

**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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October 7, 2020

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**MINUTES OF THE REGULARLY SCHEDULED
HIGHWAYS AND TRANSPORTATION COMMISSION MEETING
HELD VIA VIDEO CONFERENCE AND IN JEFFERSON CITY, MISSOURI,
WEDNESDAY, OCTOBER 7, 2020**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, October 7, 2020, via video conference and at Missouri Department of Transportation, 105 W. Capitol Ave, Jefferson City, Missouri. Michael T. Waters, Jr., Chair, called the meeting to order at 1:30 p.m. The following Commissioners were present: John W. Briscoe, Gregg C. Smith, Terry L. Ecker, Robert G. Brinkmann, P.E., and W. Dustin Boatwright, P.E.

The meeting was called pursuant to Section 226.120 of the Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the Revised Statutes of Missouri, as amended.

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Patrick McKenna, Director of the Missouri Department of Transportation; Rich Tiemeyer, Chief Counsel for the Commission; and Pamela J. Harlan, Secretary to the Commission, were present on Wednesday, October 7, 2020.

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*“Department” or “MoDOT” herein refers to Missouri Department of Transportation.
“Commission” or “MHTC” herein refers to Missouri Highways and Transportation Commission.*

-- OPEN MEETING --

COMMISSION/DIRECTOR ITEMS

W. DUSTIN BOATWRIGHT QUALIFIED AS A MEMBER OF THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

On September 28, 2020, Governor Mike Parson appointed W. Dustin Boatwright, P.E. of Kelso to the Missouri Highways and Transportation Commission for a term ending March 1, 2025, or until his successor is duly appointed and qualified, vice Michael Pace, term expired.

Mr. Boatwright was duly sworn on October 5, 2020, on the steps of the Missouri Supreme Court in Jefferson City by Supreme Court Judge Mary Rhodes Russell.

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APPROVAL OF MINUTES

Upon motion by Commissioner Ecker, seconded by Commissioner Briscoe, the Commission unanimously approved the minutes of the regular meeting held on September 2, 2020 and the electronic ballot meeting held on September 14, 2020. Commissioner Boatwright abstained from voting. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

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CONSENT AGENDA

Consent Agenda Process

In order to make the most efficient use of Commission meeting time and to ensure Commission members are well informed on issues requiring their action, staff prepares and submits to the Commission members, in advance of their meeting, internal memoranda consisting of advice, opinions, and

recommendations related to the items of the Commission meeting agenda. Those items considered by staff to be of a routine or non-controversial nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member. The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

Minutes reflecting approval of items on the consent agenda are singly reported herein and intermingled with minutes reflecting action on related subjects that were openly discussed. Reference to “consent agenda” is made in each minute approved via the process described in the paragraph above. Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

Consideration of October 7, 2020, Consent Agenda

No items were removed from the consent agenda. Upon motion by Commissioner Smith, seconded by Commissioner Briscoe, the consent agenda items were unanimously approved by a quorum of Commission members present.

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COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees’ Retirement System Board of Trustees. The following committee and board reports were made during the October 7, 2020, meeting.

Audit Committee – Commissioner Waters stated there was no report. The next Audit Committee meeting is scheduled for November 2020.

Legislative Committee – Commissioner Briscoe reported September 16 was the legislative veto session. During veto session, the legislature considered the legislative proposals that were vetoed by Governor Parson during the 2020 Missouri legislative session. However, there were no attempts to override any of

the Governor's original vetoes. In conjunction with this year's veto session, the legislature ended a special session called by Governor Parson to address the increased criminal violence that has occurred throughout the state of Missouri. The Governor was successful in signing two different proposals into law that were part of his overall desired package. One bill effectively creates a new state bank account to pay to protect witnesses to crimes across Missouri and the other bill attempts to help St. Louis hire more police officers by suspending a rule requiring them to live in the city for their first seven years on the police force.

Missouri Transportation Finance Corporation (MTFC) – Commissioner Smith stated the MTFC Board held a meeting on October 6, 2020. The board accepted the Fiscal Year 2020 Financial Statement Audit presented by Williams-Keepers, LLC. The board also approved changes to the Reporting Potential Conflicts of Interest, and Execution of Documents Policies. The next MTFC meeting will be in February 2021.

MoDOT and Patrol Employees' Retirement System (MPERS) – Director McKenna reported the MPERS Board met on September 24, 2020. At this meeting several sets of minutes were reviewed and approved. Those minutes will be incorporated at the end of these Commission meeting minutes*. A report was provided on the performance of the fund's investments and it was reported the tool to borrow funds to make additional investments has not been implemented yet. The annual actuarial valuation report was presented, MoDOT and the Patrol will continue with a 58 percent contribution rate. The governance consultant provided an introductory report.

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DIRECTOR'S REPORT

During the October 7, 2020, Commission meeting, Director Patrick McKenna provided the following report:

New SMT Members – MoDOT has had quite remarkable turnover in the Senior Management Team (SMT), with 21 of the 34 members changing in the last 18 months. In the last month, two vacancies have been filled on the SMT. The new General Services Director is Ben Reeser, who most recently was Transportation Planning Assistant Director. Mr. Reeser has been with MoDOT for 21 years, and began his career in Financial Services before moving to Planning. The new Communications Director is Linda Horn, who has been assistant to the district engineer in the St. Louis District for the past three years. Before that, Ms. Horn spent 26 years in Communication roles both in the St. Louis District and at Central Office.

National Freight Strategic Plan – Last month, the director joined U.S. Transportation Secretary Elaine Chao for the launch of the first National Freight Strategic Plan. Intended to strengthen America’s economic competitiveness, the plan lays out a vision for long-term investments in infrastructure, the workforce and other essential parts of the freight system.

Awards – During its virtual 2020 State Conference & Expo, last month, the Missouri Public Transit Association (MPTA) recognized MoDOT with the 2020 MPTA Transit Champion Award. It was presented to Multimodal Director Michelle Kratzer and her staff for being the first department of transportation in the country to have its application for the Coronavirus Aid, Relief, and Economic Security (CARES) Act submitted and approved, ensuring that this critical funding was delivered to Missouri transit providers as quickly as possible.

Day of Remembrance – MoDOT’s annual Day of Remembrance was held on September 17, to remember the sacrifice made by the 134 MoDOT employees who lost their lives while performing their duties for the benefit of the citizens of Missouri. This year was different due to the pandemic, however, the Communications Division did a great job of putting together a virtual version that included video submissions from each of the seven districts.

Stand Up for Safety – MoDOT is in the middle of “Stand Up for Safety” Week. This is the fifth straight year for this emphasis, previously done on one day but spread over a week this year to provide more flexibility for each district and division to host a virtual event. All across the organization it is a time to focus on what matters so that everyone goes home safe every day. Other important safety events in the month of October include Pedestrian Safety Month and throughout October and November the annual slow-moving farm vehicle awareness campaign is underway which is really important during harvest season. October 16 will be the annual statewide Buckle Up Phone Down Day as proclaimed by the Governor.

Federal Update/Financial Status – Prior to the expiration of the Fixing America’s Surface Transportation (FAST) Act on September 30, Congress passed a continuing resolution (CR) to extend the FAST Act by one year, and fund federal programs through December 11, after the election. Key for state departments of transportation is that a proposed extension of current surface transportation funding legislation is contained within the CR for one year, with an additional \$13.6 billion added to the Highway Trust Fund and \$3.2 billion added to the transit account. The full-year extension applies to federal highway contract authority. On the revenue side, MoDOT remains about 8 percent behind in fuel tax, the data lags by a couple of months, but the motor vehicle sales tax has remained strong, as have license and registration fees.

Innovations Virtual Showcase Winners 2020 – Kelly Backues will be giving a presentation on the annual Innovations Challenge. The director thanked everyone that participated and submitted innovations ideas that will help better the department. What an amazing job to virtualize the competition in the midst of the pandemic. While Ms. Backues will announce most of the winners, the Director announced the winners of the Directors Awards:

The Director’s Award winners are:

- Safety: real-time digital alerts from Central Office Highway Safety and Traffic Division
- Service: superload connect for Missouri from Central Office Motor Carrier Services
- Stability: EAC resource center from the Kansas City District

Finally, the Dickson People’s Choice Award winner, which was chosen by electronic votes of the Commission this year was the wing camera from the Northwest District.

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MODOT PRESENTATIONS

PROGRAM DELIVERY DURING A PANDEMIC

On behalf of the Director, Eric Schroeter, Assistant Chief Engineer, provided the Commission with an overview of MoDOT’s Pandemic Response and information specific to the department’s COVID-19 pandemic response with a focus on program delivery and multimodal operations.

Mr. Schroeter explained how MoDOT has worked to ensure vital transportation projects continue to be constructed to provide much needed improvements to the transportation system and to keep contractor payments flowing to help stabilize Missouri’s economy. The department has a continuous pipeline of projects that staff are working on. There are 665 projects that are due to be accomplished this year, and the department is focused on keeping those projects going and getting them completed. There has been a lot of uncertainty during the pandemic. In the past staff would meet with planning partners in person regularly. During the pandemic, every month the department has had calls with planning partners to share what is known, hear their concerns, and work together even though in person meetings are not being held.

