

SPECIAL MEETING
BOARD OF TRUSTEES
OF
THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
AND
THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI
January 21, 2009

MEMBERS PRESENT

Tina Zubeck, Chair
Joncee Nodler, Vice Chair
Yvonne Heath
Jim O'Donnell
Peggy Preston
Aaron Zalis
Wayne Wheeler

MEMBERS ABSENT

OTHERS PRESENT

M. Steve Yoakum, Executive Director
Rob Rust, Asst. Exec. Dir., Operations
Alan Thompson, General Counsel
Craig Husting, Asst. Exec. Dir., Invest.
Lori Woratzeck, Chief Finan. Officer
Jeff Russler, Dir. Employer Services
Janet Harris, Internal Auditor
Dearld Snider, Dir. of Member Services
Tom Smith, IT Director
Mary Hiatte, Executive Assistant

**Meeting
Convened**

The meeting of the Board of Trustees convened at 10:00 a.m. at the retirement system offices in Jefferson City, Missouri. In attendance were Tina Zubeck, Joncee Nodler, Yvonne Heath, Jim O'Donnell, Peggy Preston, Wayne Wheeler and Aaron Zalis, Board Members. Also present were M. Steve Yoakum, Executive Director; Rob Rust, Assistant Executive Director, Operations; Alan Thompson, General Counsel; Craig Husting, Assistant Executive Director, Investments; Lori Woratzeck, Chief Financial Officer; Jeff Russler, Director of Employer Services; Janet Harris, Internal Auditor; Dearld Snider, Director of Member Services; Tom Smith, IT Director; various other PSRS/PEERS staff members; and Mary Hiatte, Executive Assistant.

Also present were numerous representatives from various educational associations as well as Kim Nicholl and Brandon Robertson from PricewaterhouseCoopers.

Agenda

Mr. Yoakum reviewed the agenda for the meeting and briefly reviewed the history of the investment performance, funding and contributions rates. Mr. Husting reviewed recent investment performance and the effect on 5 and 10 year performance numbers. Ms. Kim Nicholl of PricewaterhouseCoopers was present to review assumptions used in the annual actuarial valuation and how the unfunded actuarial accrued liability is arrived at each year for the valuation and what the recent downturn in the investment markets could mean for the future funding of the system.

Mr. Yoakum discussed issues which need to be considered regarding the funding of the system. He briefly touched on the Board's fiduciary responsibility and the various

statutes relating to funding. He also discussed the current contribution rate split and GASB requirements and considerations.

Mr. Yoakum stated numerous times that the Board and staff were not recommending any changes in benefits but wanted the associations to be informed as to how the recent investment markets have affected the system assets. He indicated that if any of the associations need any additional information, the staff would be happy to assist them.

**Public
Comment**

Following the discussion, there were several questions and comments from the audience regarding the current benefit structure and the statute limiting the annual contribution rate increase. Mr. Yoakum again reiterated that he does not believe it is the job of the Board or staff to make recommendations for benefit changes but that the role of the system is to provide expertise and data.

Adjournment

The meeting adjourned at 12:10 p.m.