



Board Meeting Summary

June 20, 2024
12:00 p.m.

Value of Assets	Funded Status
\$3.6 billion	69%
<i>As of 3/31/2024</i>	<i>As of 6/30/2023</i>

Approval of Board Meeting Minutes

The Board approved the minutes of the February 16, 2024 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.

Audit Committee Report

Presenter: Todd Tyler, Audit Committee Chair

The Audit Committee met prior to the board meeting on June 20, 2024. This meeting was the annual audit kickoff meeting for the 2024 audit, and Nick Mestres from Williams-Keepers was present to remind the Committee of what is required for the audit and when it will take place. The audit will begin in July. The Committee also discussed a number of options for this year's additional in-depth audit area and recommended to the Board for Williams-Keepers to review the alive and well check/death audit process. This process is designed to prevent individuals from being overpaid after their death. The Board accepted the recommendation on the additional audit area, which will occur simultaneously with the Fiscal Year 2024 audit.

Budget Committee Report

Presenter: Sue Cox, Budget Committee Chair

The Budget Committee met on May 30, 2024, and reviewed the proposed budget for Fiscal Year 2025. Overall, the budget had minor additions that can largely be attributed to the increasing cost of doing business. The total budget increased 9.18% over last year and included implementing recently adopted compensation policy updates, ever-increasing travel expenses, and replacing our roof. The Committee recommended the proposed budget to the Board, which the Board accepted.

Legislative Update

Presenter: Scott Simon, Executive Director

Regarding current legislation, Mr. Simon highlighted a few pension-related proposals. There are several bills that focus on divestment of China or more generally, foreign adversaries, and several others focused on ESG (environmental, social, and governance). MPERS' staff is

monitoring these bills and any potential effects each could have on the System if passed. There are no MPERS-specific bills pending this session.

For additional information regarding the status of current legislation, please visit the Joint Committee on Public Employee Retirement (JCPER) website at www.jcper.org.

Vital Functions - Signs

Presenters: Scott Simon, Executive Director and Lindsey Harris-Funk, Assistant Chief Financial Officer

The Vital Signs dashboard provides a quick reference of how things are functioning within the organization. This report has been changed from a “pass/fail” document to an interactive dashboard that provides data showing where the system is relative to each vital sign’s metric. The history of each vital sign is also part of this dashboard. The new dashboard is available on the MPERS website.

Investment Performance

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

Strong equity markets have pushed MPERS’ portfolio balance to an all-time high as the System crossed \$3.6 billion for the first time. With only a few weeks remaining in the fiscal year, MPERS’ estimated Fiscal Year 2024 return is up to 11.8% (July 1st – June 9th). This should lead to more downward pressure on employer contribution rates once the fiscal year results are finalized.

MPERS’ long-term returns continue to look strong relative to any metric. MPERS’ 3-, 5-, and 10-year returns all rank in the top 1% of the public fund universe, while the 20-year return ranks in the top 3%.

Director's Comments

Presenter: Scott Simon, Executive Director

The Board welcomed Commissioner Dan Hegeman to his first board meeting after he joined the Board earlier this year.

Mr. Simon reported that MPERS received Certificates of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Annual Comprehensive Financial Report and Popular Annual Finance Report for FY 2023.

2024 Board Meeting Dates

- Thursday, September 19, 2024
- Thursday, November 21, 2024

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