

REGULAR MEETING
BOARD OF TRUSTEES
OF
THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
AND
THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI
June 9-10, 2025

MEMBERS PRESENT

Beth Knes, Chair
Dr. Eric Park
Allie Gassmann
Katie Webb
Chuck Bryant
Amanda Perschall

MEMBERS ABSENT

Dr. Nate Moore

OTHERS PRESENT

Dearld Snider, Exec. Director
Craig Husting, Chief Inv. Officer
Sarah Swoboda, Chief Operating Ofc.
Mike Moorefield, Chief Counsel
Brandon Robertson, Chief Fin. Officer
Anita Brand, Exec. Advisor Fin. Strategy
Jeff Hyman, Director of Internal Audit
Michelle Varcho, Dir. Human Resources
Nicole Hamler, Dir. of Member Serv.
Stacie Verslues, Dir. of Emp. Services
Lisa Scheulen, Chief Technology Offcr.
Jake Woratzeck, Chief Info. Sec. Offer.
Susan Wood, Dir. of Communications
Jennifer Martin, Dir. Board Admin.

Monday, June 9, 2025

Meeting Convened

The Operation's Education Symposium of the Board of Trustees convened at 8:00 a.m. at 520 Maryville Centre Dr., St. Louis, Missouri, 520 Maryville Conference Room. In attendance were Board members Beth Knes, Dr. Eric Park, Allie Gassmann, Katie Webb, Chuck Bryant, Dr. Nate Moore, and Amanda Perschall. Also present were Executive Director Dearld Snider; Chief Operating Officer Sarah Swoboda; Chief Investment Officer Craig Husting; Chief Counsel Mike Moorefield; Chief Financial Officer Brandon Robertson; Executive Advisor, Finance and Strategy Anita Brand; Director of Human Resources Michelle Varcho; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Director of Internal Audit Jeff Hyman; Director of Communications Susan Wood; Chief Technology Officer Lisa Scheulen; Chief Information Security Officer Jake Woratzeck; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

Conviction Leads to a Strong Foundation

Presenters: Anita Brand, Executive Advisor of Finance and Strategy; Brandon Robertson, Chief Financial Officer; and Christina Bisges, Actuarial Analyst.

PSRS/PEERS staff presented a historical review of System benefits and funding, lessons learned, and development of our strong financial foundation and principles.

Ensuring a Lasting Foundation

Presenters: Cindy Fraterrigo, Price Waterhouse Coopers (PwC); Gina Uhrich, PwC; and Becky Stanton, PwC.

An actuarial perspective on the history of PSRS/PEERS, key actuarial assumptions, and a look ahead at the 2026 experience study.

2025 Employee Opinion Survey Results

Presenter: Michelle Varcho, Director of Human Resources.

PSRS/PEERS' Director of Human Resources presents the results of the 2025 Employee Opinion Survey.

Purposeful Tech: How PSRS is Bringing AI to Work

Presenters: Sarah Swoboda, Chief Operating Officer; Nicole Hamler, Director of Member Services; Lisa Scheulen, Chief Technology Officer; Jake Woratzeck, Chief Information Security Officer; Stacey Garrison, Information Center Supervisor; and Lisa Glasgow, Project Manager II. Eric Martin did not attend.

Several members of the PSRS/PEERS Operations departments discussed the emergence of AI in the workplace, including PSRS/PEERS' posture toward integrating AI into daily work life, our policy development, current AI use cases, and the future of AI at PSRS/PEERS.

Guarding our Foundation: Understanding the Impact of Mandatory Social Security on PSRS

Presenters: Dearld Snider, Executive Director; Sarah Swoboda, Chief Operating Officer; Cindy Fraterrigo, PwC; Gina Uhrich, PwC; and Becky Stanton, PwC.

The recent repeal of the Windfall Elimination Provision and Government Pension Offset provisions of Social Security Act have reignited discussions around the threat posed to public pensions by mandatory Social Security participation. In this session, staff from PSRS/PEERS discussed the 2024 Social Security Fairness Act, how Social Security differs from defined benefit plans, and how PSRS interacts with Social Security today. In addition, staff from PwC presented an actuarial analysis of mandatory Social Security, including an estimated fiscal impact and challenges for members and employers.

Adjournment
PSRS5254
PEERS3489

Ms. Webb moved that the meeting adjourn. Ms. Gassmann seconded the motion. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, Moore and Perschall; "Nay" – None. The motion carried unanimously.

