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MINUTES OF MEETING

Monday, June 1, 2020

The Board of Trustees of the Kansas City Public School Retirement System met in REGULAR SESSION on Monday, June 1, 2020 at 4:00 p.m. via Zoom.

Members Present (via Zoom): Horace Coleman, Jr., Chairperson
Javier Alfonso
Mark Bedell (joined at 4:14 p.m.)
Joanne Collins
Carl Evans
Anthony Madry
Beverly Pratt
Curtis L. Rogers
Debbie Siragusa
Von Smalley
Brian Welch

Members Absent: Roger Offield

Staff Present (via Zoom): Christine Gierer, Executive Director
Jill Chaloupka
Laura J. Oswald

Others Present (via Zoom): Patrice A. Beckham, Cavanaugh Macdonald
Rosemary Guillette, Segal Marco Advisors

Roll call was taken.

There being a quorum present, the meeting was called to order at 4:04 p.m.

Horace Coleman, Jr., Chairperson presiding:

On motion of Ms. Collins, seconded by Mr. Rogers the Board voted, with Trustees Coleman, Alfonso, Collins, Evans, Madry, Pratt, Rogers, Siragusa, Smalley, and Welch voting in favor, to approve the following items on the consent agenda:

Approval of the minutes of the Policy and Evaluation Committee Meeting held Monday, May 4, 2020

Approval of the minutes of the Regular Meeting of the Board of Trustees held Monday, May 4, 2020

Approval of the minutes of the Audit Committee Meeting held Wednesday, May 27, 2020

Approval of cash disbursements for the month of April 2020

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

Approval of the report 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, 2019 and 2018. The Auditor's Report gave a clean opinion of the Financial Statements.

On motion of Ms. Siragusa, seconded by Mr. Rogers the Board voted, with Trustees Coleman, Alfonso, Bedell, Collins, Evans, Madry, Pratt, Rogers, Siragusa, Smalley and Welch voting in favor, to accept and file the Audit report on the Financial Statement for the years ended December 31, 2019 and 2018.

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

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

On motion of Mr. Rogers, seconded by Ms. Pratt, the Board with Trustees Coleman, Alfonso, Bedell, Collins, Evans, Madry, Pratt, Rogers, Siragusa, Smalley and Welch voting in favor, voted to accept and file the report of the Investment Committee.

Mr. Coleman requested Pat Beckham, of Cavanaugh Macdonald, present the 1/1/2020 actuarial valuation.

Ms. Patrice A. Beckham, of Cavanaugh Macdonald, gave a thorough overview of the 2020 valuation results for KCPSRS. She noted the unfunded actuarial accrued liability increased \$40.7M in this valuation, and the actuarial funded ratio is 63.3% down from last year's 66.2%. She reminded the Board of their May 2020 decision to lower the investment return assumption 7.75% to 7.50% and noted this valuation used 7.5% as the investment return assumption. Ms. Beckham reported the actuarial required contribution rate of 20.8%. She reported that payroll growth and the investment return assumption were the largest drivers of the change in this rate. She provided a details of the employer contribution rate per Missouri law. Ms. Beckham noted the contribution rate for employers will remain 12.0% effective July 1, 2021 to June 30, 2022. She provided projections of the funded ratio and of employer contribution rates. Assuming all current actuarial assumptions occur in all future years, the System is projected to reach full funding in 2040.

On motion of Ms. Siragusa, seconded by Ms. Pratt, the Board with Trustees Coleman, Alfonso, Bedell, Collins, Evans, Madry, Pratt, Siragusa, Smalley and Welch voting in favor, voted to accept and file the report of Cavanaugh Macdonald Consulting, LLC.

Mr. Coleman requested Ms. Gierer to summarize the request of the temporary reprieve of death certificates requirement for survivor payments. After some discussion, on motion of Dr. Bedell, seconded by Ms. Collins the Board voted, with Trustees, Coleman, Alfonso, Bedell, Collins, Evans, Madry, Pratt, Rogers, Siragusa, Smalley, and Welch voting in favor of allowing staff flexibility, through the end of 2020, to allow benefit payments to the survivor or pop-up to retiree without a death certificate if the certificate is delayed due to COVID-19 business

interruptions and, then, only if verification from a third party vender is confirmed.

Report of Chairperson

Mr. Coleman reported the passing of Darwin Curls, a former KCPSRS Trustee.

Report of the Executive Director

Ms. Gierer provided her report on operational, communication, and Board issues. Ms. Gierer informed the Board of work with auditors and actuary during May. She updated the Board on the progress of the CAFR. Ms. Gierer reported the number of retiree paper checks has decreased from 84 in January to 53 in May due to the efforts of the KCPSRS staff.

Other Business

The Board adjourned by common consent at 5:25 p.m.

Respectfully submitted,

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

Christine Gierer, Executive Director