

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

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

**April 14-15, 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.  
Stacie Verslues, Director of Emp. Serv.  
Lisa Scheulen, Chief Technology Officer  
Joe Susai, Chief Info. Security Officer  
Susan Wood, Dir. of Communications  
Kim Harris, Dir. of Human Resources  
Jennifer Martin, Director, Board Admin.

**Sunday, April 14, 2024**

**Meeting Convened**

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened at 5:30 p.m. 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 Investment Officer Craig Husting; Chief Operating Officer Sarah Swoboda; Chief Counsel Mike Moorefield; Chief Financial Officer Anita Brand; Deputy Chief Financial Officer Tory Brondel; Chief Technology Officer Lisa Scheulen; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

**Closed Session**

**PSRS5174**  
**PEERS3409**

Ms. Knes moved that the meeting continue in closed session to legal matters under Sections 610.021 (13). Ms. Gassmann 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:

PSRS5175/PEERS3410 – Board Self-Evaluation (Steliga, Knes, Park, Gassmann, Webb, and Bryant voting to approve the Board completed self-evaluation)

PSRS5176/PEERS3411 – Move back to Open Session (Steliga, Knes, Park, Gassmann, Webb, and Bryant; voting to move back to open session)

**Benchmarking**

Mr. Craig Husting and Mr. John Tuck from PSRS/PEERS and Mr. Michael Hall from Russell held a roundtable to discuss the broad topic of ‘benchmarking.’ The discussion covered the multiple investment benchmarks used at PSRS/PEERS and the universe of benchmarks used by institutional investors. Additionally, the panel focused on the PSRS/PEERS benchmarking philosophy. The panel took several questions from the Board.

**Public Comment**

None

**Adjournment**

PSRS5177  
PEERS3412

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

**Monday, April 15,**  
**2024**

**System Operations**

**Meeting Convened**

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened at 8:30 a.m. 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 Operations 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 Internal Audit Jeff Hyman; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Chief Technology Officer Lisa Scheulen; Chief Information Security Officer Joe Susai; Director of Communications Susan Wood; Director of Human Resources Kim Harris; Director of Executive and Board Administration Jennifer Martin; and various other PSRS/PEERS staff members.

**Approval of  
Minutes for February  
5, 2024 Meetings**

PSRS5178  
PEERS3413

Ms. Webb moved that the minutes from the February 5, 2024 meeting be approved. Ms. Gassmann seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, Webb, and Bryant; “Nay” – None. The motion carried unanimously.

**Order of Business**

The order of business was approved with no changes.

**Approve Certification of Election Results** PSRS5179  
PEERS3414 Ms. Jennifer Martin from PSRS/PEERS shared the trustee election results. This was an uncontested election with Ms. Katie Webb and Dr. Nate Moore winning the open PSRS positions. Both Mrs. Webb and Dr. Moore’s terms are effective July 1, 2024, and they are eligible to serve for four years. Ms. Gassmann moved the Board approve the certified election results. Dr. Park seconded the motion. Voting “Aye” –Steliga, Knes, Park, Gassmann, Webb and Bryant. “Nay” – None. The motion carried unanimously.

**Election of Chair** PSRS5180  
PEERS3415 Dr. Park nominated Dr. Jason Steliga to serve as Chair of the Board for the period July 1, 2024 through June 30, 2025. Mr. Bryant moved Dr. Steliga serve as Chair for the period of July 1, 2024 through June 30, 2025. Ms. Webb seconded the motion. Voting “Aye” –Steliga, Knes, Park, Gassmann, Webb and Bryant. “Nay” – None. The motion carried unanimously.

**Election of Vice Chair** PSRS5181  
PEERS3416 Ms. Katie Webb nominated Ms. Beth Knes to serve as Vice Chair of the Board for the period July 1, 2024 through June 30, 2025. Ms. Gassmann moved Ms. Knes serve as Vice Chair for the period of July 1, 2024 through June 30, 2025. Ms. Webb seconded the motion. Voting “Aye” –Steliga, Knes, Park, Gassmann, Webb, and Bryant. “Nay” – None. The motion carried unanimously.