The onset of the pandemic in Missouri also happens to be the exact time that MoDOT ramps up for construction season. In March asphalt plants are warming up, concrete begins pouring, and on-site work must take place. Contractors and consultants have worked closely with the department to ensure work on necessary projects continued and all safety measures are implemented to keep all workers safe. Through weekly calls with construction industry partners the department has been able to talk through issues and find areas where everyone can help each other out all while keeping the projects moving. As of mid-September MoDOT, has made up to \$720 million in contractor payments. These projects and resulting contractor payments are supporting Missouri's economy by putting money in the hands of people working and keeping businesses operating.

At the onset of the COVID-19 pandemic in Missouri, MoDOT activated its Pandemic Disease Emergency Response Plan and Continuity of Operations Plan (COOP). The COOP provides guidance to MoDOT personnel for maintaining the department's capability to fulfill its assigned mission-critical functions during all contingencies – and in so doing provides for employees' safety and well-being. Mr. Schroeter stated, 207 days ago, the world changed. That is when the department moved to a remote workforce. This plan though had to be scaled up because it did not include the possibility of losing an entire building such as the Central Office or a district office. The department was able to scale up its plan and change it so that almost 1,400 employees could begin working remotely, 207 days ago. Not all employees had experience working remotely, but they have been championing it, solving problems, and working it out. MoDOT has used a variety of tools and methods to ensure employees who are able to work remotely are able to do so without interruption to service and operations. Technology has been a big part of the ability to work remotely. Rather than meeting in person, meetings are happening via Zoom, WebEx, Microsoft Teams, Webinar, Cisco Meetings, Google meets, Skype, Go To meeting, and good old-fashioned phone calls. Work continues to happen, as is evidenced by the award of bids today. The bidding and contracting section is spread across the state, with the supervisor in one town, the estimators

in two more different towns, and through great teamwork, people are connecting to make sure projects go on time and on schedule.

MoDOT has provided guidance and supplies to mission-critical employees who are not able to work from home to ensure their continued safety and health while remaining in their normal places of work. Mr. Schroeter described the important task of bridge inspections cannot occur remotely, so processes have been modified to allow inspectors and crews to operate safely. The number of people in vehicles has changed, staff have determined how to socially distance and accomplish the task at hand. This continues to evolve as more is learned about the virus, adjustments are made accordingly. Another area impacted is field data collection. The ARAN vehicle that collects the field data is normally a two-person operation, however, the software was modified to allow a one-person operation in order to limit the number of people in the vehicle. Although this is not as efficient, the department is still able to get the job done. Rail safety inspections continue, and methods are modified so that trains can operate safely across the state. It is important that essential functions continue to happen even though they cannot be accomplished remotely, they have been modified to make them as safe as possible in this environment. MoDOT's employees are problem solvers. When the nation had a shortage of hand sanitizer, the scientists and technicians in the lab realized they had the materials and ability to quickly produce and distribute hand sanitizer to MoDOT's field crews. A great example of MoDOT employees quickly shifting from their daily work, to solving a problem on the fly.

MoDOT's Tracker was recently converted to a web-based performance management tool. That lent itself well to converting from quarterly in person meetings to quarterly virtual meetings. Likewise, the districts and divisions are holding their performance management reviews remotely. MoDOT has also tracked important data for the government, capturing the department's pandemic response as well as how the pandemic has impacted the flow of people, goods, and services. Traffic data was a key indicator early on, but also the department was able to assist commercial motor carriers who needed to deliver products

and services across the state. MoDOT worked with the Governor and the motor carrier industry to waive regulations that would prevent critical freight from moving in Missouri. These efforts helped keep the economy rolling along.

Multimodal worked quickly to secure federal funding for local aviation and transit needs. The federal CARES Act made funds available to assist local airports, and MoDOT worked to distribute those funds as fast as possible to aviation partners. On the transit side, Missouri was the first in the nation to have applied for and be approved for grants that were distributed to over 100 rural transit providers. Transit services are critical for the older population in rural areas.

Mr. Schroeter noted that he bristles when asked when is MoDOT going back to work because MoDOT has never stopped working. Whether it's the program delivery side or operations side, MoDOT keeps on delivering uninterrupted service and performance of mission-critical functions during the COVID-19 pandemic.

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PRESENTATION REGARDING MISSOURI'S STRATEGIC HIGHWAY SAFETY PLAN

On behalf of the Director, Jon Nelson, Assistant to the State Highway Safety and Traffic Engineer, presented to the Commission, the state's next strategic highway safety plan for 2021-2025. The new plan is titled *Show-Me Zero: Driving Missouri Toward Safer Roads*. This is Missouri's fifth strategic highway safety plan following up plans from 2004, 2008, 2012, and 2016. The plan outlines the primary areas and strategies the state should focus on to reduce fatalities and serious injuries on Missouri roadways. Last week, this new plan was featured at the first virtual Highway Safety and Traffic Conference.

Federal legislation requires all states to develop a strategic highway safety plan (plan). The plan must be developed using a data-driven analysis for all public roads. Projects funded with federal safety dollars must support strategies included in the plan. The plan must be developed in coordination with a broad range of stakeholders and take a multi-disciplined approach to addressing highway safety, including

the 4 E's: Education, Enforcement, Engineering, and Emergency Services. Missouri's first plan, the Blueprint for Safer Roadways, was introduced and developed in 2004. While MoDOT served as the lead agency, the blueprint was developed in conjunction with numerous stakeholders who would eventually form the Missouri Coalition for Roadway Safety. The Missouri Coalition for Roadway Safety is a partnership of local, state, federal, public, and private organizations committed to the common goal of eliminating fatalities and serious injuries on Missouri roadways. The plan has been updated on a four-year cycle. The goal of these plans is not to simply comply with federal requirements, but to save lives. The overwhelming loss of life prompting these plans is real and it's staggering. In the last decade, 8,505 lives have been lost on Missouri roadways.

Early on, Missouri saw success from implementing early versions of the plan. Between 2005 and 2013, there was a forty percent reduction in traffic fatalities. However, this progress eventually leveled off before spiking in 2015 and slowly tailing off over the last three years. When developing the next plan, a multi-disciplined group of safety stakeholders met to analyze data, evaluate progress, identify barriers, and map a path for moving forward that will take Missouri to the next level. The goals of the group were to shorten the plan, narrow the focus, engage all Missourians, and increase the online presence.

The group wanted to develop a plan that would resonate with and spur action among all Missourians. *Show-Me Zero* was designed to accomplish two things. One, to create a widespread understanding of Missouri's crash problem. And two, identify specific action every Missourian can take to make roadways safer. To keep the plan simple and actionable, the group focused on four key areas: occupant protection, distracted driving, speed and aggressive driving, and impaired driving. These four issues account for the overwhelming majority of traffic fatalities in Missouri. *Show-Me Zero* emphasizes four key messages for moving Missouri forward: buckle up, phone down, slow down, and drive sober. Easy to remember, and easy to implement for both individuals and organizations. If all

Missourians committed to these four behaviors, travelers would be on a sure path to fewer fatalities in the state.

Mr. Nelson reported the number of lives lost in traffic crashes each year in Missouri and the nation remains a public health crisis in need of additional attention. Last year, more than 36,000 individuals lost their lives as the result of a traffic crash in the nation; 881 of those lives were lost on Missouri roadways. Nearly all these deaths were preventable. The new plan, *Show-Me Zero*, aims to reverse this trend over the next five years.

Show-Me Zero is not just a plan for MoDOT, it is for all Missourians. In order to achieve zero fatalities, the state must pursue a comprehensive approach including improvements in public awareness and education, public policy, enforcement, engineering, and emergency services. Unlike previous plans, *Show-Me Zero* strategies are not limited to the usual safety stakeholders, but rather it includes non-traditional safety groups including families and individuals. Regardless of a person's background, expertise, or level of influence, they can participate in the mission to have everyone buckle up, put their phone down, slow down, and drive sober.

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INNOVATIONS CHALLENGE VIRTUAL SHOWCASE

On behalf of the Director, Kelly Backues, Transportation Planning Specialist, presented this year's Innovations Challenge Virtual Showcase. A quick overview of the program since its inception was shared including a brief history of the Innovations Challenge and Showcase. MoDOT's core values of Safety, Service, and Stability are supported by the Innovations Challenge.

Since its inception in 2007, the Innovations Challenge has generated over 2,000 innovations, with nearly 600 innovations competing in the twelve statewide showcases that have been held. From those innovations, over 300 innovations have become best practices. Best practices are innovations approved by a panel of experts to be promoted and used statewide. Over the years the challenge has evolved. It

began as a tool and equipment challenge in the districts as a way to share and promote ideas for MoDOT's employees to do their jobs safely and more efficiently. In 2013, the challenge was broadened to all areas of MoDOT and included the categories of projects and productivity. These new categories vastly enhanced the program and provided all employees the opportunity to join in competition.

The Innovations Challenge currently bestows sixteen awards. Four winners come from each of the three categories: tool and equipment, productivity, and projects. Three Director's awards are presented, one each for safety, service, and stability. There is one Dickson People's Choice award named for Jim Dickson who was the Innovations Challenge coordinator since its inception in 2007, he retired in 2018.

