



## Board Meeting Summary 1:00 pm on November 16, 2017

**Value of Assets**  
(as of 9/30/17)  
**\$2.2 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

**Rep. Shawn Rhoads**

Appointed by the  
Speaker of the House

**Senator Dave Schatz**

Appointed by the President  
Pro Tem of the Senate

**Gregg Smith**

Highways & Transportation  
Commissioner

**Todd Tyler**

MoDOT Active  
Representative

### Investment Performance

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

As of September 30, 2017, MPERS' fund value was \$2.2 billion. MPERS' fiscal year-to-date return (July 1, 2017 through November 9, 2017) was 3.16%, assisted by the strength of the global equity market.

### Audit Committee Report

*Presenter: Bill Seibert, Audit Committee Chair*

Mr. Seibert reported that the Audit Committee met on November 8, 2017, 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 2017. It was the opinion of Williams-Keepers that MPERS' financial statements presented fairly, in all material respects, the fiduciary net position of MPERS as of June 30, 2017, and the changes in fiduciary net position for the year were reported in conformity with U.S. generally accepted accounting principles. Overall, this was an excellent report with no noted new deficiencies and no new recommendations.

In addition to the audit report, the Audit Committee was presented with updated information about MPERS' Enterprise Risk Management (ERM) Program. The program will encompass both operations and investments utilizing two internal staff committees. 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 committee stated that it wished to be updated quarterly on any developments within the program and asked staff to provide a brief annual update to the full board.

### Defined Benefits Education – Change to Communications Governance Policy

*Presenter: Sue Cox, Board Chair*

The Board adopted a change to the Communications Governance Policy. The trustees wished to memorialize their expectations of the executive director's role in educating the public, the legislature, the media, etc. on the subject of defined benefit plans and its important role in attracting and retaining future state employees. The policy empowers the executive director to meet or correspond with stakeholders, provide information to the media, testify at legislative hearings, and have one-on-one meetings with legislators. Visit [www.mpers.org](http://www.mpers.org) for the complete text of this addition to the Communications policy.

### Annual Board Workshop Held

The annual Board Education Workshop was held prior to the board meeting. This workshop is held to reinforce the mandated educational requirements for trustees. The agenda included: Global Economic Climate, presented by Mr. Andres Vinelli, Chief Economist, Center for Economic Analysis, PCAOB; Fiduciary Education (a board governance requirement), presented by Greta Bassett-Seymour, MPERS' General Counsel; Leverage, presented by Larry Krummen, MPERS' Chief Investment Officer; Asset Class Review, presented by MPERS' Investment Staff; and Investment Management Fees, presented by Tinisha Eickhoff, MPERS' Investment Officer.

### Director's Comments

*Presenter: Scott Simon, Executive Director (MPERS)*

Regarding the pension buyout elections, Mr. Simon reported the program had received minimal interest to this point but acknowledged the deadline to return elections is November 30, 2017, so there was still time for additional elections to be submitted. For the upcoming legislative session, he was not aware of any new legislative proposals at this time, but did note pre-filing of bills would start December 1<sup>st</sup>.

### 2018 Board Meeting Dates

Thursday, February 15, 2018  
Thursday, June 21, 2018

Thursday, April 26, 2018 (tentative)  
Thursday, September 27, 2018

**For more information about MPERS go to: [www.mpers.org](http://www.mpers.org)**

Thursday, November 29, 2018

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