

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

THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI

June 10, 2024

MEMBERS PRESENT

Dr. Jason Steliga, Chair
Beth Knes, Vice-Chair
Dr. Eric Park
Allie Gassmann
Katie Webb
Chuck Bryant

MEMBERS ABSENT

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
Tory Brondel, Deputy CFO
Jeff Hyman, Director of Internal Audit
Nicole Hamler, Director of Member Serv.
Lisa Scheulen, Chief Technology Officer
Joe Susai, Chief Info. Security Officer
Susan Wood, Dir. of Communications
Michelle Varcho, Dir. of Human Res.
Jennifer Martin, Director, Board Admin.

System Operations
Meeting Convened

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened at 10:00 a.m. at the PSRS/PEERS offices located at 3210 W. Truman Blvd., Jefferson City, MO 65109. In attendance were Board members Dr. Jason Steliga, Beth Knes, Dr. Eric Park, Allie Gassmann, Katie Webb, and Chuck Bryant. Also present were Executive Director Dearld Snider, Chief Operating Officer Sarah Swoboda, Chief Investment Officer Craig Husting, Chief Counsel Mike Moorefield, Chief Financial Officer Anita Brand, Deputy Chief Financial Officer Tory Brondel, Director of Human Resources Michelle Varcho, Director of Member Services Nicole Hamler, Director of Internal Audit Jeff Hyman, Director of Communications Susan Wood, Chief Technology Officer Lisa Scheulen, Chief Information Security Officer Joe Susai, Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

Approval of
Minutes for April 14-
15, 2024

Ms. Webb moved that the minutes from the April 14-15, 2024 meetings be approved. Ms. Gassmann seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, Webb, and Bryant; “Nay” – None. The motion carried unanimously.

PSRS5193
PEERS3428

Order of Business The order of business was approved with no changes.

Other PSRS/PEERS Executive Director Dearld Snider and Director of Member Services Nicole Hamler presented a plaque to employee Kathleen ‘Kat’ Roberts for her dedication, service and retirement from PSRS/PEERS. Ms. Roberts will retire effective July 1, 2024.

Investments

Performance Report for March 31, 2024 Mr. Craig Husting from PSRS/PEERS reviewed the investment performance for the period ended March 31, 2024. The one-year PSRS/PEERS investment return was reported as 12.1% while the fiscal year return (July 1, 2023 through March 31, 2024) was reported as 8.8%.

Ongoing Investment Activity Mr. Husting reviewed ongoing investment activities, which included estimated investment performance through May 31, 2024. The estimated fiscal year investment return (July 1, 2023 through May 31, 2024) was reported as approximately 9.6%. 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, 2024 was 6.3%.

Management

Report

Set Board Meeting Dates

PSRS5194
PEERS3429

The 2024-2025 fiscal year meeting dates were reviewed. Mr. Bryant moved the following dates be set for fiscal year 2024-2025: August 26, 2024; October 28, 2024; December 16, 2024 (this date was changed from the original proposed date of December 9, 2024 due to a scheduling conflict); February 3, 2025; April 7, 2025 and June 10, 2025. Ms. Gassmann seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, Webb, and Bryant. “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, 2025, or when a new resolution is received by the bank.

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

PSRS5195
PEERS3430

**Approve Budget for
2024-2025**

Ms. Brand reviewed the 2024-2025 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.

PSRS5196
PEERS3431

Ms. Gassmann moved the proposed 2024-2025 budget, as presented to the Budget and Audit Committee, be approved. Ms. Webb seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, Webb, and Bryant. “Nay” – None. The motion carried unanimously.

