



# MoDOT & Patrol Employees' Retirement System

## Recap of Board Meeting

### February 27, 2014

#### Board of Trustees

**Major Bret Johnson**  
*Chair*  
MSHP Employees'  
Representative

**Joe Carmichael**  
*Vice Chair*  
Highways & Transportation  
Commissioner

**Senator Mike Kehoe**  
Appointed by the President  
Pro Tem of the Senate

**David Nichols**  
Director of MoDOT

**Colonel Ron Replogle**  
Superintendent of MSHP

**Rep. Shawn Rhoads**  
Appointed by the  
Speaker of the House

**Bob Sfreddo**  
MoDOT Retirees'  
Representative

**Roger Stottlemire**  
MSHP Retirees'  
Representative

**Kenneth Suelthaus**  
Highways & Transportation  
Commissioner

**Todd Tyler**  
MoDOT Employees'  
Representative

**Vacant**  
Highways & Transportation  
Commissioner

#### Election of Board Chair and Vice Chair and Appreciation to Existing

Mr. Joe Carmicheal was elected as Chairman of the Board and Colonel Ron Replogle was elected as Vice Chair. Mr. Carmicheal and Mr. Simon took a few minutes to reflect on the impact that Major Bret Johnson has made as the Board Chair and thanked him for his leadership.

#### Introductions of New Employees

Presenter: Scott Simon, MPERS' Executive Director

Mr. Simon introduced two new MPERS' employees to the Board. Bobby Hagedorn joined our team in November, 2013 as a Senior Investment Officer. Jamie Mullen came on board in January, 2014 as a Benefit Specialist. Mr. Mullen will take Mariel Hale's position when she retires.

#### Legislative Update

Presenter: Scott Simon, MPERS' Executive Director

Mr. Simon discussed several bills that could potentially affect the System including HB 1682, HB 1800 and HB 1882. Bill filing for the Senate ended on February 27th but the House can continue to file bills through mid-March. To see details on these bills or any others that could impact the System, go to [www.house.mo.gov](http://www.house.mo.gov) or [www.senate.mo.gov](http://www.senate.mo.gov)

#### Audit Committee — Gabriel, Roeder, Smith & Company (GRS) Contract Extension

Presenter: Mr. Ken Suelthaus, Audit Committee Chair

The Audit Committee recommended extending the GRS contract, which is due to expire on June 30, 2014, for an additional year, since we are currently in the middle of implementing new reporting for GASB Statements 67 and 68, which demands considerable familiarity with our System. Mr. Simon noted that an additional extension is likely to be recommended next year as the new requirements will not be completed by end of FY 2015. The Board approved a one-year extension to the current contract which will now expire June 30, 2015.

#### Governance Committee

Presenter: Kenneth Suelthaus, Board Governance Committee Chair

A new appraisal form and process for the Executive Director was proposed by the Governance Committee and approved by the Board. The new form and process will streamline the appraisal process and will be conducted in September rather than November of each year.

#### Budget Committee — Mid-Year Budget Review

Presenter: Major Bret Johnson, Budget Committee Chair

The System is on track as far the FY 2014 budget is concerned; however, due to the departure of the System's general counsel, increased external legal costs are expected.



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#### **2013 Calendar Year Investment Performance Report**

Presenter: Kevin Leonard, NEPC

The System performed well in 2013 finishing the year with a 14.96% return (10th percentile compared to our peers). The benchmark returned 12.55%. Achieving top quartile risk-adjusted returns is quite impressive for a fund that has a much smaller global equity allocation than most public pension plans.

#### **Other Business**

The 2014 cost-of-living (COLA) rate is 1.172%.

The Board received a copy of the Board Member Election Timeline. If you would like more information, please visit our website at [www.mpers.org](http://www.mpers.org).

Each year, the MPERS's April Board Meeting is scheduled as an optional meeting. The Board agreed to have a conference call, rather than a Board Meeting On April 24, 2014.