For an innovation to advance to the statewide showcase, it must win the first challenge round either at a district or central office. A local panel of experts from each district and central office select the top 18 to advance to the second round. During the second round, each district and central office coordinator rate the innovations to narrow the list down from 144 first round winners to 60 innovations for further consideration in the second round. Those 60 innovations are then considered at the statewide showcase. This year was a new milestone in that the department conducted its first ever virtual showcase. To make that happen each innovation had a narrated video prepared describing the innovation. All three categories had a panel of six judges who were able to read summaries about the innovations, view photos, and watch the video. The judges then met via teleconference to discuss each innovation and choose the top four innovations. Director McKenna made his selection for the Director's Awards, and this year the Commission voted for the Dickson People's Choice Award. The winners will be notified and an article in Connections as well as a highlight video will be prepared to share the good news with all MoDOT. Ms. Backues then announced the following winners:

- Tools and Equipment
Reflective Door – Kansas City District

Hydraulic Power Unit – Southwest District
Bobcat Paver – Kansas City District
Channelizer Light Mount – Central District

- Projects

Barrier Saddle – St. Louis District
Funding from Other Sources – Central District
Online Interactive STIP Map – Central Office
SCOUT and Waze Integration – Kansas City District

- Productivity

Geotab and Proximity – Southwest District
Full Scale Traffic Incident Management Exercise – Southwest District
Signals and Lighting Training Facility – Kansas City District
Wing Camera – Northwest District

- Director’s Awards

Safety – Real-Time Digital Alerts – Central Office
Service – Superload Connect for Missouri – Central Office
Stability – EAC Resource Center – Kansas City District

- Dickson People’s Choice Award –

Wing Camera – Northwest District

Identifying and evaluating innovative efforts will continue to be a significant factor in the achievement of MoDOT’s mission. Executive Management and the Commission participated in the selection of innovations to be acknowledged for their ingenuity and value in support of the department’s tangible results. The Innovation Challenge drives MoDOT’s continual improvement. Commissioner Brinkmann thanked Ms. Backues for her presentation and noted the difficulty with selecting the Dickson People’s Choice Award winner and congratulated everyone who participated in the challenge this year.

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STATE OF THE CENTRAL DISTRICT

On behalf of the Director, Machel Watkins, Central District Engineer, presented an update about MoDOT’s Central District. The Central District is made up of the 18 center-most counties and serves

more than 650,000 Missourians. The Central District has 589 employees who plan, develop, deliver, operate, maintain, and support the transportation system. There are many popular attractions in the region that include the State Capitol, the University of Missouri, Lincoln University, State Technical College, Missouri S&T, along with boating and floating destinations of the Lake of the Ozarks and rivers in the Meramec region.

The Central District has just under a total of 11,500 lane miles to maintain. The three categories of those roads and their conditions include: major routes at 2,501 miles in 91.7 percent good condition, minor routes at 6,442 miles in 77.6 percent good condition, and low volume routes at 2,546 miles in 70.6 percent good condition. The major routes include Interstate 70, Interstate 44, US 54, US 63, and US 50. Most of the travel, 68 percent, occurs on the major roadways. About 30 percent of travel occurs on minor routes, and only 2 percent of travel occurs on low volume routes.

The district maintains 1,298 bridges, of which 90 are in poor condition. Out of the 90 poor condition bridges in the Central District, there are 39 bridges included in the Governor's Focus on Bridges program. Of those 39 bridges, 15 have been awarded, 3 have been let, and 21 will be let by fiscal year 2022.

The Central District has a total of 47 projects for the 2020 construction season. There are twenty-nine projects that are completed, with fifteen projects in progress, and three projects coming up. These projects include 22 bridge projects, 19 pavement projects, and a few safety and accessibility projects related to the Americans with Disabilities Act (ADA).

Some recent projects include the Route D bridge over I-70 in Callaway County, this structure was replaced and is open to traffic and is part of the Governor's Focus on Bridges Program. A new interchange on Route 54 near the Lake of Ozarks began construction in February 2020 and is scheduled for completion in December 2021. This project is addressing some significant safety and congestion issues. Another project along the Highway 54 corridor included resurfacing and guard cable installation. The resurfacing

is completed, and the guard cable installation is underway and scheduled to be completed in November 2020 for another important safety improvement in the district. Another major resurfacing project was Interstate 44 in Laclede county, this project is wrapping up with the guardrail and guard cable work this construction season as well.

A major design build project that is underway is the Interstate 70 bridge over the Missouri River at Rocheport. The program budget for this project is \$240 million. Construction is scheduled to start late next year. This project has had great cooperation at all levels of government, both Cooper and Boone counties along with the cities of Columbia and Boonville have participated in the cost of this project. A significant portion of the funding is coming through a federal grant. This project is a testament for what can be accomplished when focusing on a common goal.

The Central District is also working on the Mid-Mo ADA project to address many needed Americans with Disabilities Act access and safety improvements. The project cost is estimated at \$13.6 million. Unfortunately, the project was postponed this summer due to funding uncertainties as a result of the COVID-19 pandemic. However, the district is pleased to be able to start the project back up by early 2021.

Ms. Watkins provided an overview of the district maintenance operations. She explained that some functions such as bridge flushing and sealing, which help extend the life of bridges, have been able to proceed as planned. While other areas, such as weed spraying, mowing, striping, and some pavement markings have experienced delays. Many of the delays are due to concerns about COVID-19, either funding or finding ways to do the work with proper social distancing. Maintenance chip seal operations were delayed due to COVID-19 related funding concerns and staffing availability. About thirty-five percent (120 road miles) of the operational plan was completed in September. Remaining planned routes will be completed in Spring 2021.

There are many challenges the district is facing. One challenge includes a staffing shortage in both engineering and maintenance. There are sixteen engineering positions open, and salary is the primary cause for lack of interest from graduating students. The district plans to reinvigorate its internship program in the hopes of inspiring future engineering students to work at MoDOT. The district has fifty-five positions open in maintenance including 6 crew leader positions. Heading into winter operations this is a serious concern. Low salaries are the primary reason for applicants declining job offers.

Another challenge for the district is in the area of roadway safety. The district has had 98 fatalities in 2020, that is a fifteen percent increase from 85 fatalities in 2019. When you look at the fatalities another alarming factor is that 65 percent were unbuckled, again an increase from 2019 where 63 percent of the fatalities were unbuckled. It is so important to get people to pay attention, slow down, and buckle up.

There remains many unfunded transportation project needs in the district. The district works closely with its planning partners and has prioritized the unfunded needs. The unfunded needs list includes: Interstate 70 and US 63 connector in Columbia, Interstate 70 and US 54 interchange improvements in Kingdom City, US 63 improvements near Freeburg, US 54 capacity improvements near the Missouri River bridge in Jefferson City, US 63 and Route AC interchange improvements in Columbia. There are many more needs, but these are the ones that would most likely move forward should additional transportation funds become available.

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ADMINISTRATIVE RULES/POLICIES

REPORT AND RECOMMENDATION REGARDING NOTICE OF PROPOSED AMENDED RULEMAKING – OVERSIZE AND OVERWEIGHT PERMIT ADMINISTRATIVE RULE

On behalf of the Director, Jerica Holtsclaw, Motor Carrier Services Director, presented to the Commission proposed amended administrative rulemaking for 7 CSR 10-25.020 – Oversize/Overweight Permits. This proposed amended rulemaking is due to Truly Agreed to and Finally Passed Senate Bill 683

passed by the General Assembly and effective August 28, 2018, which revised section 304.180, RSMo, to authorize the issuance of an annual permit for the transportation of cranes. The Commission is to set fees for the issuance of these permits and set parameters for the transport of cranes, both of which must be implemented via administrative rule. The proposed amended administrative rulemaking also updates additional rule provisions, including that fees may be waived by the Motor Carrier Services Director during emergency declarations and under special or unusual circumstances, increases load widths for night movements and for annual blanket permits, changes when escorts for oversize loads are necessary, adds more axle configurations, and other rule changes.

The department supports this notice of proposed amended rulemaking to modify several provisions of the oversize and overweight permit administrative rule. The public will have an opportunity to submit comments in support of or in opposition to the proposed amended rulemaking. All comments received from the public will be considered and summarized in the order of rulemaking.

After consideration, the Commission, via approval of the consent agenda, unanimously found substantial evidence that the proposed amended rulemaking is necessary to carry out the purposes of sections 304.180.11 and 304.200.3, RSMo, that grant the commission's rulemaking authority authorized the Secretary to the Commission to file the notice of proposed amended rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State for publication in the *Missouri Register*, and authorized the Director, Deputy Director/Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, Chief Safety and Operations Officer, or Chief Administrative Officer to execute documents to initiate the rulemaking process.

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BUSINESS ISSUES

MISSOURI DEPARTMENT OF TRANSPORTATION REVISED FISCAL YEAR 2022 APPROPRIATIONS REQUEST

On behalf of the Director, Todd Grosvenor, Financial Services Director, recommended the revised fiscal year 2022 appropriations request be approved. The original appropriations request included \$1.5 million to implement the flexible benefits pilot program. The current estimate to implement the pilot program is \$7.5 million, an increase of \$6.0 million.

