 7% for the quarter. Equity markets continue to trade near all-time highs on signs of improving economic growth and the prospects of a more business-friendly U.S. Congress. Mr. Simon also pointed out this is the final performance report noting the adjustment to MPERS’ asset allocation, effective January 1, 2017.

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DIRECTOR’S COMMENTS

Mr. Simon expressed his appreciation to the Board for easily accommodating the rescheduling of today’s meeting.

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ADJOURN

A motion to adjourn was made by Mr. Smith and seconded by Mr. Pace. By unanimous vote of all Trustees present, the meeting of the Board of Trustees was adjourned.

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CERTIFICATION

We, Sue W. Cox, Board Chair, and Scott Simon, Executive Director, Board of Trustees, MoDOT & Patrol Employees' Retirement System, hereby certify that the foregoing are full, true, and complete minutes of the meeting of the Board held on April 13, 2017 in Jefferson City, Missouri, as approved by said Board at its meeting held June 22, 2017.

IN TESTIMONY WHEREOF, we have hereto set our hands and affixed the seal of said Board on June 22, 2017.



Chairman



Executive Director