

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

**June 12-13, 2023**

**MEMBERS PRESENT**

Dr. Jason Steliga, Chair  
Beth Knes, Vice-Chair  
Allie Gassmann  
Katie Webb

**MEMBERS ABSENT**

Dr. Kyle Collins  
Dr. Eric Park

**OTHERS PRESENT**

Dearld Snider, Executive Director  
Craig Husting, Chief Investment Officer  
Sarah Swoboda, Chief Operating Officer  
Mike Moorefield, Chief Counsel  
Anita Brand, Chief Financial Officer  
Jeff Hyman, Director of Internal Audit  
Nicole Hamler, Director of Member Serv.  
Stacie Verslues, Director of Emp. Serv.  
Kim Harris, Dir. of Human Resources  
Jennifer Martin, Director, Board Admin.

**Monday, June 12, 2023**

**Meeting Convened**

The Education Symposium of the Board of Trustees convened at 8:30 a.m. at Hollis + Miller Architects, Kansas City, Missouri. In attendance were Board members Dr. Jason Steliga, Beth Knes, Allie Gassmann, and Katie Webb. Also present were Executive Director Dearld Snider; Chief Investment Officer Craig Husting; Chief Operating Officer Sarah Swoboda; Chief Counsel Mike Moorefield; Director of Internal Audit Jeff Hyman; Chief Financial Officer Anita Brand; Director of Human Resources Kim Harris; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

**Adapting to an Evolving Political Climate**

Presenters: Mike Moorefield, Chief Counsel; Doug Nelson, Clarkston Nelson Government Solutions; Heath Clarkston, Clarkston Nelson Government Solutions; Jim Moody, James R. Moody and Associates.

The chief counsel and government relations team discussed the evolving political climate nationally and in Missouri. They touched on how national trends impact state legislation, and how those trends could play out in the 2024 legislative session and elections. An overview of the Missouri state government's fiscal health was also provided which showed what legislation passed over the past several years could mean for how government programs will be funded in the future.

**Adapting in the Age Of Uncertainty**

Presenters: Rick Funston, Funston Advisory Services LLC; Keith Johnson, Funston Advisory Services LLC.

Funston Advisory Services discussed how, in times of high uncertainty, focusing on a solid governance framework can help Boards fulfill their fiduciary duties and effectively conduct important business of overseeing the Systems.

**Adapting to the Role Of a Trustee**

Presenters: Sarah Swoboda, Chief Operating Officer; Rick Funston, Funston Advisory Services LLC; Keith Johnson, Funston Advisory Services LLC.

Building off the previous discussion of *Adapting in the Age of Uncertainty*, Ms. Swoboda presented some practical examples and explanations of how trustees may comply with governance polices and principles to fulfill their fiduciary duties.

**Adapting to a Changing Workforce**

Presenters: Sarah Swoboda, Chief Operating Officer; Kim Harris, Director of Human Resources; Stacie Verslues, Director of Employer Services and Nicole Hamler, Director of Member Services

Ms. Harris discussed the challenges faced by PSRS/PEERS in recent years because of rapid changes to the workforce. Ms. Hamler and Ms. Verslues shared their experiences with recruiting, retaining and engaging PSRS/PEERS employees and how they have partnered with human resources to adapt for success in ensuring PSRS/PEERS attracts and retains the talented personnel needed to further the important mission of they Systems.

### **Adapting to the Needs Of our Members and Employers**

Presenters: Sarah Swoboda, Chief Operating Officer; Kim Harris, Director of Human Resources; Stacie Verslues, Director of Employer Services and Nicole Hamler, Director of Member Services

Held as a panel discussion led by Ms. Swoboda, Ms. Harris, Ms. Hamler and Ms. Verslues discussed the utilization of new or enhanced programs or processes and innovative technology to serve our members and employers. They also explained how they have adapted to the changing needs and desires of both our member and employer communities to successfully provide *Exceptional Customer Service, Every Time*.

### **Adjournment** PSRS5116 PEERS3351

Ms. Webb moved that the meeting adjourn. Ms. Gassmann seconded the motion. Voting “Aye” – Steliga, Knes, Gassmann, and Webb; “Nay” – None. The motion carried unanimously.