The request includes \$3.9 million of personal services to implement a flexible benefits pilot program for new employees. The program would give new hires the option of receiving a higher salary with reduced benefits, such as not participating in the defined benefit retirement plan, but receiving a contribution to their deferred compensation account. New hires would also have the option to increase their salary by not participating in the medical plan as long as they provide proof of other insurance. The goal of this increase is to attract new employees by paying closer to market compensation by providing options for increasing their take home pay. The request also includes \$3.6 million of expense and equipment from annual department savings generated by the implementation of the flexible benefits pilot program. The annual savings would be directed toward improving the condition of low volume, rural roads.

Via approval of the consent agenda, the Commission unanimously approved the revised fiscal year 2022 appropriations request described above.

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**THE SHAWNEETOWN ACRES TRANSPORTATION DEVELOPMENT DISTRICT,
CONSIDERATION OF THE PROJECT AND APPOINTMENT OF AN ADVISOR**

On behalf of the Director, Tom Blair, St. Louis District Engineer, advised the Commission that in response to a petition filed on January 2, 2020, with the Circuit Court of St. Louis County by Shawneetown Acres Association, Inc., Edison Real Estate Two LLC, and Premier A 1 Ellisville, LLC; the circuit court

of St. Louis County established the Shawneetown Acres Transportation Development District (TDD) as a new political subdivision on June 30, 2020. The proposed project includes improvements to Route 340 (Clarkson Road) and Froesel Drive, including, but not limited to, a bus stop, curbs and aprons, median, traffic signalization, signage, extension of water mains, and extension of sewer lines. The Commission does not own any real property and no state roadway is located within the TDD boundaries.

In keeping with Sections 238.220.4 and 238.225.1, RSMo, the Commission via approval of the consent agenda, (1) appointed the St. Louis District Engineer, or his designee, as the Commission advisor to the Shawneetown Acres TDD board of directors, and (2) found the upgrades to the area noted above, to be a necessary and desirable extension of the state highways and transportation system, subject to the TDD making any revisions on the plans and specifications required by the Commission and subject to the TDD entering into a mutually satisfactory agreement with the Commission regarding development and future maintenance of the project. In keeping with the Commission's Execution Documents Policy, and Financial – Project Funding and Financing Alternatives – Transportation Development Districts Policy, any member of the Executive Committee may execute the related agreements.

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MEDICAL AND LIFE INSURANCE PLAN: RE-APPOINTMENT OF BOARD MEMBER

The Commission established and approved guidelines for a self-insured Medical and Life Insurance Plan for employees of the Department and the State Highway Patrol on November 9, 1977. The guidelines established a board of trustees to manage the operations of the Plan. Potential board members and the board chairman are recommended by either the Department Director or the State Highway Patrol Superintendent, and are subject to Commission approval.

On behalf of the Director, Ashley Halford, Medical and Life Insurance Plan Board Chairman, recommended approval of the re-appointment of Mr. Richard Coffey as a Missouri State Highway Patrol retired employee representative for a new term scheduled to end November 2023 or until a successor is

named. Richard Coffey has served as a retired employee representative since November 2017, and has been recommended by Colonel Eric Olson, Missouri State Highway Patrol Superintendent.

Via approval of the consent agenda, the Commission unanimously approved the re-appointment of Mr. Richard Coffey as a Missouri State Highway Patrol retired employee representative for a new term scheduled to end November 2023 or until a successor is named.

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FREIGHT ENHANCEMENT PROGRAM WAIVER

On the behalf of the director, Michelle Kratzer, Multimodal Operations Director, recommended the Commission, waive the State Fiscal Year 2021 Freight Enhancement Program funding applications deadline to allow for an applicant for emergency dredging.

The Missouri River has thirteen areas of shoaling providing less than eight feet of depth in the navigation channel within the State of Missouri. Two areas, River Miles 91 to 92 and 177.7 to 179.5, are shoaled completely across the channel blocking travel for agriculture barges headed to market. Staff has been engaged with various stakeholders on this issue, including the Missouri Department of Natural Resources, the Missouri Department of Agriculture, the US Army Corps of Engineers (USACE), US Coast Guard, ports, and freight shippers.

Governor Parson requested funding for the necessary repairs to allow current navigation to operate at full capacity and long-term funding for operating and maintenance activities. If fulfilled, this request would provide funding for the USACE Kansas City District to repair the \$200 million in flooding damaged navigation structures. These repairs will allow the Missouri River to self-scour to the required nine-foot navigation channel depth.

The USACE has requested \$71 million in emergency funds to reopen the channel for navigation this fall. The USACE and AgriServices of Brunswick also reached out to MoDOT requesting a contingency plan to procure emergency dredging contracts to reopen the channel for Fall 2020.

If the USACE cannot secure sufficient funds to reopen the channel, MoDOT requests approval to waive the application deadline for the FY 2021 Freight Enhancement Program (FRE) to accept an application from the Inland Rivers Ports and Terminals Association (IRPT) for emergency dredging. The cost for MoDOT is \$80,000 with a local match of \$20,000 provided by IRPT through donations from Missouri River navigators and port stakeholders.

Via approval of the consent agenda, the Commission unanimously approved the waiver of the state Fiscal Year 2021 Freight Enhancement Program funding applications deadline to allow for an applicant for emergency dredging.

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STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

CONSIDERATION OF BIDS FOR TRANSPORTATION IMPROVEMENTS

On behalf of the Director, Travis Koestner, State Design Engineer, presented the following recommendations pertaining to bids received on federal aid and state highway and bridge projects during the past month. He noted call F02 has local funding, as noted in Table I below, and the department received all of the necessary concurrences.

Mr. Koestner recommended: (1) Award of contracts to the lowest responsive bidders for bids received at the September 18, 2020, letting, as recommended and noted in Table I below:

**Table I
Award of Contracts
September 18, 2020, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A01	136	Nodaway	J1P3234	\$2,897,636.14	\$0.00	Herzog Contracting Corp.	Resurface
C01	224	Lafayette	J3S3104	\$2,106,167.49	\$0.00	Capital Paving & Construction, LLC	Coldmill and Resurface
			J3S3104B				ADA and Signal Improvements
C02	Y	Pettis	J3S3137	\$2,681,859.59	\$0.00	Magruder Paving, LLC	Resurface and Add Shoulders
C03	H	Jackson	J4P3212	\$795,433.11	\$0.00	Amino Brothers Co. Inc.	Intersection Improvement

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
D01	I-70	Boone, Callaway	J5I3423	\$2,623,429.22	\$0.00	Magruder Paving, LLC	Pavement repair
D02	50	Cole	J5P3333	\$2,374,273.99	\$0.00	Capital Paving & Construction, LLC	Coldmill and Resurface
D03	47	Washington	J5P3343	\$557,311.61	\$0.00	Missouri Petroleum Products Company	Seal Coat
			J5S3345				
D04^	N	Osage	J5S3264	\$633,921.20	\$0.00	E & C Bridge, LLC	Bridge Replacement
D05^	FF	Dent	J5S3281	\$508,723.95	\$0.00	Gene Haile Excavating, Inc.	Bridge Replacement
D06^	N	Maries	J5S3282	\$402,252.08	\$0.00	E & C Bridge, LLC	Bridge Deck Replacement
D07	Various	Cooper, Howard	J5S3316	\$887,612.24	\$0.00	Vance Brothers, Inc.	Seal Coat
D08	Various	Laclede	J5S3331	\$314,273.06	\$0.00	Blevins Asphalt Construction Company, Inc.	Seal Coat
D09	Various	St. Francois, Washington	J5S3353	\$1,046,314.65	\$0.00	Blevins Asphalt Construction Company, Inc.	Seal Coat
D10	D,V	Maries, Pulaski	J5S3355	\$565,123.19	\$0.00	Blevins Asphalt Construction Company, Inc.	Seal Coat
D11	F	Callaway	J5S3504	\$196,779.00	\$0.00	E & C Bridge, LLC	Bridge Rehabilitation
D12	U	Washington	J5S3385	\$1,812,000.00	\$0.00	Pace Construction Company	Resurface and Add Shoulders
F01	67	St. Louis	J6P3523	\$749,777.00	\$0.00	Pace Construction Company	Pavement Improvements
F02*	180	St. Louis	J6S3049	\$10,232,211.33	\$20,000.00	N.B. West Contracting Company	Coldmill and Resurface
F03	30	St. Louis	J6S3233	\$927,257.00	\$0.00	Gerstner Electric, Inc.	Signal and ADA Improvements
F04	C	St. Charles	J6S3318	\$297,756.74	\$0.00	N.B. West Contracting Company	Seal Coat
F05	70	St. Louis City	J6S3545	\$56,475.00	\$0.00	Raineri Construction, LLC	Bridge Rehabilitation
G01	I-49	McDonald	J7I3358	\$1,619,725.00	\$0.00	APAC-Central, Inc.	Coldmill and Resurface
G02	US54	Vernon	J7P3281	\$5,145,849.82	\$0.00	APAC-Central, Inc.	Coldmill, Resurface, and Replace Shoulders
G03	76	Stone	J7S3189C	\$840,534.86	\$0.00	Leo Journagan Construction Co., Inc.	Resurface
	OO	Barry	J7S3189B				
	J	Barry	J7S3189D				
G04	BB	Greene	J7S3189I	\$1,250,877.27	\$0.00	APAC-Central, Inc.	Resurface
	O		J8S3123				
G05	B	Vernon	J7S3302	\$1,007,391.18	\$0.00	Blevins Asphalt Construction Company, Inc.	Resurface
Total:				\$42,530,965.72	\$20,000.00		

^ Focus on Bridges Program

* Call F02 – Funding by Great Rivers Greenway - \$243,399.20

Commission Consideration and Action

After consideration, and upon motion by Commissioner Briscoe, seconded by Commissioner Smith the Commission took the following action with the abstentions noted below:

1. Awarded contracts to the lowest responsive bidders for bids received on the September 18, 2020, bid opening, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.
2. Authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the contracts awarded above.

