



Board Meeting Summary

June 16, 2022
10:00 a.m.

Value of Assets	Funded Status
\$3.19 billion	62.4%
<i>As of 3/31/2022</i>	<i>As of 6/30/2021</i>

Approval of Board Meeting Minutes

The Board approved the minutes of the February 25, 2022 meeting. These minutes, as well as those from prior meetings, can be found on MPERS' **website**. Minutes from the current meeting will be posted after they are adopted at the Board's next regular meeting.

Trustee Election Results

An election for four elected trustee positions was held recently. As a result, all three incumbents were reelected for another four-year term. The fourth position was filled by an uncontested nominee. The elected trustees are Sue Cox, MoDOT Retiree (incumbent); Bill Seibert, Patrol Retiree (incumbent); Todd Tyler, MoDOT Active (incumbent); Matt Morice, Patrol Active (uncontested). The Board declared these trustees for a four-year term effective July 1, 2022.

Trustee Code of Conduct and Conflict of Interest

In compliance with the Board's Governance Policies, trustees are required to review and affirm their fiduciary responsibilities annually. In early July, the Board will receive an electronic copy of the policy and affirm this oath for Fiscal Year 2023.

New Trustee

The Board welcomed Commissioner Terry Ecker to the Board. He replaces Bob Brinkmann, who resigned from the MPERS Board in May. The Board also thanked Lt. Matt Broniec for his five years of service on the MPERS Board. His term ends on June 30, 2022.

Governance Committee Report

Presenter: Ms. Sue Cox, Governance Committee Chair

The Governance Committee met on April 6, 2022, and reviewed the proposed format for the

April 29, 2022 working session to review options for the strategic plan. The Committee provided feedback and suggested some changes to make the working session presentation to the Board more effective.

Five-Year Strategic Plan

The Board approved the five-year comprehensive strategic plan as presented. The strategic plan includes matters related to MPERS' funding policy, people, processes, systems, facilities, and relationships. Over the next five years, MPERS' staff will attend to 10 separate strategic initiatives in an effort to propel the System forward and prepare for the needs of the future of MPERS. Work will begin immediately to issue an RFP for performance of a cyber audit, the investment department will begin building staffing resources to handle the increasing needs of the System's increasing fund value, and research will begin into renovating MPERS' dated building. The Board will oversee the delegation of this significant and long-term strategic plan and will assess the various milestones built into it.

Budget Committee Report

Presenters: Col. Eric Olson, Budget Committee Chair, Scott Simon, Executive Director (MPERS), and Jennifer Even, Chief Financial Officer (MPERS)

On an annual basis, the Budget Committee reviews staff's proposed operating budget for the upcoming fiscal year. At a meeting of the Budget Committee on May 25, 2022, the Committee voted to recommend the proposed operating budget to the full Board. The Board voted to approve the proposed operating budget as presented, as well as the costs associated with the FY 2023 strategic planning expenses as presented.

Audit Committee Report

Presenters: Todd Tyler, Audit Committee Chair

At the meeting of the Audit Committee on June 16, 2022, the Committee reviewed the responses to the recent Request for Proposals for the System's actuary. Based on the information reviewed prior to and during the meeting, the Committee decided to recommend the Board continue with GRS Consulting.

Actuarial RFP Awarded

The Board awarded the actuarial RFP to GRS, MPERS' current actuary. GRS's new term will begin July 1, 2023, and will continue for the following five years. GRS has served as MPERS' actuary since 1999.

MPERS' Business Plan for FYs 2023, 2024, and 2025

The Board approved staff's proposed business plan for the next fiscal year with the caveat that the Governance Committee will want to reexamine the *Strategic Planning Policy* now that the strategic plan has been completed. The expectation would be to continue the momentum created by the recent process and keep the Board involved in future strategic planning goals.

Investment Performance

The diversified nature of MPERS' investment portfolio continues to add value during this period of increased volatility in the markets. The fund held up well during the first quarter of 2022, limiting losses to 0.27% while the average public fund lost 4.9%. The quarterly return ranked in the top 1% of the public fund peer universe. MPERS' intermediate and long-term returns are the strongest they have ever been relative to peers and the policy benchmark. The value bias within the equity portfolio, which led to the underperformance in 2020 as growth strategies outperformed value, continues to perform well and the alternative asset classes have offered excellent diversification in this volatile market. As of June 6, 2022, MPERS estimated return for Fiscal Year 2022 stands at 5.5%.

Director's Comments

Presenters: Scott Simon, Executive Director (MPERS)

- There will be some new committee appointments in the coming weeks due to the two new trustees on the Board.
- Staff appreciates the continued patience of the Board in navigating the new Board Portal. The intention is to provide more information to the trustees, as well as more transparency for the board members to successfully execute their fiduciary duties.
- There are pivotal moments in an organization's history, and this meeting was one of those moments. The decisions the Board made at this meeting will serve the System for years to come and sets the stage for growth and stability into the future.

2022 Board Meeting Dates

- Thursday, September 22, 2022
- Thursday, November 17, 2022

Board of Trustees

Col. Eric Olson
Board Chair
Superintendent of MSHP
Ex-Officio Member

W. Dustin Boatwright
Highways & Transportation
Commissioner

Terry Ecker
Highways & Transportation
Commissioner

Bill Seibert
MSHP Retiree Representative

Todd Tyler
Board Vice Chair
MoDOT Active Representative

Lt. Matt Broniec
MSHP Active Representative

Representative Barry Hovis
Appointed by the
Speaker of the House

Gregg Smith
Highways & Transportation
Commissioner

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

Sue Cox
MoDOT Retiree Representative

Patrick McKenna
Director of MoDOT
Ex-Officio Member