**Tuesday, June 13,**  
**2023**

### **System Operations** **Meeting Convened**

The meeting of the Board of Trustees convened at 10:00 a.m. at the Courtyard by Marriott Kansas City Downtown/Convention Center, Kansas City, Missouri. In attendance were Board members Dr. Jason Steliga, Beth Knes, Allie Gassmann and Katie Webb. Also present were Executive Director Dearld Snider; Chief Investment Officer Craig Husting; Chief Operating Officer Sarah Swoboda; Chief Counsel Mike Moorefield; Director of Internal Audit Jeff Hyman; Chief Financial Officer Anita Brand; Director of Human Resources Kim Harris; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

### **Approval of Minutes** PSRS5117 PEERS3352

Ms. Gassmann moved that the minutes from the April 16 and April 17, 2023 meetings be approved. Ms. Webb seconded the motion. Voting “Aye” – Steliga, Knes, Gassmann and Webb; “Nay” – None. The motion carried unanimously.

### **Amendment of Certain Minutes Previously Adopted** PSRS5118 PEERS3353

This issue emerged in February 2023 when it was discovered certain minutes indicated a Roll Call vote when a Roll Call vote did not occur. Dr. Steliga moved the meeting minutes for Regular Session from the August 2021, October 2021, December 2021, February 2022, April 2022, June 2022, August 2022, and October 2022 be approved as amended. Ms. Knes seconded the motion. Voting “Aye”— Steliga, Knes, Gassmann, and Webb; “Nay”—None. The motion carried unanimously. See appendix for more information.

### **Order of Business**

The order of business was approved with no changes.

### **Other**

Mr. Snider recognized Board Chair Jason Steliga on receiving his doctorate last month. Congratulations to Dr. Jason Steliga.

### **Investments** **Performance Report**

Mr. Craig Husting and Mr. Michael Hall from Russell reviewed the investment performance for the period ended March 31, 2023. The one-year PSRS/PEERS investment return was reported as -3.7% while the fiscal year return (July 1, 2022 through March 31, 2023) was reported as 3.3%.

### **Ongoing Investment Activity**

Mr. Husting and Mr. Hall reviewed ongoing investment activities, which included estimated investment performance through May 31, 2023. The estimated fiscal year

investment return (July 1, 2022 through May 31, 2023) was reported as approximately 3.5%. Mr. Husting discussed the investment markets and the current PSRS/PEERS asset allocation.

## **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 five-year annualized return for the Real Estate composite for the period ended March 31, 2023 was 9.5%.

## **Management**

### **Report**

#### **Set Board Meeting Dates**

PSRS5119

PEERS3354

The 2023-2024 fiscal year meeting dates were reviewed. Ms. Gassmann moved the following dates be set for fiscal year 2023-2024: August 31, 2023; October 30, 2023; December 11, 2023; February 5, 2024; April 15, 2024 and June 10, 2024. Ms. Webb seconded the motion. Voting "Aye" – Steliga, Knes, Gassmann and Webb. "Nay" – None. The motion carried unanimously.

## **Banking Resolution**

Ms. Brand 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 Bank. Ms. Webb 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, any and 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.

PSRS5120

PEERS3355

Ms. Knes seconded the motion. Voting "Aye" – Steliga, Knes, Gassmann and Webb. "Nay" – None. The motion carried unanimously.

## **Approve Budget for 2023-2024**

Ms. Brand reviewed the 2023-2024 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.

PSRS5121

PEERS3356

Ms. Knes moved the proposed 2023-2024 budget, as presented to the Budget and Audit Committee, be approved. Ms. Webb seconded the motion. Voting "Aye" – Steliga, Knes, Gassmann and Webb. "Nay" – None. The motion carried unanimously.