Commissioner Brinkmann abstained from voting on Calls D01 and F02. Commissioner Waters abstained from voting on Call C01.

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APPROVAL OF PLANS FOR CONDEMNATION

On behalf of the Director, Travis Koestner, State Design Engineer, recommended the Commission approve the following detailed project plans, approved by the Chief Engineer, for filing as necessary for the condemnation of right of way.

<u>County</u>	<u>Route</u>	<u>Job Number</u>
Cass	58	J4S3272
Cass	58	J4S3273
Cass	MO 7	J4S3250
Jackson/Clay	169	J4S3085C
St. Louis	100	J6S1718B
Clay	92	J4P3213

In accordance with Section 227.050 RSMo, the Commission via approval of the consent agenda, approved the detailed project plans for the above noted projects and directed they be filed as necessary for the condemnation of right of way.

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-- REPORTS --

REPORTS

The Commission received the following written reports.

MODOT BRIEFING REPORT

Patrick McKenna, Director, provided to the Commission the written monthly Issue Briefs that are sent from the department to the Governor since the previous MoDOT Briefing Report. There was one briefing report for the past month.

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MEDICAL AND LIFE INSURANCE PLAN: MISSOURI DEPARTMENT OF TRANSPORTATION AND MISSOURI STATE HIGHWAY PATROL MEDICAL AND LIFE INSURANCE PLAN REPORT

On behalf of the Director, Ashley Halford, Assistant to the Chief Administrative Officer, Employee Health and Wellness, provided financial and claims data reports for the period January 2020 through June 2020, and for the most recent five calendar years to update the commission on the cost and utilization of the Medical and Life Insurance Plan. There was an increase of 18.8 percent in the total number of claims processed when compared to the first half of calendar year 2019. Medical claims increased 42.6 percent, and pharmacy claims decreased 2.7 percent when compared to the same timeframe in 2019.

There was a decrease of 5.4 percent in 2019 total claims expense when compared to 2018, and a 7.9 percent increase in pharmacy spending from 2018 to 2019. This increase can be attributed to an increase in the cost of specialty drug claims.

The State Paid Life Insurance program provides a death benefit equal to the employee's annual salary. If the death is work-related, this benefit is three times the employee's annual salary. This benefit is provided at no cost to the employee. Through June 2020 there were 12 active employee deaths, none of

which were work related. The Optional Life Insurance program is voluntary and the premium is paid in full by the employee/retiree. The available life insurance is capped at six times the annual salary.

The Total Operating Revenues increased 0.13 percent compared to the same period in 2019. This is a result of an increase in prescription formulary rebates as well as optional life employee premiums and a decrease in state paid life and medical premiums for 2020. Operating revenues have outpaced operating expenses thus far in the calendar year, resulting in net income of \$12.7 million. Since December 2019 the net position has increased from \$42.7 million to \$50.4 million.

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FINANCIAL - BUDGET - REPORTS – YEAR-TO-DATE, FINANCIAL REPORT PERIOD ENDING AUGUST 31, 2020

Todd Grosvenor, Financial Services Director, submitted a written financial report for fiscal year to date August 31, 2020, with budget and prior year comparisons.

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CONSULTANT SERVICES CONTRACT REPORT

Travis Koestner, State Design Engineer, submitted a written report of consultant contracts executed in the month of August 2020, for both engineering and non-engineering related projects. The department utilizes consultants to efficiently manage workload and provide specialized expertise to supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. There were 386 active contracts held by individual engineering consultant firms prior to August 1, 2020. Six engineering consultant services contracts were executed in August 2020, for a total of \$312,631.00. There were no new non-engineering consultant contracts executed in August 2020.

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***MoDOT and Patrol Employees' Retirement System (MPERS) – continued**



BOARD OF TRUSTEES' MEETING

THURSDAY, APRIL 24, 2020

10:00 a.m.

via Webinar

**1913 William Street Jefferson City,
Missouri**

TRUSTEES PRESENT: Mr. William “Bill” Seibert, Chair
Mr. Todd Tyler, Vice Chair Senator
Mike Bernskoetter Mr. Robert
Brinkmann

Mr. John Briscoe

Sgt. Matthew Broniec Ms. Sue W.
Cox

Mr. Patrick McKenna Mr. Gregg
Smith

Representative Sara Walsh

TRUSTEES ABSENT: Colonel Eric Olson

STAFF PRESENT: Mr. Scott Simon, Executive Director
Ms. Greta Bassett-Seymour, Assistant Executive Director & General Counsel

Mr. Larry Krummen, Chief Investment Officer Ms. Jennifer
Even, Chief Financial Officer Ms. Lois Wankum, Senior
Executive Assistant

GUESTS/PRESENTERS: Mr. Kevin Leonard, NEPC
Mr. Will Forde, NEPC Mr. Phil
Nelson, NEPC

Mr. Robert Goldthorpe, NEPC

Mr. Mike Winter, Legislative Consultant

A regularly scheduled meeting of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) was held on Friday, April 24, 2020, via webinar from the System's office located at 1913 William Street in Jefferson City, Missouri. The meeting was called to order by Mr. Bill Seibert pursuant to Section 104.180 of the Revised Statutes of Missouri, as amended.

* * * * *

OPEN MEETING

APPROVAL OF MINUTES

Upon a motion by Mr. McKenna, and seconded by Representative Walsh, the Board of Trustees (Trustees) approved the minutes of the meeting held on February 28, 2020, as corrected.

The Chair and Executive Director were authorized and directed to sign and certify said minutes and to file same in the office of the Executive Director.

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WELCOME NEW TRUSTEE, MR. ROBERT BRINKMANN

The Chairman welcomed Mr. Robert Brinkmann to the MPERS Board of Trustees. Mr. Brinkmann was appointed on March 23, 2020, and replaces Mr. Michael Pace, whose term on the Highways and Transportation Commission had expired.

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MPERS' OPERATIONS UPDATE

~ by Mr. Scott Simon, MPERS' Executive Director

Mr. Simon noted this meeting had been called in order to focus on investment activities but wished to provide a few brief updates on other matters to the Board:

- In light of the COVID-19 pandemic, MPERS' office closed to the public on March 16th and MPERS' staff began working remotely on March 20th.
- Since mid-March, all seminars have been conducted via various internet platforms with good success. Members have been kept apprised of operational changes via direct email and the MPERS' website.
- MPERS' business plan is being finalized and will be presented to the Board in June. Mr. Simon advised board members that if they had anything to contribute to the plan, to let him know.
- Budget committee meeting is scheduled for May 8th.
- Annual benefit statements were recently distributed to active members.
- New trustee orientation for Mr. Brinkmann is set for Monday, May 4th.

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GOVERNANCE COMMITTEE REPORT

– by Ms. Sue Cox, Governance Committee Chair

Ms. Cox, Governance Committee Chair, provided a brief recap of the committee meeting held on April 22, 2020. Ms. Cox stated Mr. Brinkmann was appointed to the Governance Committee and had joined them for the meeting. The topics discussed were:

- Trustee Code of Conduct and Conflicts of Interest
- Strategic Planning Policy
- Utilization of a Governance Consultant

The committee supported the consideration of a governance consultant and directed staff to seek cost estimates and credentials for the Board's consideration as part of the proposed budget at the June meeting. The consultant would review the policies created over 10 years ago to assess best practices, improvements, etc., as well as provide a number of other services including the scheduled board self-evaluation and the executive director performance review..

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INVESTMENT COMMITTEE REPORT

– by Sgt. Matt Broniec, Investment Committee Chair

Sgt. Broniec, Investment Committee Chair, provided a brief recap of the committee meeting held on April 3, 2020. Sgt. Broniec stated the committee briefly discussed the possibility of authorizing temporary leverage authority in order to take advantage of the dislocation in the markets. The committee deemed this topic best served by discussion of the full Board.

INVESTMENT REPORTS

~ by Mr. Larry Krumpfen (MPERS) and Mr. Kevin Leonard (NEPC)

- **MPERS' Performance Estimates**

Mr. Krumpfen provided an update of how the COVID-19 pandemic was influencing the investment portfolio. The estimated first quarter of 2020 investment performance is -8.9%, and the Fiscal Year 2020 performance to an estimated -4.3% (July 1, 2019 through March 31, 2020). This compares favorably to the global equity markets, which are down over 21% and 14% over the same periods, respectively. The results also look favorable relative to the peer universe; NEPC stated the average public fund return was -14% based on the preliminary universe statistics.

