

JUNE 20, 2024 MEETING MINUTES
BOARD OF TRUSTEES
MODOT AND PATROL EMPLOYEES' RETIREMENT SYSTEM

MPERS' Office Building
1913 William St.
Jefferson City, MO 65109

TRUSTEES PRESENT:

Ms. Sue Cox, Chair
Trooper Matt Morice
Senator Mike Bernskoetter
Commissioner W. Dustin Boatwright
Commissioner Warren Erdman
Commissioner Dan Hegeman
Representative Barry Hovis
Colonel Eric Olson
Mr. Bill Seibert
Mr. Todd Tyler

TRUSTEES ABSENT:

Mr. Patrick McKenna

GUESTS:

Mr. Kevin Leonard, NEPC
Mr. Mike Winter, Legislative Consultant

STAFF PRESENT:

Mr. Scott Simon, Executive Director
Ms. Greta Bassett-Seymour, Deputy Executive
Director & General Counsel
Mr. Larry Krummen, Chief Investment Officer
Ms. Jennifer Even, Chief Financial Officer
Ms. Lindsey Harris-Funk, Assistant Chief
Financial Officer
Mr. Mark Caplinger, Manager of Investments
Ms. Jennifer Johnson, Manager of Investments
Ms. Katy Lacy, Human Resources Officer
Ms. Melissa Gourd, Board Administrator

A regularly scheduled meeting of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) was held on Thursday, June 20, 2024, from the System's office located at 1913 William Street in Jefferson City, Missouri. The meeting was called to order by Ms. Sue Cox pursuant to section 104.108 of the Missouri Revised Statutes, as amended.

Ms. Cox welcomed Commissioner Dan Hegeman to his first MPERS Board meeting.

APPROVAL OF MINUTES

Colonel Olson moved to approve the minutes of the meeting held on February 16, 2024. Commissioner Erdman seconded. Motion carried.

The Chair and Executive Director were authorized and directed to sign and certify the minutes and to file them in the office of the Executive Director.

TRUSTEE CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

The MPERS Board Governance Policy states that Trustees shall provide a written acknowledgement that they have received the Trustee Code of Conduct and Conflict of Interest Policy at orientation and on an annual basis thereafter. Ms. Cox stated an email would be sent to Trustees following the board meeting and would include a link to review the policy and to electronically sign the applicable acknowledgement and oath of office.

AUDIT COMMITTEE REPORT AND AGREED UPON PROCEDURE

Presenter: Mr. Todd Tyler, Audit Committee Chair

Mr. Tyler reported the Audit Committee met prior to the Board meeting on June 20, 2024. Mr. Nick Mestres from Williams-Keepers attended the meeting, which kicked off the annual audit. Preliminary audit work will take place over the next few months with a full report at the November board meeting.

Mr. Simon discussed the *Agreed Upon Procedure* process with the committee. The Committee approved staff's recommendation of Williams-Keepers performing a review of the alive and well check/death audit process and recommended approval to the full Board.

Mr. Tyler moved that the Board accept the recommendation of the Audit Committee for Williams-Keepers to perform a review of the alive and well check/death audit process. Rep. Hovis seconded. Motion carried.

BUDGET COMMITTEE REPORT

Presenter: Ms. Sue Cox, Budget Committee Chair

Mr. Cox reported that the Budget Committee met on May 30, 2024, and reviewed the proposed operating budget for Fiscal Year 2025.

The proposed operating budget for Fiscal Year 2025 had additions that can largely be attributed to the increasing cost of doing business. The total budget increased 9.18% over last year. The Committee recommended approval of the proposed budget to the full Board.

FISCAL YEAR 2025 EXECUTIVE SUMMARY AND BUDGET REQUEST

Presenter: Mr. Scott Simon, Executive Director, and Ms. Jennifer Even, Chief Financial Officer

Mr. Simon and Ms. Even presented the proposed operating budget to the Board. Ms. Even provided a review of the budget summary and details for each category.

After Board discussion, Sen. Bernskoetter moved to approve the proposed operating budget for Fiscal Year 2025, as presented. Rep. Hovis seconded. Motion carried.

LEGISLATIVE UPDATE

Presenter: Mr. Scott Simon, Executive Director

Mr. Simon reported that the legislative session ended on May 17, 2024, with no bills passed that directly affected MPERS.

VITAL FUNCTIONS – SIGNS

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

Mr. Simon refreshed the Board regarding the metrics included in the vital signs list. He also noted a correction to the cost per member metric. He then discussed the new vital signs dashboard with the Board. The updated version has an improved layout, which includes historical data for each of MPERS vital signs. Ms. Harris-Funk provided a demonstration for the Board and noted the dashboard will be available on the MPERS website.

STRATEGIC PLAN

Presenter: Mr. Scott Simon, Executive Director

Mr. Simon updated the Board on the status of the Strategic Plan. A timeline noting progress on each planning issue is available on the website and board portal.

INVESTMENT REPORTS

Presenter: Mr. Larry Krummen, Chief Financial Officer, and Kevin Leonard, NEPC

Mr. Krummen provided the CIO report. He reported the portfolio balance has crossed \$3.6 billion for the first time. The estimated Fiscal Year 2024 return is 11.8%.

Kevin Leonard (NEPC), the Board's investment consultant, provided the First Quarter Investment Summary Report.

DIRECTOR'S COMMENTS

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 Financial Report.

VOTE TO CLOSE MEETING

Ms. Cox asked for a motion to convene in a closed session and noted that no additional open business would occur following the executive session.

In accordance with section 610.021 RSMo., Commissioner Boatwright made a motion to convene in closed session to approve the executive session minutes, to discuss a building acquisition update, and discuss succession planning. Trooper Morice seconded. A roll call vote was taken.

Sen. Bernskoetter, Aye
Commissioner Boatwright, Aye
Ms. Cox, Aye
Commissioner Erdman, Aye
Commissioner Hegeman, Aye

Rep. Hovis, Aye
Trooper Morice, Aye
Colonel Olson, Aye
Mr. Seibert, Aye
Mr. Tyler Aye

Motion carried.

ADJOURN

Upon return to open session, Commissioner Erdman made a motion to adjourn the meeting. Commissioner Boatwright seconded. Motion carried.