

**REGULAR MEETING**  
**BOARD OF TRUSTEES**  
**OF**  
**THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI**

**AND**  
**THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI**

**OPEN SESSION**

**October 25, 2021**

**MEMBERS PRESENT**

Jason Steliga, Chair  
Beth Knes, Vice-Chair  
Dr. Kyle Collins  
Sharon Kissinger  
Dr. D. Eric Park  
Dr. Melinda Moss

**MEMBERS ABSENT**

**OTHERS PRESENT**

Dearld Snider, Exec. Director  
Bill Betts, Asst. Exec. Dir., Oper.  
Craig Husting, Asst. Exec. Dir. Invest  
Sarah Swoboda, General Counsel  
Anita Brand, Chief Financial Officer  
Maria Walden, Dir. Legislation & Pol  
Nicole Hamler, Dir. of Member Serv.  
Stacie Verslues, Dir. Employer Serv.  
Jeff Hyman, Director of Internal Audit  
Susan Wood, Dir. Of Communications  
Lisa Scheulen, Chief Technology Offic  
Kim Harris, Dir. Human Resources  
Jennifer Martin, Dir. Board Admin.

**Monday, October 25, 2021**

**Meeting Convened**

The meeting of the Board of Trustees convened at 9 a.m. in the Retirement System offices in Jefferson City, Missouri. In attendance were Board members Jason Steliga, Beth Knes, Dr. Kyle Collins, Sharon Kissinger, Dr. Eric Park and Dr. Melinda Moss. Also present were Executive Director Dearld Snider; Assistant Executive Director, Operations Bill Betts; Assistant Executive Director, Investments Craig Husting; General Counsel Sarah Swoboda; Chief Financial Officer Anita Brand; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Director of Legislation and Policy Maria Walden; Director of Communications Susan Wood; Chief Technology Officer Lisa Scheulen; Director of Human Resources Kim Harris; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

**System Operations**

**Approval of  
Minutes**

**PSRS5005**

**PEERS3240**

Ms. Kissinger moved that the minutes from the August 29, 2021 and August 30, 2021 meetings and the September 29, 2021 special meeting be approved. Dr. Collins seconded the motion. Voting “Aye” –Steliga, Knes, Collins, Kissinger, Park and Moss “Nay” – None. The motion carried unanimously.

<b>Order of Business</b>	Executive Director, Dearld Snider, presented plaques to Jean Fick and Penny Kugler for their dedication, service and retirement from PSRS/PEERS.
<b>Other</b>	None
<b><u>Investment Report</u> Ongoing Investment Activity</b>	Mr. Craig Husting from PSRS/PEERS and Ms. Margaret Jadallah from Verus reviewed ongoing investment activities, which included estimated investment performance through September 30, 2021. The estimated return for the first quarter of fiscal year 2022 (July 1, 2021, through September 30, 2021) was approximately 1.3%. Mr. Husting discussed the current asset allocation of the PSRS/PEERS portfolio, in which he reviewed the long-term strategy, portfolio themes and the broad portfolio expectations.
<b>Proxy Voting Policy</b>	Mr. Husting reviewed the Systems' Proxy Voting Policy. The Systems' active public equity investment managers are each responsible for voting proxies in the best interests of the members of the Systems. The managers are required to provide an annual report to the investment staff detailing how their proxies were voted during the year on behalf of PSRS/PEERS. Mr. Husting reported that the Systems received proxy voting reports from all public equity managers for fiscal year 2021. The internal PSRS/PEERS staff has not identified any operational issues with the proxy voting process during the review that was conducted this year and all investment managers are in compliance with the policy.
<b>Real Estate Annual Review</b>	Mr. Seth Marcus and Ms. Kathryn Finneran from Townsend (the Systems' real estate consultant), presented several items to the Board, including a real estate market overview and details of the PSRS/PEERS real estate portfolio. Townsend reported that the PSRS/PEERS' real estate portfolio had produced an annualized return of 8.0% (net of all fees) for the five-year period ended June 30, 2021.
<b><u>Report of Actuary</u> June 30, 2021 Actuarial Valuations</b>	<p>Mr. Brandon Robertson, Ms. Cindy Fraterrigo and Ms. Becky Brenza from PricewaterhouseCoopers (PwC), the Systems' actuary, were present to discuss the results of the June 30, 2021 actuarial valuations for the Systems.</p> <p>Ms. Fraterrigo provided an overview of the purpose of the annual actuarial valuations and the key components. Mr. Robertson reviewed recent key developments and discussed the experience study that was conducted earlier this year. Ms. Brenza reviewed the June 30, 2021, actuarial valuation information prepared by PwC. Ms. Brenza reviewed the changes in membership, assets, liabilities, and the pre-funded status of each System. She reported that the June 30, 2021 preliminary pre-funded status based on the actuarial value of assets of PSRS was 85.2% and PEERS was 87.7%. The funded status of both Systems is viewed to be healthy and a result of appropriately set actuarial assumptions, consistent funding of the required contributions and diligent plan governance. Mr. Robertson discussed projections of contribution rates, funded status and the sensitivities of both to the overall investment returns and cost-of-living adjustments for the plans.</p>