- **Summary of MPERS' Activities**

Mr. Krumpfen provided a summary of key movements made throughout the downturn to rebalance the portfolio and to remain in compliance with investment policy guidelines.

- **Updated NEPC Market Outlook & Asset Class Assumptions**

Due to the significant market movements related to the COVID-19 pandemic, NEPC updated its Capital Market Assumptions to reflect the changing investment climate. Mr. Leonard presented the updated 2020 Asset Class Assumptions, along with how the market changes impacted the various asset allocation scenarios under consideration by the Board (as part of the ongoing Asset-Liability Study). In general, the decline in equity markets provides a more attractive entry point for long-term investors, which increased the expected returns of the various allocation mixes relative to the initial assumptions presented to the Board at the February 2020 board meeting.

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DIRECTOR'S COMMENTS

- **New Hire**

Mr. Simon informed the Board that Ms. Lindsey Harris-Funk began employment with MPERS as the Assistant Chief Financial Officer on April 1, 2020.

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TRUSTEE'S COMMENTS

Representative Walsh expressed her appreciation to Mr. Simon for reaching out to members to provide a sense of security in regard to their retirement benefits.

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INFORMATIONAL ITEMS

Per Board Governance policies, information only items primarily consist of benefit matters governed by state law and routine administrative or ministerial matters which do not require board discussion or action. The items listed below were provided to the Board for informational purposes only.

- Asset Liability Study

- * * * * *

ADJOURN

Mr. Seibert requested a motion to adjourn. A motion to adjourn was made by Mr. Briscoe and seconded by Representative Walsh. By a roll call vote of all Trustees present, the meeting of the Board of Trustees was adjourned at 12:03 p.m.

Mr. William "Bill" Seibert, Aye
Mr. Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Aye
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Aye
Colonel Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

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CERTIFICATION

We, William "Bill" Seibert, Board Chair, and Scott Simon, Executive Director, Board of Trustees, MoDOT & Patrol Employees' Retirement System, hereby certify that the foregoing are full, true, and complete minutes of the meeting of the Board held on April 24, 2020 in Jefferson City, Missouri, as approved by said Board at its meeting held June 18, 2020.

IN TESTIMONY WHEREOF, we have hereto set our hands and affixed the seal of said Board on June 18, 2020.

Will K. Seibert

Chair

Scott Simon

Executive Director





BOARD OF TRUSTEES' MEETING

THURSDAY, JUNE 18, 2020

9:00 a.m.

via Webinar

1913 William Street

Jefferson City, Missouri

- TRUSTEES PRESENT:** Mr. William “Bill” Seibert, Chair
Mr. Todd Tyler, Vice Chair
Senator Mike Bernskoetter
Mr. Robert Brinkmann
Mr. John Briscoe
Sgt. Matthew Broniec
Ms. Sue W. Cox
Mr. Patrick McKenna
Colonel Eric Olson
Mr. Gregg Smith
Representative Sara Walsh
- TRUSTEES ABSENT:** None
- STAFF PRESENT:** Mr. Scott Simon, Executive Director
Ms. Greta Bassett-Seymour, Assistant Executive Director & General Counsel
Mr. Larry Krummen, Chief Investment Officer
Ms. Jennifer Even, Chief Financial Officer
Ms. Lois Wankum, Senior Executive Assistant
- GUESTS/PRESENTERS:** Mr. Kevin Leonard, NEPC
Mr. Will Forde, NEPC
Mr. Ken Alberts, GRS
Ms. Heidi Barry, GRS
Mr. Jamal Adora, GRS
Mr. Stephen Hastings, Cheiron
Mr. Mike Noble, Cheiron
Mr. Tom Litz, Thompson Coburn

A regularly scheduled meeting of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) was held on Thursday, June 18, 2020, via webinar from the System’s office located at 1913 William Street in Jefferson City, Missouri. The meeting was called to order by Mr. Bill Seibert pursuant to Section 104.180 of the Missouri Revised Statutes, as amended.

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OPEN MEETING

APPROVAL OF MINUTES

Sgt. Broniec made a motion to approve the minutes of the meeting held on April 24, 2020. Ms. Cox seconded the motion. The following roll call vote was taken:

- Mr. William “Bill” Seibert, Aye
Mr. Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann (absent during vote)
Mr. John Briscoe, Nay
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Aye
Colonel Eric Olson, Aye

Mr. Gregg Smith, Aye
Representative Sara Walsh (absent during vote)

The motion carried with 8 votes in favor and 1 against. The Chair and Executive Director were authorized and directed to sign and certify said minutes and to file same in the office of the Executive Director.

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BUDGET COMMITTEE REPORT

~ by Mr. Bill Seibert, Budget Committee Chair

- **FY 2021 Budget**

Mr. Seibert reported the Budget Committee met with MPERS' staff, on May 21, 2020, to review the proposed budget.

Mr. Simon and Ms. Even presented the proposed FY 2021 budget to the Committee. Mr. Simon had previously provided Committee members with a comprehensive picture of the System's expenses and income to provide a better overall understanding of all of the financial transactions that take place at MPERS. A chart comparing actual expenses for FY 2019 and projected expenses for FY 2021 was provided along with a chart that compared actual income received in FY 2019 and projected income for FY 2021.

The Committee reviewed the budget summary and details for each category in the administrative and investment budgets. The summary included increases and decreases in each budget category and explanations for the changes were provided. The proposed budget was consistent with board- approved policies.

Overall, the budget proposal reflected a 2.57% increase over last year. This increase was primarily attributable to the contract extension for the CIO, and given that this is done only periodically (and in this case, five years ago), if removed from the budget, the FY 2021 budget would essentially be flat compared to last year's budget.

Sgt. Broniec made a motion to accept the Budget Committee's recommendation to approve the FY 2021 budget as presented. Senator Bernskoetter seconded the motion. The following roll call vote was taken:

Mr. William "Bill" Seibert, Aye
Mr. Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Nay
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Nay
Colonel Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

The motion carried with 9 votes in favor and 2 against. Before the vote, Mr. McKenna requested his reasons for voting against the proposed budget be stated in the minutes and are listed below:

- He objects to the exclusion of management fees in this budget and/no boundary setting of those fees.
 - He objects to the continued use of a 60/40 comparison because the risk profile of the two asset allocations are not similar.
 - He objects to the new CIO contract which he objected to at the time the contract was approved by the board.
 - He objects to any costs that have any relation or could be used to execute leverage on the portfolio.
- **Review Travel Expenses for Executive Director & Trustees (FY 2020)**
Per the board policy, the Travel Expense Report was also provided.

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INVESTMENT COMMITTEE REPORT

~ by Sgt. Matt Broniec, Investment Committee Chair

Sgt. Broniec, Investment Committee Chair, provided a brief recap of the Committee meeting held on June 9, 2020. Sgt. Broniec stated the Committee discussed the utilization of derivatives within the investment policy and requested additional detail for reporting that will be reviewed and considered at upcoming meetings.

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RESULTS OF ACTUARIAL AUDIT

– by Mr. Steven Hastings & Mr. Mike Noble of Cheiron

Mr. Steven Hastings, FSA, EA, FCA, MAA and Mr. Michael Noble FSA, EA, FAC, MAA, both of Cheiron, delivered the results of the actuarial audit to the Board. Cheiron replicated the June 30, 2019 Actuarial Valuation Report and the Five-Year Experience Study July 1, 2012 through June 30, 2017, that was performed by GRS Consulting. The audit duplicates the actuarial valuation, verifies the demographic and census data used by the actuary, reviews the accounting disclosures prepared by GRS, and reviews the actuarial methods and assumptions underlying those valuations.

Cheiron’s keys findings are as follows:

- The results reported by GRS can be relied upon.
- The communication of the actuarial valuation results is complete and reasonable.
- The actuarial methods and assumptions are reasonable and generally comply with Actuarial Standards of Practice (ASOPs).
- The fees paid by MPERS to the current actuary appear to be reasonable based on the level of services received and are typical of the industry.
- The funding methods adopted by the Board of Trustees are appropriately funding the obligations of the System:
 - Permanent Policy amortization is appropriate
 - Temporary Policy accelerates the funding of liability for retired members
 - Contribution stabilization fund has potential to provide reduced volatility as the System gets closer to the end of closed amortization periods
- The signing actuaries certified that they meet the Qualification Standards of the American Academy of Actuaries to render an actuarial opinion.
- The Governmental Accounting Standards Board (GASB) reportedly prepared by GRS is in compliance, as applicable, with GASB Statements Nos. 67 and 68.

The auditing actuaries commended the Board for the aggressive funding policies and contribution rate stabilization reserve fund that have been in place for some time and address the funding challenges of the past. Other items to consider can be found in Cheiron’s report dated June 2020.

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GRS’s RESPONSE TO RESULTS OF ACTUARIAL AUDIT

~ Ms. Heidi Barry and Mr. Ken Alberts of GRS Consulting

Mr. Ken Alberts provided a preliminary response to the actuarial audit and will provide a formal written response to the report’s recommendations within the next couple of months.