Tuesday, June 10,
2025

System Operations
Meeting Convened

The meeting of the Board of Trustees convened at 9:30 a.m. at 520 Maryville Centre Dr., St. Louis, Missouri, 520 Maryville Conference Room. In attendance were Board members Beth Knes, Dr. Eric Park, Allie Gassmann, Katie Webb, Chuck Bryant, and Amanda Perschall. Also present were Executive Director Dearld Snider; Chief Operating Officer Sarah Swoboda; Chief Investment Officer Craig Husting; Chief Counsel Mike Moorefield; Chief Financial Officer Brandon Robertson; Executive

Advisor, Finance and Strategy Anita Brand; Director of Human Resources Michelle Varcho; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Director of Internal Audit Jeff Hyman; Director of Communications Susan Wood; Chief Technology Officer Lisa Scheulen; Chief Information Security Officer Jake Woratzeck; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

**Approval of
Minutes
PSRS5255
PEERS3490**

Ms. Webb moved that the minutes from the April 6-7, 2025, meetings be approved. Ms. Gassmann seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Perschall; “Nay” – None. The motion carried unanimously.

Order of Business

The order of business was approved with no changes.

Other

None

**Investments
Performance Report
for March 31, 2025**

Mr. Craig Husting from PSRS/PEERS and Mr. Michael Hall from Russell reviewed the investment performance for the period ended March 31, 2025. The one-year PSRS/PEERS investment return was reported as 6.8%, while the fiscal year return (July 1, 2024, through March 31, 2025) was reported as 4.8%.

**Ongoing Investment
Activity**

Mr. Husting and Mr. Hall reviewed ongoing investment activities, which included estimated investment performance through May 31, 2025. The estimated fiscal year investment return (July 1, 2024, through May 31, 2025) was reported as approximately 8.0%. Mr. Husting discussed the investment markets and the current PSRS/PEERS asset allocation.

**Custodial Review and
Contract
PSRS5256
PEERS3491**

JP Morgan was hired as the custodian for PSRS/PEERS in September 2010 after a formal RFP process. Consultant RVK was hired in 2015 and 2020 to conduct a Custodial and Related Services Review. The result of the RVK reviews was an extension of the JP Morgan custody contract (under a new compensation structure) through September 2020 and then through September 2025.

Mr. Husting and Ms. Brand reported that PSRS/PEERS again retained RVK in February 2025 to conduct a third Custodial and Related Services Review. As part of the review, RVK evaluated specifics of the PSRS/PEERS relationship with JP Morgan, including cost drivers, levels of complexity, and changes over time.

Ms. Knes moved to allow PSRS/PEERS staff, with assistance from RVK, to negotiate new contract terms with JP Morgan (through September 2030) based on the results of the Custodial Review. Ms. Gassmann seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Perschall; “Nay” – None. The motion carried unanimously.

**Real Estate Portfolio
Review**

Ms. Susan Conrad and Ms. Chhayhea Sam from PSRS/PEERS reviewed the Systems’ Real Estate portfolio, including program objectives, guidelines, and long-term results. The 10-year annualized return for the Real Estate composite for the period ended March 31, 2025, was 7.1%.

Management

Report

Set Board Meeting

Dates for CY 2026

PSRS5257

PEERS3492

Ms. Knes moved to approve the following dates for calendar year 2026 board meetings: February 2, 2026; April 20, 2026; June 8, 2026; August 31, 2026; October 26, 2026; and December 14, 2026. Ms. Perschall seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Perschall; “Nay” – None. The motion carried unanimously.

Operating Bank Review and Contract

PSRS5258

PEERS3493

Ms. Brand and Mr. Robertson reviewed a memo regarding the Systems’ operating bank services and the Request for Proposals (RFP) issued by the Systems for banking, treasury, and cash management services on February 21, 2025. Earlier in the day, the Budget and Audit Committee approved Staff’s recommendation to retain Central Trust Bank. Ms. Gassmann moved to approve retaining the current vendor, Central Bank Trust. Ms. Knes seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Perschall; “Nay” – None. The motion carried unanimously.

