



Board Meeting Summary September 24, 2015



Board of Trustees

Joe Carmichael
Board Chair

Highways & Transportation
Commissioner

Colonel J. Bret Johnson
Board Vice-Chair
Superintendent of MSHP

Roberta Broeker
Interim Director of MoDOT
Ex-Officio Member

Sue Cox
MoDOT Retiree
Representative

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

Bill Seibert
MSHP Retiree
Representative

Major Kemp Shoun
MSHP Employee
Representative

Todd Tyler
MoDOT Employee
Representative

Vacant
Highways & Transportation
Commissioner

Expression of Thanks to Colonel Ron Replogle, Dave Nichols, Kenneth Suelthaus, and Senator Mike Kehoe

Presenter: Joe Carmichael (Board Chair)

The meeting began with an expression of thanks and recognition to the following trustees, for their contributions and time served on the MPERS Board of Trustees: Colonel Ron Replogle (Superintendent of MSHP); Dave Nichols (Director of MoDOT); Kenneth Suelthaus (Highways & Transportation Commissioner); and Senator Mike Kehoe (appointed by the President Pro Tem of the Senate).

Investment Performance

Presenters: Larry Krummen (MPERS)

As of June 30, 2015, MPERS' net asset value was **\$2.004 billion**. A strong 2nd quarter (April – June) pushed MPERS' fiscal year 2015 return to 6.61%, which ranked in the top 1% of the peer universe. Longer-term performance remains equally impressive, with the 5- and 10-year returns ranking in the top 2% and 6%, respectively.

Annual Actuarial Valuation

Presenter: Ken Alberts and Heidi Barry (Gabriel Roeder Smith & Company)

The annual actuarial valuation is designed to measure the overall financial condition of the retirement system. During FY2015, the funding status of MPERS increased from 49.2% to **52.9%**.

The annual valuation also provides the basis for determining employer contribution rates for the next fiscal year, which must be certified by the Board to the employers (MoDOT and MSHP) by October 1.

The contribution rate for FY2017 will be 58% of payroll. That rate is made up of four components: 1) Normal cost (12.01%)—this is the true cost of our benefits, 2) Unfunded liability (44.32%)—this is the catch-up payment for funding shortfalls of the past, 3) Expenses (1.14%)—this covers the operating costs of MPERS, and 4) Disability Insurance (.53%)—this covers the cost of the disability insurance covering our active members.

MPERS Celebrates 60th Anniversary

Presenter: Scott Simon (MPERS)

September marks the 60th Anniversary of MPERS. Through the passage of SB 66, eligible employees of MoDOT and the Highway Patrol became members of MPERS on September 1, 1955. On October 1, 1955, the System processed its first 109 retirements. As of June 30, 2015, MPERS serves over 18,000 members and beneficiaries.

New MPERS Logo and Website

Presenter: Pam Henry (MPERS)

MPERS' new logo (shown at top of this page) was revealed to the Board, along with a preview of the new website, which should go live by Friday, October 2.

For more information about MPERS go to:

www.mpers.org

MoDOT & Patrol Employees' Retirement System