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| <b>Legislative Update</b>  | <p>Mr. Mike Moorefield from PSRS/PEERS presented the June end-of-legislative-session update.</p> <p>Mr. Moorefield said that in the last 30 years, only the 2020 legislative session – when the body was out for several weeks due to COVID precautions – saw fewer bills passed than the 2023 legislative session. PSRS/PEERS tracked 258 bills, filed 83 fiscal note requests on legislation that could impact the Systems, and had 25 bills on its Priority Legislation Track. The General Assembly Truly Agreed To and Finally Passed 19 appropriations bills and 40 non-appropriations bills and joint resolutions during the 2023 session. Of the 40 non-appropriations bills, two contained components of the PSRS/PEERS legislative package, which includes provisions that address working after retirement, the higher 2.55% benefit factor for PSRS members with 32 or more years of service, and the same sex “pop-up” provision for certain situations. Those bills, SB 20 and SB 75, are now on the governor’s desk awaiting action. The governor has until July 14 to act upon legislation. If those bills become law, the provisions are effective August 28, 2023.</p>   |
| <b>Key Accomplishments</b> | <p>Ms. Sarah Swoboda and Mr. Dearld Snider from PSRS/PEERS reviewed some key accomplishments since the April Board Meeting.</p> <p>Ms. Swoboda explained to the Board that 100% of our employers are now utilizing ACH payments. This has been a goal of the Systems for a very long time.</p> <p>Ms. Swoboda next explained to the Board the integration of Webex into OASIS. The integration of Webex allows both members and employers to sign up for meetings online. This makes the process of enrolling in meetings more seamless not only for our members and employers, but for our employees, as well.</p> <p>Mr. Snider discussed the opening of the St. Louis office. Currently, we have four employees working in a temporary location. Our permanent location is under construction for renovations, and we anticipate our staff moving in during the last part of August or the first part of September.</p> <p>Ms. Swoboda covered two additional key accomplishments. The first is a Human Resources department newsletter called the <i>Monthly Perk</i>. This monthly e-newsletter is sent to all staff and contains information on hot topics related to health and wellness. Lastly, Ms. Swoboda discussed the Business Continuity Plan (BCP) update. It had been a few years since our BCP Plan was reviewed, so we are happy to report it’s now up-to-date and modernized to reflect all of our new technology.</p> <p>Mr. Snider covered the final two key accomplishments. The first one was the Board Symposium. It was another successful learning Symposium for our Board in beautiful downtown Kansas City.</p> <p>The last accomplishment was the passing of positive legislation this legislative season. Mike Moorefield, along with Heath Clarkston, Doug Nelson and Jim Moody spent many hours at the Capitol speaking to representatives and senators helping to get the 2.55% PSRS benefit factor passed (with 32 or more years of service). Along with the 2.55% benefit factor, SB 75 also includes increasing the salary limit for PSRS retirees working in non-certificated positions to 133% of the annual Social Security earnings limit between August 28, 2023 and June 30, 2028; a same sex “pop-up;” expanding the Critical Shortage Employment work limit from two to four years and expanding the potential number of Critical Shortage Employment teaching positions.</p> |
| <b>CPI-U Update</b>        | <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 up 2.6378% through May 31, 2023.</p>   |
| <b>Public Comment</b>      | <p>None</p>   |
| <b>Other</b>               | <p>Dr. Steliga explained that since the August 2023 Board meeting will be held on August 31, which is a Thursday, we will move the Annual Legislative Meeting to October. Dr. Steliga also thanked the PSRS/PEERS staff for another successful Board Symposium.</p>   |

**Closed Session**

PSRS5122  
PEERS3357

Ms. Webb moved that the meeting continue in closed session to legal matters under Sections 610.021 (17), (21), 610.201 (1) (14), (21), and 169.020.17, RSMo. Ms. Gassmann seconded the motion. A roll call vote was taken. Voting “Aye” –Steliga, Knes, Gassmann and Webb; “Nay” – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5123/PEERS3358 – Minutes from April 17, 2023, Closed Session (Steliga, Knes, Gassmann, and Webb; voting to approve the previous closed session minutes)

PSRS5124/PEERS3359 – Amendment of Certain Minutes Previously Adopted (Steliga, Knes, Gassmann, and Webb voting to approve the amendment of certain minutes previously adopted)

PSRS5125/PEERS3360 – Move back to Open Session (Steliga, Knes, Gassmann and Webb; voting to move back to open session)

**Adjournment**

PSRS5126  
PEERS3361

Ms. Webb moved that the meeting adjourn. Ms. Knes seconded the motion. Voting “Aye” – Steliga, Knes, Gassmann, and Webb; “Nay” – None. The motion carried unanimously.

**Prepared by**  
**Jennifer Martin**

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Dr. Jason Steliga, Chair

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Dearld Snider, Executive Director