



Board Meeting Summary

February 25, 2022
10:00 a.m. (held via webinar)

Value of Assets	Funded Status
\$3.22 billion	62.4%
<i>As of 12/31/2021</i>	<i>As of 6/30/2021</i>

Approval of Board Meeting Minutes

The Board approved the minutes of the November 18, 2021 meeting. These minutes, as well as those from prior meetings, can be found on MPERS' **website**. Minutes from the current meeting will be posted after they are adopted at the Board's next regular meeting.

Board Re-elects Chair and Vice Chair

Elections were held for Chair and Vice Chair. Col. Eric Olson will continue to serve as Chair and Mr. Todd Tyler will continue to serve as Vice Chair. Mr. Tyler has served as the Vice Chair during the past three years.

Legislative Update

Presenter: Scott Simon, Executive Director (MPERS)

Regarding current legislation, Mr. Simon highlighted a few MPERS-related proposals, including the bill to cleanup a number of MPERS' statutes (House Bill 2234) and the bills to stagger the elected trustees' terms (House Bill 1984 & Senate Bill 1053). For additional information regarding the status of current legislation, please visit the Joint Committee on Public Employee Retirement (JCPER) website at www.jcper.org.

Actuarial Risk Modeling

Presenters: Heidi Barry and Jamal Adora, MPERS' actuary (GRS) & Scott Simon (MPERS)

Ms. Barry and Mr. Adora presented a few economic scenarios and how those would impact funding status and contribution rates. This modeling illustrates some of the risks to be aware of in anticipation of potential upcoming changes to the funding policy. Any changes to the funding policy are anticipated to be made in conjunction with the experience study, expected to begin after the end of Fiscal Year 2022. In conjunction with this session, the Board had an actuarial educational session.

Governance Committee Report

Presenter: Sue Cox (Governance Committee Chair)

The Governance Committee met on January 31, 2022, and agreed to support staff's

recommendations for strategic planning matters. The Committee evaluated each strategic planning issue and agreed to recommend the plan to the Board for further discussion. The Committee thought that a working session could prove useful and recommend that in lieu of the tentative April board meeting, should a formal meeting not be necessary.

Strategic Planning

Presenter: Scott Simon, Executive Director (MPERS)

Mr. Simon presented the key planning issues and options, affirmed by the Governance Committee, to the Board for discussion. The Board further affirmed these key planning issues and agreed to hold a working session in April to learn more about the various options and related costs. Once the Board has adequate information, the Board can determine which strategic issues and options are most appropriate for MPERS.

Investment Committee Report

Presenters: Lt. Matt Broniec (Investment Committee Chair)

Lt. Broniec reported that the Committee met prior to the board meeting. NEPC presented the financial market outlook for 2022, including some insights into the very recent Russian invasion of Ukraine and the potential impacts on that outlook. NEPC's market outlook was finalized in December 2021.

Investment Performance

Presenters: Larry Krummen, Chief Investment Officer (MPERS) and Kevin Leonard (NEPC)

MPERS' investment portfolio continues to perform well across most any metric. The portfolio gained another 5.7% during the 4th quarter of 2021, bringing the calendar year 2021 return up to 23.0%. The one-year return outperformed the policy benchmark by over 9%, ranked in the top 1% of the peer universe, and drove the fund balance to an all-time high of \$3.22 billion. MPERS' portfolio now ranks at or near the top quartile of the peer universe over the one-, five-, ten-, and fifteen-year periods (on a nominal basis), while the risk-adjusted performance measures (as measured by Sharpe ratios) all rank in the top 1% over those same periods.

Director's Comments

Presenters: Scott Simon, Executive Director (MPERS)

Mr. Simon will be working with Board Chair Olson to set the standing committees for the year and expects those to be available soon.

Elected trustee terms expire on June 30, 2022. The new election process will begin on February 28, 2022, and will conclude in late May. New trustees will be affirmed by the executive director and introduced to the Board at the June board meeting. Information about the election process and how to become a nominee can be found [here](#).

Given there is an experience study scheduled for next year, we will move up the actuary RFP to this spring. In the event the Board selects a new actuary, it is probable the new actuary would conduct its own experience study, hence the reason for moving forward the RFP timeline.

2022 Board Meeting Dates

- Friday, April 29, 2022 (tentative)
- Thursday, June 16, 2022
- Thursday, September 22, 2022
- Thursday, November 17, 2022

Board of Trustees

Col. Eric Olson
Board Chair
Superintendent of MSHP
Ex-Officio Member

W. Dustin Boatwright
Highways & Transportation
Commissioner

Sue Cox
MoDOT Retiree Representative

Bill Seibert
MSHP Retiree Representative

Todd Tyler
Board Vice Chair
MoDOT Active Representative

Robert Brinkmann
Highways & Transportation
Commissioner

Representative Barry Hovis
Appointed by the
Speaker of the House

Gregg Smith
Highways & Transportation
Commissioner

Senator Mike Bernskoetter
Appointed by the President
Pro Tem of the Senate

Lt. Matt Broniec
MSHP Active Representative

Patrick McKenna
Director of MoDOT
Ex-Officio Member

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