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## MINUTES OF REGULAR BOARD MEETING

Monday, September 12, 2022

The Board of Trustees of the Kansas City Public School Retirement System met in REGULAR SESSION on Monday, September 12, 2022, at 4:00 p.m. via Zoom.

Members Present (via Zoom):

- Anthony Madry, Chairperson
- Lauren Amicone (joined at 4:46 p.m.)
- Cecelia Carter (left at 6:19 p.m.)
- Horace Coleman, Jr.
- Jamekia Kendrix (joined 4:43 p.m.)
- Roger Offield (joined at 4:49 p.m.)
- Beverly Pratt
- Debbie Siragusa
- Eddie Smith
- Brian Welch
- Curtis Rogers

Staff Present (via Zoom):

- Jim Roehner, Executive Director
- Kelly Fowler
- Laura J. Oswald
- Cindy White

Others Present (via Zoom):

- Jonathon N. Dilly, Swanson Bernard
- Felicia Ewell, Segal Marco Advisors
- Rosemary Guillette, Segal Marco Advisors
- Patrice Beckham, Cavanaugh MacDonald
- Elizabeth Stevko, VP U.S. Institutional Relationship Management, Brandywine Global
- Richard Lawrence, Executive VP, Portfolio Management – Fixed Income, Brandywine Global

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

Anthony Madry, Chairperson presiding:

On motion of Curtis Rogers, seconded by Debbie Siragusa the Board voted unanimously to approve the following items on the consent agenda:

Approval of the minutes of the Investment Committee meeting held Monday, June 6, 2022

Approval of the minutes of the Board meeting held, Monday, June 6, 2022

Approval of the minutes of the Ad Hoc Committee meeting held Wednesday, June 23, 2022

Approval of the minutes of the Business and Technology Committee meeting held Wednesday, August 3, 2022

Approval of the minutes of the Special Board Meeting held Wednesday, August 3, 2022

Approval of the minutes of the Audit Committee Meeting held Tuesday, August 30, 2022

Approval of the minutes of the Policy and Evaluation Committee Meeting held Tuesday, August 30, 2022

Approval of the minutes of the Business and Technology Committee Meeting held Tuesday, September 6, 2022

Approval of the minutes of Budget Variance Report for pension fund and technology for the quarter ending June 30, 2022

Approval of cash disbursements for the month of May, June, and July 2022

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. Madry called for the report from Brandywine. Elizabeth Stevko and Richard Lawrence presented.

On motion of Mr. Rogers, seconded by Ms. Siragusa, the Board voted with one abstention by Brian Welch in favor to accept the report from Brandywine as presented by Ms. Stevko and Mr. Lawrence.

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

Ms. Siragusa requested Rosemary Guillette and Felicia Ewell of Segal Marco Advisors report on the second quarter Investment Performance as of June 30, 2022.

Ms. Guillette presented a summary of the 2<sup>nd</sup> quarter investment performance analysis. She gave a general overview of the investment markets noting the second quarter showed negative investment returns for most markets with KCPSRS total fund portfolio showing a gross return of -12.7% and a net return of -12.9%, both slightly underperforming the benchmark of -12.5%. Ms. Guillette reviewed each asset class composite and each investment manager's performance with comparisons to their relevant benchmark and peer universe for the quarter, and the 1-, 3-, 5-, and 10-year periods. In reviewing each fund manager's performance, most met their benchmark for the quarter.

Ms. Guillette reported that the month of July provided positive growth with the total fund portfolio showing a 3.9% return for July which increased the total portfolio's year-to-date performance.

Ms. Guillette also summarized the results of the Asset Allocation Management (ALM) Study and informed the Board that the Investment Committee elected not to make an asset allocation recommendation at this time. Investment Committee members will continue to discuss this matter at the next regularly scheduled committee meeting in December.

On motion of Ms. Siragusa, seconded by Horace Coleman, the Board voted unanimously to accept and file the 2<sup>nd</sup> Quarter Investment Performance and the ALM Study reports of the Investment Committee.

