



Board Meeting Summary 12:30 pm on June 21, 2018

Value of Assets
(as of 3/31/18)
\$2.28 billion

Funded Status
(as of 6/30/17)
57.1%

Board of Trustees

Sue Cox

Board Chair
MoDOT Retiree
Representative

Bill Seibert

Board Vice-Chair
MSHP Retiree
Representative

John Briscoe

Highways & Transportation
Commissioner

Sgt. Matt Broniec

MSHP Active
Representative

Col. Sandy Karsten

Superintendent
of MSHP
Ex-Officio Member

Patrick McKenna

Director of MoDOT
Ex-Officio Member

Michael Pace

Highways & Transportation
Commissioner

Senator Dave Schatz

Appointed by the President
Pro Tem of the Senate

Gregg Smith

Highways & Transportation
Commissioner

Todd Tyler

MoDOT Active
Representative

Vacant – Representative

Appointed by the
Speaker of the House

Trustee Election Results

MPERS held elections for the active elected trustees. Both Sgt. Matthew Broniec and Mr. Todd Tyler were re-elected by the active members of MoDOT and MSHP. The elected retiree representatives were uncontested and both Ms. Sue Cox and Mr. Bill Seibert remain representatives for the retirees. The board certified the election results by unanimous vote.

Investment Performance

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

As of March 31, 2018, MPERS' fund value was \$2.28 billion. MPERS' fiscal year-to-date return (July 1, 2017 through June 13, 2018) stands at 9.5 percent.

Investment Committee Report

Presenter: Mike Pace (Investment Committee Chair)

NEPC presented the annual liquidity study and concluded that MPERS' allocation to illiquid investments continues to be appropriate.

Budget Committee Report

Presenter: Ms. Sue Cox (Budget Committee Chair)

The Budget Committee recommended and the Board approved the FY19 budget. The budget will increase by less than 4 percent over FY18's budget and includes a new full-time communications position. Staff also illustrated again that MPERS' expenditures compared to approximately 10 other smaller retirement systems showed MPERS' "cost per member" to be less than average among peers.

Governance Committee Report

Presenter: Mr. Todd Tyler (Governance Committee Chair)

The Governance Committee recommended changes to governance policies and board rules. The policy change was a minor administrative change directed at the conflict of interest acknowledgement process. The committee also recommended an adoption of a new board rule that would include refunding service purchases when contribution refunds are given to 2011 Tier members. Finally, the committee recommended a change to the board election processes that would require a special election if an elected trustee's remaining term was six months or longer, but made the special election discretionary if the remaining term was less than six months. The board adopted the changes as presented. As required by law, the board rule changes will be posted on our website until July 21, 2018, for public comment.

Legislative Update

Presenter: Mr. Scott Simon (Executive Director)

Only two bills having direct implications for MPERS were passed during the last legislative session. SCS SRBs 975 & 1024 was a revision bill that allowed MPERS to correct errors to three statutes. This bill was signed by Governor Greitens and will become law on August 28, 2018. CCS HCS SS SB 870 changed the education requirements for trustees. New trustees are now required to receive six hours of education within the first 90 days of the term and then two hours each year thereafter. This bill has yet to be signed, but Governor Parson has until July 14, 2018, to veto or sign, or if unsigned, will automatically become law on August 28, 2018.

Director's Comments

Presenter: Scott Simon, Executive Director (MPERS)

MPERS received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its Comprehensive Annual Financial Report (CAFR). This is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. MPERS received similar recognition for its Popular Annual Financial Report (PAFR). This was the first year we produced a PAFR.

Other Items

The Board approved MPERS' proposed Business Plan for the upcoming three fiscal years.

The consent agenda items were also approved.

Remaining 2018 Board Meeting Dates

Thursday, September 27, 2018

Thursday, November 29, 2018