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REVIEW OF ACTUARIAL ECONOMIC ASSUMPTIONS

~ Ms. Heidi Barry and Mr. Ken Alberts of GRS Consulting

The Actuarial Standard’s of Practice and Best Practices require the economic assumptions applicable to MPERS be reviewed annually by the actuary to assess the reasonableness for consideration in the upcoming valuation. Mr. Alberts indicated the current assumptions continue to be reasonable; however, he did suggest that current trends would likely make it necessary to consider changes in the assumptions for next year. Mr. Simon suggested Mr. Alberts illustrate some projections using different assumptions for review and consideration by the Board of Trustees in advance of the next valuation. These illustrations could help the Board decide if any immediate changes were appropriate and even consider accelerating the next experience study (if necessary), which is scheduled in two years.

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GOVERNANCE COMMITTEE REPORT

~ by Sue Cox, Governance Committee Chair

Governance Consultant

Ms. Sue Cox, Governance Committee Chair, stated the Governance Committee met on June 8, 2020, to consider the use of a governance consultant and review cost estimates and credentials for the Board’s consideration. The Committee asked staff to conduct a supplemental review to determine where specific proposals were and were not comparable, given the broad range of cost estimates. The cost to utilize a governance consultant was placed in the FY 2021 budget for approval.

Board Governance Policies:

The Governance Committee also met on April 22, 2020, and proposed changes to the following policies:

- Trustee Code of Conduct and Conflicts of Interest – The change requires trustees to sign the acknowledgement annually.
- Strategic Planning Policy – The change reverses several deletions from June 2019 board- approved modifications.

Board Rules:

- **Board Rule 1-12 Required Minimum Distributions** – In December 2019, Congress passed the SECURE Act. Specific for our purposes, the age at which individuals are required to take certain distributions from various retirement accounts changed from 70½ to 72. The change to this board rule reflects the change in the law (Internal Revenue Code).

Ms. Cox made a motion to approve the revisions to the governance policies and the board rule. Mr. Tyler seconded the motion. The following roll call vote was taken:

Mr. William “Bill” Seibert, Aye
Mr. Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Nay
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Nay
Colonel Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

The motion carried with 9 votes in favor and 2 against.

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MPERS’ BUSINESS PLAN – FYs 2021, 2022, and 2023

~ by Mr. Scott Simon, MPERS Executive Director

MPERS’ Business Plan for Fiscal Years 2021, 2022 and 2023 was presented to the Board. Mr. Simon indicated there were six items that were not completed due to the COVID-19 pandemic (sudden and unplanned remote work environment) and are shown as carryover from FY 2020.

Ms. Cox made a motion to approve MPERS’ Business Plan for Fiscal Years 2020, 2021 and 2022. Colonel Olson seconded the motion. The following roll call vote was taken:

Mr. William “Bill” Seibert, Aye
Mr. Todd Tyler, Aye

Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Aye
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Aye
Colonel Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

All members voted in favor, motion carried.

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INVESTMENT REPORTS

~ by Mr. Larry Krummen (MPERS) and Mr. Kevin Leonard (NEPC)

- **CIO Investment Report**

Mr. Krummen updated the Board on how the COVID-19 pandemic continues to influence the investment portfolio, including performance measures for the first quarter. In the first quarter of 2020, investment performance was -8.9%. MPERS' overall performance rebounded and stands at 1.6%. (July 1, 2019 through June 10, 2020). MPERS' performance ranked in the top 4% of the public fund universe where the average public fund lost -13.8% during the first quarter.

- **Current Asset Allocation Overview/Positioning Relative to Targets**

MPERS' current cash balance stands at \$8.5 million (or 0.3% of assets). As of June 10, 2020, each of the respective asset class allocations were within the permissible ranges.

- **Investment Performance Report for Quarter Ending March 31, 2020**

Mr. Kevin Leonard and Mr. Will Forde provided a report on MPERS' investment performance. As of March 31, 2020, MPERS' fund value was \$2.28 billion.

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ASSET LIABILITY STUDY

~ by Mr. Kevin Leonard (NEPC)

Mr. Leonard (NEPC) presented the asset-liability study for consideration by the Board. Sgt. Broniec made a motion to maintain the current policy for the asset allocation. Ms. Cox seconded the motion. The following roll call vote was taken:

Mr. William "Bill" Seibert, Aye
Mr. Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Nay
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Nay
Colonel Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Nay

The motion carried with 8 votes in favor and 3 against.

- **Leverage**

Ms. Cox made a motion to accept staff's recommendation and grant the authority to utilize leverage within the portfolio, subject to a maximum of 20% of assets. Sgt. Broniec seconded the motion. The following roll call vote was taken:

Mr. William "Bill" Seibert, Aye
Mr. Todd Tyler, Aye

Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Nay
Mr. John Briscoe, Nay
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Nay
Colonel Eric Olson, Aye
Mr. Gregg Smith, Nay
Representative Sara Walsh, Nay

The motion carried with 6 votes in favor and 5 against.

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DIRECTOR'S COMMENTS

- **MPERS' Operations Update**

Mr. Simon provided the Board with an update on MPERS' administrative operations in light of the COVID-19 pandemic. MPERS' offices remain closed to the public. MPERS' staff began working remotely on March 20 and continue to do so at this time. All seminars will continue to be presented via various internet platforms for the time being. Members have been kept apprised of operational changes via direct email and the MPERS' website.

- **MoDOT's Shared Work Program**

Mr. Simon stated MoDOT has implemented a Shared Work Program for its employees. Mr. McKenna stated 80% of the employees chose the shared work option and 20% took the 5% salary reduction, which results in approximately \$2 million per month reduction in contributions to MPERS.

Mr. Simon stated the Shared Work Program could have some implications from a funding perspective for the System. Mr. Simon advised the Board he would work with the actuary and report back to the Board at a later date.

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TRUSTEE'S COMMENTS

Ms. Cox expressed her appreciation to Mr. Simon and MPERS' staff for the quick turnaround in providing a Q&A for MoDOT employees in response to the implementation of the Shared Work Program.

Mr. Tyler stated he attended the 2020 NCPERS Accredited Fiduciary (NAF) Program Modules 1 & 2 on May 19-22, 2020 (via Zoom). Sgt. Broniec also attended Modules 1 & 2 and Modules 3 & 4 on May 26-29, 2020. Both trustees stated this program was very beneficial and encouraged other trustees to attend future programs that are offered.

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INFORMATIONAL ITEMS

Per Board Governance Policies, information-only items primarily consist of benefit matters governed by state law and routine administrative or ministerial matters which do not require board discussion or action. The items listed below were provided to the Board for informational purposes only.

- **Legislative Update**

One MPERS-related bill, SS SCS HB1467 and HB1934) was passed by the legislature during the regular session. Those members who divorce after retirement and who selected a survivor option at retirement, will have the option to pop-up the benefit to a life income annuity (or actuarial equivalent) if proper court documentation can be provided to the System. This statutory change will not take effect until January 1, 2021.

- **Risk Consultant Report**

MPERS provides its members with a long-term disability plan (LTD) in order to provide security to active members if a medical condition prohibits the employee from performing normal duties. MPERS has contracted with The Standard to provide LTD coverage to covered members. MPERS also employs Charlesworth Consultants to review the LTD plan to ensure the LTD program is operating effectively and benefits are provided appropriately. As

reported in prior updates, MPERS secured the “rate hold” guaranteed by The Standard until July 1, 2021, and the rate continues to be competitive to the claims experience of MPERS.

Mr. Charlesworth will continue to monitor the claims experience and reserving practices of The Standard to confirm the pricing and service model of this risk transfer meets the needs of MPERS.

• **Internet, Phone Service & IT Consultant**

The Board was provided with background information on the operations of the System in regard to internet, phone service & IT consultant; items that are included in the FY 2020 Business Plan.

• **Report on Trustee Education – FY 2020**

Per the Monitoring and Reporting Policy, the Board was provided with the “Report on Trustee Education” for FY 2020.

• **Benefit Payments and Member Data – May 2020**

The Executive Director provided current member and benefit data to the Board.

• **Retirement Inceptions**

The Executive Director provided the Board with a summary of retirement inceptions for the months of July 2019 through May 2020.

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ADJOURN

Mr. Seibert requested a motion to adjourn. A motion to adjourn was made by Colonel Olson and seconded by Senator Bernskoetter. By a roll call vote of all Trustees present, the meeting of the Board of Trustees was adjourned at 12:13 p.m.

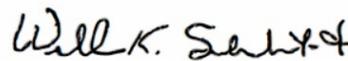
Mr. William “Bill” Seibert, Aye
Mr. Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Aye
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Aye
Colonel Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

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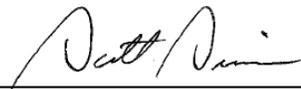
CERTIFICATION

We, William “Bill” Seibert, Board Chair, and Scott Simon, Executive Director, Board of Trustees, MoDOT & Patrol Employees’ Retirement System, hereby certify that the foregoing are full, true, and complete minutes of the meeting of the Board held on June 18, 2020 in Jefferson City, Missouri, as approved by said Board at its meeting held September 24, 2020.

IN TESTIMONY WHEREOF, we have hereto set our hands and affixed the seal of said Board on September 24, 2020.