**Set Interest Credit Rate for June 30, 2025** PSRS5182  
PEERS3417 Each June 30, interest is credited to the accounts of active members at the rate set by the Board of Trustees. If a member requests a refund of their contributions, any accumulated interest is paid as part of this refund. If a member retires from the Systems, the amount of interest credited to the member’s account will not affect the retirement benefit calculation. In the event that there is an unused balance in the member’s account at the death of the member and any Joint-and-Survivor benefit plan beneficiary, the remainder is paid in a lump sum to the residual beneficiary. Ms. Brand presented information on the current interest rate environment and historical interest rates. Staff recommended the interest rate credited to the accounts of active members remain at 4% for fiscal year 2024-2025. This rate will be used throughout the fiscal year to facilitate necessary member account corrections and will be used to credit active member accounts on June 30, 2025. Ms. Knes moved that the interest credit rate be set at 4.0% effective June 30, 2025. Ms. Webb seconded the motion. Voting “Aye” –Steliga, Knes, Park, Gassmann, Webb, and Bryant. “Nay” – None. The motion carried unanimously.

**Set Purchase Interest Rate for FY 2025** PSRS5183  
PEERS3418 Ms. Brand presented information to the Board of Trustees on the purchase interest rate. According to Board Regulation (16 CSR 10-4.012 (4)), prior to July 1 each year, the Board of Trustees shall establish a "purchase rate" of interest based on the actuarially assumed rate of return on invested funds of the Retirement Systems. The purchase interest rate shall apply to any amount due for reinstatement of service or for the purchase of service, except as otherwise specified by law. Staff recommended the purchase interest rate be set at the current assumed rate of return of 7.3%. Ms. Webb moved that the purchase interest rate be set at the current assumed rate of return of 7.3%. Ms. Knes seconded the motion. Voting “Aye” –Steliga, Knes, Park, Gassmann, Webb, and Bryant. “Nay” – None. The motion carried unanimously.

**Other** PSRS/PEERS Executive Director Dearld Snider presented a plaque to Director of Human Resources Kim Harris for her dedication, service and retirement from PSRS/PEERS. Ms. Harris will retire effective July 1, 2024.

## **Investments**

### **Ongoing Investment Activity**

Mr. Craig Husting from PSRS/PEERS and Mr. Michael Hall from Russell provided a market overview including detailed investment returns for several stock and bond indices for the most recent five-year period and fiscal year through March 31, 2024. Mr. Husting provided a broad overview of the PSRS/PEERS' portfolio structure, including an estimated asset allocation for PSRS/PEERS as of March 31, 2024. Mr. Husting stated that the PSRS/PEERS preliminary (unaudited) investment return for the fiscal year (July 1, 2023 through March 31, 2024) was approximately 8.7%.

### **Private Equity and Private Credit**

Mr. John Tuck, Mr. Dan Case, Mr. Ben Frede and Mr. Connor Quinn from the PSRS/PEERS investment staff reviewed the Systems' Private Equity and Private Credit portfolios including program objectives, guidelines and long-term results. The five-year annualized return for the Private Equity composite for the period ended December 31, 2023 was 16.8% and the five-year annualized return for the Private Credit composite for the same period was 9.3%. Staff also discussed the Private Equity co-investment program and the Private Credit direct investment program.

## **Management**

### **Report**

#### **Actuarial Services- Actuary Contract**

Ms. Brand discussed the actuarial services provided to the Systems by our retained actuary PwC US (PwC). She provided an overview of the current actuarial contract and history of firms used. PwC's initial contract was renewed through prior negotiations through the fiscal year 2023 engagements. Ms. Brand discussed the current market for actuarial firms working with public defined benefit plans and statutory requirements applicable to the retention of the actuary by the Board of Trustees. She reminded the Board that changing actuaries is not in and of itself a negative practice but should not be rotated at frequent intervals due to the substantial learning curve. As discussed in February 2024, staff negotiated new contract terms with PwC. The new terms extend the contract for five years with a marginal increase from the prior contract. The Systems retain the ability to terminate the contract if the Board desires to in the future. Staff recommended the Board renew PwC's contract for an additional five years based on the new terms. Ms. Knes moved to renew PwC's contract for an additional five years. Ms. Webb seconded the motion. Voting "Aye" – Steliga, Knes, Park, Gassmann, Webb, and Bryant. "Nay" – None. The motion carried unanimously.

