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## MINUTES OF MEETING

Monday, June 3, 2019

The Board of Trustees of the Kansas City Public School Retirement System met in REGULAR SESSION on Monday, June 3, 2019 at 4:00 p.m. in the Retirement System's conference room at 3100 Broadway, Suite 1211, Kansas City, MO.

Members Present: Horace Coleman, Jr., Chairperson  
Mark Bedell  
Joanne Collins  
Carl Evans  
Roger Offield  
Beverly Pratt  
Curtis L. Rogers  
Debbie Siragusa  
Lazona Stovall  
Boni Tolson  
Bakari Ukuu  
Brian Welch

Staff Present: Christine Gierer, Executive Director  
Jill Chaloupka  
Laura J. Oswald

Others Present: Patrice A. Beckham, Cavanaugh Macdonald  
Mark Flaherty, Esq.  
Rosemary Guillette, Segal Marco Advisors

There being a quorum present, the meeting was called to order at 4:03 p.m.

Horace Coleman, Jr., Chairperson presiding:

On motion of Ms. Collins, seconded by Mr. Rogers the Board voted to approve the following items on the consent agenda (abstaining Mr. Welch):

Approval of the minutes of the Regular Meeting of the Board of Trustees held Monday, May 6, 2019

Approval of cash disbursements for the month of April 2019

Approval of the report of the Secretary submitting the names of members retiring since last report including dates of retirement

Approval of the Secretary submitting the names of members who have passed away since the last report

Mr. Coleman called for the report of the Audit Committee.

Mr. Welch, Chairperson of the Audit Committee summarized the Committee's review of the Audit Report on the Financial Statements for the years ended December 31, 2018 and 2017. The Auditor's Report gave a clean opinion of the Financial Statements.

On motion of Mr. Welch, seconded by Mr. Rogers the Board voted to accept the Audit Committee's recommendation to approve the Audit report on the Financial Statements for the years ended December 31, 2018 and 2017.

Mr. Coleman requested Ms. Patrice Beckham, of Cavanaugh Macdonald present the 1/1/2019 actuarial valuation.

Ms. Patrice A. Beckham, of Cavanaugh Macdonald, gave a thorough overview of the 2019 valuation results for KCPSRS. She noted the unfunded actuarial accrued liability increased \$31.9M in this valuation, and the actuarial funded ratio is 66.2% down from last year's 69.2%, largely due to the 5% investment loss for 2018. She provided projections of the funded ratio, showing the System projected to reach full funding in 2045, assuming all actuarial assumptions occur in all future years. Ms. Beckham noted the contribution rate for employers will be 12.0% effective January 1, 2020, then July 1, 2021 the actual contribution rate will equal the actuarial required contribution (ARC) with the employee portion not to exceed the current rate of 9% per the legislation passed in 2018.

On motion of Mr. Rogers, seconded by Mr. Ukuu, the Board voted unanimously to accept the report of Cavanaugh Macdonald Consulting, LLC.

Mr. Coleman requested Ms. Gierer to summarize the disability recommendation from the Medical Board.

On motion of Ms. Collins, seconded by Mr. Evans, the Board voted to approve the recommendation of the Medical Board that a member be placed on disability retirement to be effective as of May 1, 2019 with a medical re-evaluation due in one year.

Mr. Coleman called for the report of the Investment Committee.

Ms. Tolson, Chairperson of the Investment Committee, requested that Rosemary Guillette, of Segal Marco Advisors, present a summary of the 1<sup>st</sup> quarter investment performance analysis.

On motion of Mr. Rogers, seconded by Dr. Bedell the Board voted and approved the recommendation from the Investment Committee to terminate our Small Cap Value manager and to invest the funds passively with Rhumbline.

**Report of Chairperson**

Mr. Coleman reminded the Trustees of the upcoming educational opportunities.

**Report of the Executive Director**

Ms. Gierer provided her report on operational, communication, and Board issues. Ms. Gierer informed the Board on the continued communication with the charter schools that are closing. Ms. Gierer reported the project to locate inactive non-vested members continues and 30 such refunds were completed in May. An IT Assessment vendor has been selected with work to be starting soon.

The Board adjourned by common consent at 5:46 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Christine Gierer".

Christine Gierer, Executive Director