Chair


Executive Director



SPECIAL BOARD OF TRUSTEES' MEETING

**THURSDAY, JULY 30, 2020
2:00 p.m.
via Webinar
1913 William Street
Jefferson City, Missouri**

TRUSTEES PRESENT: Mr. William “Bill” Seibert, Chair
Mr. Todd Tyler, Vice Chair
Senator Mike Bernskoetter
Mr. Robert Brinkmann
Mr. John Briscoe
Sgt. Matthew Broniec
Ms. Sue W. Cox
Mr. Patrick McKenna
Colonel Eric Olson
Mr. Gregg Smith
Representative Sara Walsh

TRUSTEES ABSENT: None

STAFF PRESENT: Mr. Scott Simon, Executive Director
Mr. Larry Krummen, Chief Investment Officer
Ms. Jennifer Even, Chief Financial Officer
Ms. Lois Wankum, Senior Executive Assistant

CONSULTANTS: Mr. Kevin Leonard, NEPC
Mr. Will Forde, NEPC
Mr. Tom Litz, Thompson Coburn

A special meeting of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) was held on Thursday, July 30, 2020, via webinar from the System’s office located at 1913 William Street in Jefferson City, Missouri. The meeting was called to order by Mr. Bill Seibert pursuant to Section 104.180 of the Missouri Revised Statutes, as amended.

OPEN MEETING

APPROVAL OF MINUTES

Mr. Seibert stated that, due to last minute substantive revisions, the approval of minutes will be tabled until the next meeting.

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INVESTMENT ITEMS

• **Update on Implementation of Leverage Instruments**

~ by Mr. Larry Krummen (MPERS' Chief Investment Officer)

Mr. Krummen informed the Board that no leverage has been put in place on the investment portfolio because the timing is not right with the investment market. Mr. Krummen stated the purpose was never to dial up risks immediately upon adoption of the policy, but rather to provide additional flexibility during times of volatility in the market.

Mr. Krummen stated the MPERS risk committee has discussed how to implement leverage. The long-term average is expected to be roughly 5-10%. Staff is working on policies that would support the implementation of the tool within the parameters stipulated by the Board.

Staff is currently finalizing investment performance reporting requirements with MPERS' custodian bank (Northern Trust) and MPERS' consultant (NEPC). They are also finalizing audit and accounting requirements that would be associated with implementing leverage.

• **Request to Indefinitely Stay Implementation of a Leverage Facility Instrument**

~ by Mr. Patrick McKenna)

Mr. McKenna made a motion that the Board rescind its priorprevailing vote taken at the June 18, 2020 Board meeting that authorized MPERS staff to implement a leverage facility to borrow funds in amounts up to 20% of the value of the assets in the System's benefit fund for investment purposes. Mr. Smith seconded the motion. The following roll call vote was taken:

Mr. William "Bill" Seibert, Nay Mr.
Todd Tyler, Nay
Senator Mike Bernskoetter, Nay
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Aye
Sergeant Matthew Broniec, Nay
Ms. Sue W. Cox, Nay
Mr. Patrick McKenna, Aye
Colonel Eric Olson, Nay
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

The motion failed with 6 votes against and 5 in favor.

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Mr. Brinkmann made a motion that the Board preapprove and be notified when staff will be using leverage so the Board can understand what is being done and have a better understanding of this new concept, opine and vote on it. Mr. Briscoe seconded the motion. The following roll call vote was taken:

Mr. William "Bill" Seibert, Nay Mr.
Todd Tyler, Nay
Senator Mike Bernskoetter, Nay
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Aye
Sergeant Matthew Broniec, Nay
Ms. Sue W. Cox, Nay

Mr. Patrick McKenna, Aye
Colonel Eric Olson, Nay
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

The motion failed with 6 votes against and 5 in favor.

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Sgt. Broniec made a motion that the investment staff keep the Board informed on the use of leverage and how it is being used when they provide regular reports to the Investment Committee and/or Board. Ms. Cox and Representative Walsh both seconded the motion. The following roll call vote was taken:

Mr. William "Bill" Seibert, Aye Mr.
Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Aye
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Abstain Colonel
Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

The motion carried with 10 votes in favor and 1 abstain.

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ADJOURN

Mr. Seibert requested a motion to adjourn. A motion to adjourn was made by Colonel Olson and seconded by Senator Bernskoetter. By a unanimous roll call vote of all Trustees present, the meeting of the Board of Trustees was adjourned at 3:20 p.m.

Mr. William "Bill" Seibert, Aye Mr.
Todd Tyler, Aye
Senator Mike Bernskoetter, Aye
Mr. Robert Brinkmann, Aye
Mr. John Briscoe, Aye
Sergeant Matthew Broniec, Aye
Ms. Sue W. Cox, Aye
Mr. Patrick McKenna, Aye
Colonel Eric Olson, Aye
Mr. Gregg Smith, Aye
Representative Sara Walsh, Aye

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CERTIFICATION

We, William "Bill" Seibert, Board Chair, and Scott Simon, Executive Director, Board of Trustees, MoDOT & Patrol Employees' Retirement System, hereby certify that the foregoing are full, true, and complete minutes of the meeting of the Board held on July 30, 2020 in Jefferson City, Missouri, as approved by said Board at its meeting held September 24, 2020.

IN TESTIMONY WHEREOF, we have hereto set our hands and affixed the seal of said Board on September 24, 2020.

Will K. Seibert

Chair

Scott Simon
Executive Director



SPECIAL BOARD OF TRUSTEES' MEETING

**MONDAY, AUGUST 17, 2020
2:00 p.m.
via Webinar
1913 William Street
Jefferson City, Missouri**

TRUSTEES PRESENT:

Mr. William "Bill" Seibert, Chair
Mr. Todd Tyler, Vice Chair
Senator Mike Bernskoetter
Mr. Robert Brinkmann
Mr. John Briscoe
Sgt. Matthew Broniec
Ms. Sue W. Cox
Mr. Patrick McKenna
Colonel Eric Olson
Mr. Gregg Smith
Representative Sara Walsh

TRUSTEES ABSENT:

None.

STAFF PRESENT:

Mr. Scott Simon, Executive Director
Ms. Greta Bassett-Seymour, Assistant Executive Director & General Counsel
Mr. Larry Krummen, Chief Investment Officer
Ms. Jennifer Even, Chief Financial Officer
Ms. Lois Wankum, Senior Executive Assistant

GUESTS/PRESENTERS: None.

A special meeting of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) was held on Monday, August 17, 2020, via webinar from the System's office located at 1913 William Street in Jefferson City, Missouri. The meeting was called to order by Mr. Bill Seibert pursuant to Section 104.180 of the Revised Statutes of Missouri, as amended.

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OPEN MEETING

GOVERNANCE COMMITTEE REPORT

- *by Ms. Sue Cox, Governance Committee Chair*

Recommendation for Governance Consultant

Ms. Cox reported the Governance Committee met on June 8th to consider proposals submitted for a governance consultant. The Committee asked Mr. Simon to obtain additional detail from each of the three firms that submitted proposals in order to better understand the significant variance in cost between the proposals. Those three consultants were the following:

- Funston Advisory Services, LLC
- Aon
- Cortex Applied Research

The Committee met again on August 7th and Mr. Simon provided additional details to support an “apples-to-apples” comparison of the prospective bids received to review MPERS’ governance practices. MPERS’ executive team joined Mr. Simon in follow-up discussions with each consultant to be sure multiple perspectives were considered when contemplating the differences between the proposals. The results of those discussions can be found in the memo to the MPERS’ Governance Committee dated July 22, 2020.

The Committee is requesting the Board’s approval to obtain the services of Funston Advisory Services, LLC.

Ms. Cox made a motion to accept the proposal from Funston Advisory Services, LLC for governance consulting services at a cost of \$90,000 and to amend the budget to address the additional cost. Sgt. Broniec seconded the motion. The following roll call vote was taken:

- Mr. William “Bill” Seibert, Aye
- Mr. Todd Tyler, Aye
- Senator Mike Bernskoetter, Aye
- Mr. Robert Brinkmann, Aye
- Mr. John Briscoe, Nay
- Sergeant Matthew Broniec, Aye
- Ms. Sue W. Cox, Aye
- Mr. Patrick McKenna, Nay
- Colonel Eric Olson, Aye
- Mr. Gregg Smith, Aye
- Representative Sara Walsh, Aye

The motion carried with 9 votes in favor and 2 against.

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ADJOURN

A motion to adjourn was made by Mr. Smith and seconded by Mr. Briscoe. By unanimous vote of all Trustees present, the meeting of the Board of Trustees was adjourned at 2:18 p.m.

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CERTIFICATION

We, William “Bill” Seibert, Board Chair, and Scott Simon, Executive Director, Board of Trustees, MoDOT & Patrol Employees’ Retirement System, hereby certify that the foregoing are full, true, and complete minutes of the meeting of the Board held on August 17, 2020 in Jefferson City, Missouri, as approved by said Board at its meeting held September 24, 2020.

IN TESTIMONY WHEREOF, we have hereto set our hands and affixed the seal of said Board on September 24, 2020.

William K. Seibert

Chair



Scott Simon

Executive Director

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By unanimous consensus of all members present, the meeting of the Commission adjourned.

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The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

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