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

Mr. Welch called on Jim Roehner to open the discussion on the RFP selection process for the independent actuarial review. Mr. Roehner reviewed the progress made by the committee and their selection of two finalists' presentations: GRS & Cheiron. Mr. Welch and Ms. Siragusa despite not having quorum heard the presentations as scheduled. Ms. Siragusa and Mr. Welch discussed the merits of both finalists with the KCPSRS staff. After much deliberation, Ms. Siragusa and Mr. Welch arrived at a recommendation to propose the Board of Trustees hire GRS to conduct the independent actuarial review.

On motion of Ms. Siragusa, seconded by Beverly Pratt, the Board voted with one abstention by Cecelia Carter in favor to accept the recommendation of the Audit Committee to hire GRS to conduct the independent actuarial review of KCPSRS actuarial valuation.

Mr. Madry called for the report of the Policy and Evaluation Committee.

Mr. Rogers called on Mr. Roehner and Jonathon Dilly to comment on the benefit administration policy revision. Mr. Roehner provided a brief summary of the policy change proposed by the Committee. Mr. Dilly reported that the policy change delegates to staff the authority to determine whether a person was dependent of the member pursuant to subsection b.(3) the member's dependent parent. The Board remains the final decision maker in the event the criteria of a dependent of a member had not been satisfied. In the case of a denial, KCPSRS will notify the beneficiary of such determination together with notice that such beneficiary may submit, within thirty days, a written objection to the Board of Trustees for their review. Any subsequent determination of the board of trustees as to whether a person is a dependent for purposes of Option 1 alternative benefits will be final.

On motion of Mr. Rogers, seconded by Mr. Coleman, the Board voted unanimously to approve the recommended revision to policy. Motion carries.

Mr. Madry called on Mr. Roehner to give a brief background regarding legislation signed by Governor Mike Parsons that waives the working after retirement limits on part-time or temporary-substitute work performed by PSRS/PEERS retirees as substitute teachers for covered employers or third-party providers between July 1, 2022 and June 30, 2025.

Mr. Madry asked Patrice Beckham, Cavanaugh MacDonald, to present the results of the actuarial analysis of the impact of such a temporary suspension of the working after retirement limitations—Ms. Beckham explained that the cost impact is not significant, especially if we limit the timeframe. Assuming the changes will only be in place for a limited period and apply to a limited number of retirees as substitute teachers, she does not expect the proposed waiver to have a significantly detrimental impact on the System's funding.

After a lengthy discussion, the Board decided not to act on this matter. Backed by Board consensus, Ms. Siragusa requested that the matter be referred to the Legislative Committee for further discussion.

Mr. Madry recommended the Board move into a closed meeting pursuant to Section 610.021 (1).

On motion of Ms. Carter, seconded by Ms. Siragusa, the Board voted to go into Closed Session with Trustees Amicone, Carter, Coleman, Kendrix, Madry, Pratt, Offield, Rogers, Siragusa, Smith, and Welch voting in favor at 5:32 p.m.

The Board came out of Closed Session at 6:16 p.m. and the meeting returned to an Open Session.

Ms. Siragusa, presiding:

Ms. Siragusa called for nominations for Vice-Chairperson.

Mr. Rogers moved to nominate Ms. Pratt, for Vice-Chairperson. Mr. Coleman seconded the nomination. Seeing no other nominations, on motion of Mr. Rogers, seconded by Mr. Coleman nominations were closed with the consent of the Board. Ms. Siragusa called for the vote to elect the sole nominee, Ms. Pratt, Vice-Chairperson with Trustees Amicone, Carter, Coleman, Pratt, Offield, Rogers, Siragusa, and Welch voting in favor of and Trustees Kendrix, Madry and Smith abstaining. By majority vote, the Board elected Ms. Pratt as Vice-Chairperson.

Ms. Siragusa asked Mr. Roehner to briefly highlight the remaining agenda items and to table any potential discussion for the next board meeting.

The Board adjourned by common consent at 6:20 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jim Roehner".

Jim Roehner, Executive Director