



MoDOT & Patrol Employees' Retirement System

Recap of Board Meeting

June 26, 2014

Board of Trustees

Joe Carmichael
Chair

Highways & Transportation
Commissioner

Colonel Ron Replogle
Vice Chair

Superintendent of MSHP

Major Bret Johnson
MSHP Employees'
Representative

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

David Nichols
Director of MoDOT

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

Expression of Thanks

The terms for Mr. Bob Sfreddo and Mr. Roger Stottlemire ended on June 30, 2014. The Board expressed its gratitude to Mr. Bob Sfreddo for 8 years of service and Mr. Roger Stottlemire for over 19 years of service on the Board.

Board Elections

Presenter: Scott Simon, MPERS' Executive Director

Mr. Simon presented the election results to the Board and recommended the Board certify the election results as follows:

Ms. Sue Cox, MoDOT Retiree Representative

Major J. Bret Johnson, MSHP Active Representative

Mr. William "Bill" Seibert, MSHP Retiree Representative

Mr. Todd Tyler, MoDOT Active Representative

The Board welcomed the representatives to the Board for a 4 year term effective July 1, 2014.

Additionally, Mr. Simon discussed the new electronic election process. Changing the election process to an electronic process will save the System thousands of dollars.

Legislative Update

Presenter: Scott Simon, MPERS' Executive Director

Mr. Simon discussed two retirement related bills that were passed but not signed by the Governor as of the meeting date.

HB 1217—prohibits the transfer or assignment of public pension benefits; as well as, requires the forfeiture of public pension by any employee who is convicted of certain crimes related to the employee's job.

HB 1882—modifies the role public pension plans in Missouri have with regards to the Joint Committee on Public Employee Retirement.

2015, 2016 & 2017 Business Plan

Presenter: Scott Simon, MPERS' Executive Director

Mr. Simon presented MPERS' 2015, 2016 & 2017 Business Plan outlining the System's goals:

- 1) Providing MPERS' members with exceptional and cost-effective service
- 2) Protect MPERS' trust fund and resources
- 3) Increase MPERS' capability to outperform investment benchmarks

The Business Plan details action items that MPERS' plans to complete during each fiscal year. The Board approved MPERS 2015, 2016 & 2017 Business Plan.

Budget Committee

Presenter: Jennifer Even, MPERS' Chief Financial Officer

Ms. Even presented the FY 2015 Budget outlining each budget category. The Budget Committee recommended approval of the proposed and the Board adopted the budget as presented.



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1st Quarter 2014 Investment Performance

Presenter: Will Forde, NEPC

The System continues to perform very well in FY 2014. The 1 year return as of March 31 was 12.90% outperforming the benchmark return of 12.76%. The System continues to achieve top quartile risk-adjusted returns relative to our peers, despite the smaller global equity allocation than most public pension plans.

GASB 67 & 68

Presenter: Jennifer Even, MPERS Chief Financial Officer

Ms. Even presented the mock implementation of the System's FY 2013 financial statements detailing for the Board any changes that will occur as a result of the new GASB rules. Ms. Even noted that the System will continue to use a discount rate of 7.75%, based on the expected rate of return on pension plan investments, to measure the total pension liability due to the fact that MPERS' has a closed amortization period.

Other Business

Mr. Simon presented the annual evaluation of the Long Term Disability Program and rates. The rate is guaranteed through July 1, 2016; no changes were made.

Mr. Simon outlined the System's process for scheduling dates of Board Meetings at the request of the Board.