PSRS5184  
PEERS3419

#### **Actuarial Services- Actuary Audit**

Ms. Christina Bisges of PSRS/PEERS discussed the upcoming actuarial audit. The Systems are required by statute to conduct an actuarial audit of the retained actuary no less than every 10 years. Due to the long-term nature of the actuary relationship and to ensure best practices, the Board of Trustees conducts the audit every five years. Ms. Bisges provided an overview of the Systems' recently issued Request For Proposals (RFP) for actuarial audit services. The RFP requires an audit of the June 30, 2023 actuarial valuations and 2021 experience studies. An internal evaluation committee reviewed all responses and conducted virtual interviews of three finalists. Staff recommended the Board hire Milliman to provide the actuarial audit services as outlined in the RFP. Mr. Bryant moved to hire Milliman to provide the actuarial audit

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

## **Legislative Update**

Mr. Mike Moorefield from PSRS/PEERS and government relations consultant Mr. Doug Nelson presented the April legislative update.

Mr. Moorefield and Mr. Nelson gave the Board an overview of the legislative issues and priorities that they expect the General Assembly to address during the remaining five weeks of the legislative session. Additionally, Mr. Moorefield and Mr. Nelson discussed investment mandate legislation that could impact the Systems’ investment operations and provided an analysis of movement of the four pieces of Chapter 169 working after retirement and benefit multiplier legislation that would amend the Systems’ statutes.

As of April 12, 2024, more than 2,500 legislative bills and resolutions have been filed by the 2024 General Assembly. PSRS/PEERS is tracking 115 bills.

## **Key Accomplishments**

Ms. Sarah Swoboda reviewed key accomplishments since the February Board Meeting.

Ms. Swoboda informed the Board about the Web Member Services (WMS) Visual Refresh. The refresh allows WMS to visually align with the public website, creating a more seamless visual transition between the website and WMS. Ms. Swoboda next reported that Observe.AI was implemented in January 2024 and is currently being used in both member services and employer services. Some of the key benefits of Observe.AI are call transcriptions; call playbacks; AI-powered sentiment analysis which captures tone, voice inflections, emotions and pitch in phone calls; custom moment analysis; highlighted moments; search functionality and manual evaluations and coaching. Ms. Swoboda next mentioned the working after retirement wizard which is the latest tool available for employers on the Employer Web Portal. With this tool employers can more easily determine the correct track for reporting retirees working for covered employers.

Ms. Swoboda next discussed the hiring of Joe Susai as PSRS/PEERS’ first chief information security officer (CISO) and of Tory Brondel as deputy chief financial officer. She also reported to the Board that PSRS/PEERS had 100% staff participation in the March in-service, *Making and Keeping a Respectful Workplace*. In April, PSRS/PEERS partnered again with Strategos International to provide a second round of armed intruder training to staff.

Lastly, Ms. Swoboda covered the completion of another successful Board election. Ms. Katie Webb and Dr. Nathan Moore were both selected to serve four-year terms beginning July 1, 2024 through June 30, 2028.

## **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 2.3674% through March 31, 2024.

**Public Comment**

Mr. Dearld Snider thanked Sgt. Stephen Dappen not only for his service to PSRS/PEERS but also for his service to the entire community of Jefferson City and congratulated him on his retirement from the Jefferson City Police Department. He thanked Sgt. Dappen for attending our Board meetings over the last seven years to ensure everyone’s safety.

**Other**

None

**Closed Session**  
PSRS5185  
PEERS3420

Ms. Webb moved that the meeting continue in closed session to legal matters under Sections 610.021 (13), 610.021 (1) (14), (21) and 169.020.17, RSMo. Ms. Gassmann 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:

PSRS5186/PEERS3421 – Minutes from February 5, 2024, Closed Session (Steliga, Knes, Park, Gassmann, Webb, and Bryant; voting to approve the previous closed session minutes)

PSRS5187/PEERS3422 – Internal Auditor Evaluation (Steliga, Knes, Park, Gassmann, and Webb voting to approve the Board completed IA evaluation. Mr. Bryant was not present to vote.)

PSRS5188/PEERS3423 – Internal Auditor Compensation (Steliga, Knes, Park, Gassmann, and Webb voting to approve the new salary for IA. Mr. Bryant was not present to vote.)

PSRS5189/PEERS3424 – ED Evaluation (Steliga, Knes, Park, Gassmann, and Webb voting to approve the Board completed ED evaluation. Mr. Bryant was not present to vote.)

PSRS5190/PEERS3425 – ED Compensation (Steliga, Knes, Park, Gassmann, and Webb voting to approve the new contract and salary for ED. Mr. Bryant was not present to vote.)

PSRS5191/PEERS3426 – 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**  
PSRS5192  
PEERS3427

Ms. Webb 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**

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Dr. Jason Steliga, Chair

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Dearld Snider, Executive Director