<p><b>Review COLA Scenarios</b></p>	<p>Ms. Anita Brand from PSRS/PEERS reviewed the financial impacts of changes to the current COLA policy and current assumed rate of return. For each scenario, the impact on future contribution rates and the funded status of the Systems was analyzed. Based on the results of each scenario, staff and PwC recommended no changes.</p>
<p><b>Set Contribution Rate for FY 2022-2023</b> <u>PSRS5006</u> <u>PEERS3241</u></p>	<p>Dr. Moss motioned to maintain the contribution rate for PSRS at 29% and PEERS at 13.72% for fiscal year 2022-2023, as recommended by the actuary. Ms. Kissinger seconded the motion. Voting “Aye” – Steliga, Knes, Collins, Kissinger, Park and Moss “Nay” – None. The motion carried unanimously.</p>
<p><b>Set January 2022 COLA</b> <u>PSRS5007</u> <u>PEERS3242</u></p>	<p>Ms. Knes motioned, in accordance with the Systems’ Funding Policy and the recommendation of the actuary, to grant a 5% COLA for January 2022. Dr. Collins seconded the motion. Voting “Aye” – Steliga, Knes, Collins, Kissinger, Park and Moss “Nay” – None. The motion carried unanimously.</p>
<p><b><u>Management Report</u></b> <b>Facility Renovation</b></p>	<p>Mr. Bill Betts of PSRS/PEERS provided a high-level recap of the construction timeline for the new building addition and renovation. Construction of the new addition, along with the renovation, are both almost complete with a few minor projects being finalized. Final finishes are due to be complete by December 31, 2021.</p>
<p><b>Revised Mission Statement</b> <u>PSRS5008</u> <u>PEERS3243</u></p>	<p>Dr. Collins motioned to approve the new mission statement for the Systems to be, “To provide financial security and peace of mind for Missouri’s public education community.” Ms. Knes seconded the motion. Voting “Aye” – Steliga, Knes, Collins, Kissinger, Park and Moss “Nay” – None. The motion carried unanimously.</p>
<p><b>2022 Election Schedule</b> <u>PSRS5009</u> <u>PEERS3244</u></p>	<p>Dr. Moss motioned to approve the following 2022 trustee election schedule: Notices and information to organizations for their publication deadlines (November 15, 2021); Official notice to all employing units (November 29, 2021); Petition forms available (January 10, 2022); Bids on election process (January 2022); Nominating petitions-postmark deadline (February 24, 2022); Petition signature audit and certification (March 11, 2022); Ballots mailed to members (April 5, 2022); Electronic voting deadline and ballots due-postmark deadline (April 20, 2022); Official count and certification (May 3, 2022). Ms. Kissinger seconded the motion. Voting “Aye” – Steliga, Knes, Collins, Kissinger, Park and Moss “Nay” – None. The motion carried unanimously.</p>
<p><b>CPI Update</b></p>	<p>Mr. Snider discussed the calculation of the Consumer Price Index (CPI) calculated by the Bureau of Labor Statistics (BLS). PSRS/PEERS’ regulation requires that the time period for the CPI calculation is from June to June. Based on the values provided by the BLS, the CPI-U is at 0.9621 % through September 30, 2021.</p>
<p><b>Public Comment</b></p>	<p>None</p>
<p><b>Other</b></p>	<p>None</p>

**Closed Session**  
PSRS5010  
PEERS3245

Ms. Knes moved that the meeting continue in closed session to consider a board appeal, technology security issues, procurement, audit, and legal matters under Sections 610.021 (1), (12), (14), (17) (21) and 169.020.17, RSMo. Ms. Kissinger seconded the motion. A roll call vote was taken. Voting “Aye” –Steliga, Knes, Collins, Kissinger, Park and Moss “Nay” – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5011/PEER3246 - Minutes (Steliga, Knes, Collins, Kissinger, Park and Moss voting to approve the previous closed session minutes.)

PSRS5012/PEERS3247 – Member Appeal (Steliga, Knes, Collins, Kissinger, Park and Moss voting to deny the member appeal)

PSRS5013/PEERS3248 Move to adjourn until tomorrow morning, October 26, 2021 at 8:00 a.m. (Steliga, Knes, Kissinger and Park voting to adjourn) Collins and Moss were absent.

**Tuesday, October 26,**  
**2021**

**Meeting Reconvened**

The meeting of the Board of Trustees reconvened in closed session at 8:00 a.m. at 3721 W. Truman Blvd (Private Meeting Room) in Jefferson City, Missouri. In attendance were Board members Jason Steliga, Beth Knes, Sharon Kissinger, and Dr. D. Eric Park. Also present were Executive Director, Dearld Snider; Assistant Executive Director, Investments, Craig Husting; General Counsel, Sarah Swoboda; and Director of Executive and Board Administration, Jennifer Martin.

PSRS5014/PEERS3249 Move back to Open Session (Steliga, Knes, Kissinger, and Park voting to move back to Open Session)

**Adjournment**  
PSRS5015  
PEERS3250

Dr. Park moved that the meeting adjourn. Ms. Kissinger seconded the motion. Voting “Aye” – Steliga, Knes, Kissinger, and Park. “Nay” – None. The motion carried unanimously.