Annual Banking Resolution

Ms. Brand and Mr. Robertson reviewed a memo regarding a banking resolution, which was unanimously approved earlier in the day by the Budget and Audit Committee. The resolution provides continuing authority to Mr. Dearld Snider, Ms. Sarah Swoboda, and Mr. Craig Husting to make necessary changes related to our banking relationship with Central Trust Bank. Ms. Knes moved that the following resolution be approved as recommended by the Budget and Audit Committee:

WHEREAS, the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (hereinafter the “Company”) desires to obtain a variety of services from Central Bank and the Company desires to authorize individuals to act on its behalf in authorizing the necessary agreements to establish these services;

NOW, THEREFORE, BE IT RESOLVED, that the persons listed below (the “Authorized Persons”) shall enter into and execute applications, instruments, documents, agreements, financial statements, and other writings and any amendments or modifications of any of the same, as in the opinion of the Authorized Persons may be necessary or desirable to consummate the banking services relationship; and

Dearld O. Snider, Executive Director
Craig A. Husting, Chief Investment Officer
Sarah J. Swoboda, Chief Operating Officer

FURTHER RESOLVED, that the Authorized Persons are hereby authorized and directed to execute, acknowledge and deliver on behalf of the above-referenced entity, as the Authorized Persons may deem necessary or desirable, all documents and other writings to consummate any agreement necessary to establish the appropriate banking services for the Company.

This Authorization may be executed in two or more counterparts and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute but one and the same Authorization. This authorization will automatically expire on the earlier of June 30, 2024 or when a new resolution is received by the bank.

PSRS5259
PEERS3494

Ms. Webb seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant and Perschall. “Nay” – None. The motion carried unanimously.

**Approve Budget for
2025-2026**

Ms. Brand and Mr. Robertson reviewed the 2025-2026 proposed budget request, which was unanimously approved earlier in the day by the Budget and Audit Committee. The budget was compiled based on the Systems’ mission of providing retirement security to Missouri’s educators and public school employees in the most efficient and cost-effective manner possible.

PSRS5260
PEERS3495

Dr. Park moved the proposed 2025-2026 budget, as presented to the Budget and Audit Committee, be approved. Ms. Gassmann seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Perschall. “Nay” – None. The motion carried unanimously.

**Implementation of
Regulations**
PSRS5261
PEERS3496

Mr. Mike Moorefield from PSRS/PEERS presented several proposed amendments to Title 16, Division 10 of the Missouri State Code of Regulations, amending Chapters 3, 4, 5, and 6, which govern PSRS and PEERS. These amendments are all member friendly and are being put in place to clarify current language and processes. Ms. Knes moved to approve the proposed amendments. Ms. Gassmann seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant and Perschall. “Nay” – None. The motion carried unanimously.

Legislative Update

Mr. Moorefield also presented the June end-of-legislative-session update.

Mr. Moorefield reported that the 2025 legislative session resulted in few bills passing. PSRS/PEERS tracked 70 bills, filed 128 fiscal note requests on legislation that could impact the Systems, and had 32 bills on its Priority Legislation Track.

The General Assembly Truly Agreed To and Finally Passed 16 appropriations bills and 51 non-appropriations bills and joint resolutions during the 2025 session. Of the 51 non-appropriations bills, four bills contained components of the PSRS/PEERS Priority Track legislative package. These bills contained three provisions that address investment mandates/system governance and the extension of the substitute working after retirement (WAR) waiver.

No bills passed this session negatively impact PSRS/PEERS.

Governor Kehoe has until July 14 to act upon legislation. If those bills become law, the provisions are effective August 28, 2025.

CPI-U Update

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 2.11% through April 30, 2025.

Public Comment

None

Other

None

Closed Session
PSRS5262
PEERS3497

At 12:08 p.m. Ms. Knes moved that the meeting continue in closed session to discuss legal matters under Sections 610.021 (1), (14), and (17), RSMo. Mr. Bryant seconded the motion. A roll call vote was taken. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Perschall; “Nay” – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5263/PEERS3498 – Minutes from April 7, 2025, Closed Session (Knes, Park, Gassmann, Webb, Bryant, and Perschall; voting to approve the previous closed session minutes)

PSRS5264/PEERS3499 – Move back to Open Session (Knes, Park, Gassmann, Webb, Bryant, and Perschall; voting to move back to open session)

Adjournment
PSRS5265
PEERS3500

Ms. Webb moved that the meeting adjourn at 12:55 p.m. Ms. Gassmann seconded the motion. Voting “Aye” – Knes, Park, Gassmann, Webb, Bryant, and Perschall; “Nay” – None. The motion carried unanimously.

Prepared by
Jennifer Martin

Ms. Beth Knes, Chair

Dearld Snider, Executive Director