**Implementation of
Regulations due to
Senate Bill 727**

PSRS5197
PEERS3432

Mr. Mike Moorefield from PSRS/PEERS presented several proposed amendments to Title 16, Division 10 of the Missouri State Code of Regulations, amending Chapters 1, 3, 5 and 6, which govern PSRS and PEERS. These amendments are necessary due to the passage and implementation of Senate Bill 727, along with the need to modernize certain regulatory sections. Dr. Steliga motioned to approve the proposed amendments. Ms. Knes seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, Webb and Bryant; “Nay” – None. The motion carried unanimously.

Legislative Update

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

Mr. Moorefield said that the 2024 legislative session resulted in the fewest number of bills passing in modern history, with 26 non-budget bills going to Governor Parson’s desk and two joint resolutions being presented to the voters in August or November 2024. PSRS/PEERS tracked 115 bills, filed 81 fiscal note requests on legislation that could impact the Systems, and had 27 bills on its Priority Legislation Track.

The General Assembly Truly Agreed To and Finally Passed 18 appropriations bills and 28 non-appropriations bills and joint resolutions during the 2024 session. Of the 28 non-appropriations bills, one bill contained components of the PSRS/PEERS legislative package. That bill included three provisions that address working after retirement laws, including a provision that modernizes the working after retirement overage penalty provision. PSRS/PEERS supported those three provisions included in SB 727, which was signed by the governor in May 2024.

No bills passed this session negatively impact PSRS/PEERS, and several pieces of legislation that could negatively impact the Systems' investment portfolio and operations never received approval from either chamber.

Governor Parson has until July 14 to act upon legislation. If those bills become law, the provisions are effective August 28, 2024.

Key Accomplishments Ms. Sarah Swoboda from PSRS/PEERS reviewed some key accomplishments since the April Board Meeting.

Ms. Swoboda explained to the Board that we completed the conversion of account identification numbers in our pension administration software system, OASIS. This project consisted of updating all OASIS account numbers to a structure that will better distinguish between various types of identifying numbers. These new structures will also assist our Security team in more efficiently locating, identifying and securing this information in the future.

Ms. Swoboda next introduced the Board to the Systems' new director of human resources, Michelle Varcho. Michelle joined the Systems on June 3, 2024, following the retirement of Kim Harris. Ms. Swoboda also discussed the information technology asset inventory migration to Lansweeper. Lansweeper is a software platform that automates the asset inventory process, eliminating the need for manually tracking both hardware and software inventory. It also ensures that our asset inventory is a true reflection of our IT ecosystem.

The last accomplishment was the passing of positive legislation this legislative season. Mike Moorefield, along with government relations consultants Heath Clarkston and Doug Nelson, spent many hours at the Capitol speaking to representatives and senators helping to pass legislation that was positive for PSRS/PEERS, including three provisions that address working after retirement laws; one of which modernizes the working after retirement overage penalty provision. Another huge success for the Systems was the fact that no bills were passed this session which negatively impact PSRS/PEERS.

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 up 2.7659% through May 31, 2024.

Public Comment None

Other

None

Closed Session

PSRS5198

PEERS3433

Ms. Webb moved that the meeting continue in closed session to legal matters under Sections 610.021 (1) (14), (17) and 169.020.17, (13)., RSMo. Ms. Knes seconded the motion. A roll call vote was taken. Voting “Aye” –Steliga, Knes, Park, Gassmann, Webb, and Bryant; “Nay” – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5199/PEERS3434 – Minutes from April 14-15, 2024, Closed Sessions (Steliga, Knes, Park, Gassmann, Webb, and Bryant; voting to approve the previous closed session minutes)

PSRS5200/PEERS3435 – Move back to Open Session (Steliga, Knes, Park, Gassmann and Webb; voting to move back to open session. Mr. Bryant was not present to vote.)

Adjournment

PSRS5201

PEERS3436

Ms. Gassmann moved that the meeting adjourn. Ms. Knes seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, and Webb; “Nay” – None. The motion carried unanimously. Mr. Bryant was not present to vote.

Prepared by

Jennifer Martin

Dr. Jason Steliga, Chair

Dearld Snider, Executive Director