



Board Meeting Summary

September 17, 2024
12:00 p.m.

Value of Assets	Funded Status
\$3.6 billion	70.6%
<i>As of 6/30/2024</i>	<i>As of 6/30/2024</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.

Results of Special Election

Presenter: Scott Simon, Executive Director

The Board held a special meeting on August 14, 2024, to address the resignation of Trooper Matt Morice from the Board. At this meeting, the Board authorized a special election to fill Trooper Morice's seat. Master Sergeant Wallace Ahrens was the only candidate who came forward. The Board accepted Master Sergeant Ahrens' nomination and declared him the successful candidate. Master Sergeant Ahrens' term begins immediately and ends on June 30, 2026.

Election of Vice Chair

Presenter: Sue Cox, Budget Committee Chair

The resignation of Trooper Matt Morice left the Board Vice Chair seat vacant. Mr. Todd Tyler was nominated and affirmed as Vice Chair.

Annual Actuarial Evaluation

Presenters: Ken Alberts & Heidi Barry, GRS

Representatives from MPERS' actuary, GRS, presented the annual actuarial valuation. The annual actuarial valuation is designed to measure the overall financial condition of the retirement system. During Fiscal Year 2025, MPERS' funded status increased from 69.0% to 70.6%. This is the highest funded status in MPERS' history. The funded status represents the level of assets available to pay the benefits that our members have earned.

An achievement from last year continues to bring good news this year: the retiree unfunded liability continues to be fully funded. The retiree liabilities represent the benefits earned by those members already receiving benefits from MPERS. MPERS' funded status continues to

show positive progress.

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. As approved by the Board for Fiscal Year 2026, the contribution rate will be 37.013% of payroll for the non-uniformed group (MoDOT and the non-uniformed members of the Highway Patrol) and 58.005% for the uniformed group. The contribution rate is comprised of the factors noted below.

	FY 2026 Employer Contribution Rates Expressed as % of Active Payroll for Total Benefits			
	Non-Uniformed			Uniformed Patrol Total
	Civilian Patrol Employees	MoDOT Employees	Total	
Benefit Normal Cost	8.020%	8.020%	8.020%	16.560%
Expenses	1.340%	1.340%	1.340%	1.340%
Disability Insurance	0.475%	0.475%	0.475%	0.475%
Total Normal Cost	9.835%	9.835%	9.835%	18.375%
Unfunded Liability	27.178%	27.178%	27.178%	39.630%
Total	37.013%	37.013%	37.013%	58.005%
Projected \$	\$23,635,427	\$108,381,802	\$132,017,229	\$62,829,913
Prior Year Projected \$	\$30,503,850	\$134,335,433	\$164,839,283	\$56,200,938

The Board certified the contribution rates for Fiscal Year 2026 in accordance with statutory requirements.

Vital Signs

Presenter: Scott Simon, Executive Director

Mr. Simon reported to the Board that all the System’s vital signs are “green” or without concern. This report has been changed in the past year 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 dashboard is available on the MPERS website and this year’s results will be updated no later than the auditor’s final report in November.

Investment Committee Report

Presenter: Sue Cox, Investment Committee Chair

The Investment Committee met before the board meeting on September 17, 2024. The Board’s Investment consultant, NEPC, presented a number of important topics, including detailed information about MPERS’ investment performance for the last fiscal year, current liquidity analysis (i.e., where the fund has adequate liquid assets to pay expenses and benefits), the private markets pacing plan (which ties to liquidity and projected commitments to private market asset classes in the coming years), the semi-annual internal fixed income review, and a management fee analysis (fees are appropriate based on the approved asset allocation). Policy requires all the Investment Committee topics to be reported annually or semi-annually.

The Committee also discussed the National Security and Financial Sanctions Policy, which was reviewed and updated last year. The Committee did not recommend any changes to the policy this year.

Investment Performance

Presenters: Larry Krummen, Chief Investment Officer (MPERS) and Keith Stronkowsky (NEPC)

It was another strong year for MPERS' investment portfolio. Fiscal Year 2024 performance came in at 13.29%, which outperformed the policy benchmark (12.29%), median public fund (11.4%), and most importantly, the actuarial assumption (6.5%). Simpler was better was the theme again for the past year, as global equities were up another 19% for the year. Traditional fixed income was up 2.7% for the year, so a traditional 60/40 mix of stocks and bonds generated a 12.7% return. MPERS' portfolio typically trails peers and traditional 60/40 portfolios in this environment, so we are very pleased with the overall results. The strong returns should also provide more downward pressure on employer contribution rates.

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 peer universe, while the 20-year return ranks in the top 2%.

Fiscal Year 2025 is also off to a good start. Stocks and bonds have rallied further in recent months in hopes that the Federal Reserve will start to reduce interest rates and successfully navigate a "soft landing" for the economy. Overall, the portfolio is up an estimated 2.5% to start the year (July 1st – September 4th).

Director's Comments

Presenter: Scott Simon, Executive Director

Mr. Simon updated the board on the projected timeline of the new building.

2024 Board Meeting Dates

- Thursday, November 21, 2024

Board of Trustees

Sue Cox
Board Chair
MoDOT Retiree Representative

Todd Tyler
Board Vice Chair
MoDOT Active Representative

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

W. Dustin Boatwright
Highways & Transportation
Commissioner

Warren K. Erdman
Highways & Transportation
Commissioner

Daniel Hegeman
Highways & Transportation
Commissioner

Representative Barry Hovis
Appointed by the
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Patrick McKenna
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Col. Eric Olson
Superintendent of MSHP
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Bill Seibert
MSHP Retiree Representative

Master Sergeant Wallace Ahrens
MSHP Active Representative



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