



Board Meeting Summary 12:30 pm on November 29, 2018

Value of Assets
(as of 9/30/18)
\$2.35 billion

Funded Status
(as of 6/30/18)
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

Patrick McKenna

Director of MoDOT
Ex-Officio Member

Lt. Col. Eric Olson

Acting Superintendent
of MSHP
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

Introduction of New Trustee

The Board welcomed Lieutenant Colonel Eric Olson to the Board as the Acting Superintendent of the Missouri State Highway Patrol.

Investment Performance

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

As of September 30, 2018, MPERS' fund value was \$2.35 billion. MPERS' fiscal year-to-date return (July 1, 2018 through November 20, 2018) was flat due to various international and domestic economic concerns such as trade discussions with China and the recent fall in oil prices.

Governance Policy Changes

Presenters: Larry Krummen, Chief Investment Officer and Scott Simon, Executive Director (MPERS)

Mr. Krummen proposed changes to the Investment Policy and the Executive Director Charter that would result in adding a modest amount of leverage to MPERS' portfolio. In addition, Mr. Krummen explained the necessity for adding a valuation policy for the timber portfolio. Modifications to asset allocation were also presented to reflect a minor rebalancing of the portfolio. All governance policy changes were approved by the Board.

Audit Committee Report

Presenter: Bill Seibert, Audit Committee Chair

Mr. Seibert reported that the Audit Committee met on November 13, 2018, and he presented the report of that meeting. MPERS' independent auditors, Williams-Keepers, were present at the committee meeting and explained the recently completed annual audit report for Fiscal Year 2018. It was the opinion of Williams-Keepers that MPERS' financial statements presented fairly and were reported in conformity with U.S. generally accepted accounting principles. Overall, this was an excellent report with no deficiencies or recommendations.

Enterprise Risk Management Program Update

Presenter: Greg Beck, Assistant Executive Director (MPERS)

Mr. Beck presented the annual update for MPERS' Enterprise Risk Management (ERM) Program. The goal of ERM is to identify risks and the corresponding management controls to continually manage those risks as well as any newly identified risks. The ERM process has resulted in several changes to policies and procedures at MPERS to strengthen internal controls and will continue to do so on a going-forward basis.

Annual Board Workshop Held

The annual board education workshop was held prior to the board meeting. This workshop is held to provide the mandated educational requirements for trustees. In addition to the annually required update on fiduciary duty, the session covered several different investment-related items.

Legislative Update

Presenter: Scott Simon, Executive Director

In anticipation of the upcoming legislative session, Mr. Simon presented a cleanup bill for the Board to consider. The proposed statutory revisions mainly cover corrections to drafting errors and miscellaneous improvements where the statutes are either silent or ambiguous. The Board authorized staff to proceed with the bill in the 2019 legislative session.

Director's Comments

Presenter: Scott Simon, Executive Director (MPERS)

Mr. Simon discussed the current condition and necessary maintenance of the heating, ventilating and cooling system in the building as well as a necessary improvement to our elevator. The cost of both items required an amendment to the current budget which the Board approved.

2019 Board Meeting Dates

Thursday, February 21, 2019	Thursday, April 25, 2019 (tentative)
Thursday, June 20, 2019	Thursday, September 26, 2019
Thursday, November 21, 2019	