



3100 Broadway, Suite 1211
Kansas City, MO 64111
816.472.5800
Fax: 816.472.5909
Email: kcpsrs@kcpsrs.org
Website: www.kcpsrs.org

MINUTES OF MEETING

Monday, June 6, 2022

The Board of Trustees of the Kansas City Public School Retirement System met in REGULAR SESSION on Monday, June 6, 2022, at 4:00 p.m. via Zoom.

Members Present (via Zoom): Anthony Madry, Chairperson
Lauren Amicone*
Cecelia Carter
Horace Coleman, Jr.
Jamekia Kendrix
Roger Offield
Beverly Pratt
Debbie Siragusa*
Brian Welch

Members Absent: Mark Bedell
Curtis Rogers
Eddie Smith

Staff Present (via Zoom): Jim Roehner, Executive Director
Kelly Fowler
Laura J. Oswald

Others Present (via Zoom): Jon N. Dilly, Swanson Bernard
Felicia Ewell, Segal Marco Advisors
Rosemary Guillette, Segal Marco Advisors
Patrice A. Beckham, Cavanaugh Macdonald

**Trustees Amicone and Siragusa were present for Board meeting agenda item B.2 the Valuation results but respectively left the meeting for another engagement prior to the 1st Quarter Investment Performance report by the Investment Consultant through adjournment.*

There being a quorum present, the meeting was called to order at 4:05 p.m.

Anthony Madry, Chairperson presiding:

On motion of Beverly Pratt, seconded by Cecelia Carter, the Board voted unanimously to approve the following items on the consent agenda:

Approval of the minutes of the Board meeting held Monday, May 2, 2022

Approval of the minutes of the Audit Committee meeting held Thursday, May 26, 2022

Approval of the minutes of the Audit Committee meeting held Thursday, June 2, 2022

Approval of cash disbursements for the month of April 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 of the Audit Committee.

Brian 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, 2021 and 2020. The Auditor's Report gave a clean opinion of the Financial Statements. Mr. Welch reported that three of the Audit Committee members and himself agreed with the updated Financial Statements sent via email and included in the Board packet. Mr. Welch discussed the upcoming GASB 87 lease standard and recommended a review of the Retirement System's current leases with our auditors to determine if implementing this standard is warranted.

On motion of Mr. Welch, seconded by Debbie Siragusa, the Board voted unanimously to accept and file the Audit report on the Financial Statements for the years ended December 31, 2021 and 2020.

Mr. Madry requested Patrice Beckham, of Cavanaugh Macdonald, present the January 1, 2022 actuarial valuation.

Ms. Beckham, of Cavanaugh Macdonald, gave a thorough overview of the 2022 valuation results for KCPSRS. She reminded the Board the 2022 valuation reflects a set of actuarial assumptions and methods that included lowering the investment return assumption from 7.50% to 7.25% based on the findings in the Experience Study for Four Years ended December 2019 and adopted at their February 2021 meeting. She noted the Unfunded Actuarial Accrued Liability (UAAL) decreased \$28.6M in this valuation, and the actuarial funded ratio is 69.4% up from last year's 66.5%. Ms. Beckham noted the employer contribution rate, effective July 1, 2023, will remain at 12.0%. She also 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 2034.

On motion of Ms. Pratt, seconded by Ms. Carter, the Board voted unanimously to accept and file the report of Cavanaugh Macdonald Consulting, LLC.

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

Rosemary Guillette, of Segal Marco Advisors, presented a summary of the 1st quarter investment performance analysis.

On motion of Mr. Welch, seconded by Horace Coleman, the Board voted unanimously to accept and file the report of the Investment Committee.

Mr. Madry called on Jim Roehner to open the discussion on renewing KCPSRS' service agreement with Cavanaugh Macdonald Consulting, LLC.

Mr. Roehner offered a recommendation to renew the contract with our current Actuary for another year. After a lengthy discussion, on motion of Ms. Carter, seconded by Mr. Welch, the Board voted unanimously to accept

the recommendation to renew the contract agreement with Cavanaugh MacDonald Consulting, LLC, for actuarial services for another year.

Mr. Madry opened the discussion for a resolution to establish an ad hoc committee to determine an alternative delivery system for Board meeting materials.

On motion of Mr. Coleman, seconded by Ms. Pratt, the Board voted unanimously to establish an ad hoc committee comprised of four Board Members who will consist of Cecelia Carter, Anthony Madry, Beverly Pratt, and Brian Welch, who are (1) tasked with evaluating available options to facilitate the efficient and secure delivery options for Board and Committee meeting materials; (2) authorized to select a product, software or web-based service to facilitate such communication and document delivery; and (3) authorized to expend up to a total of \$12,000 for such product, software or web-based service in 2022, with any contract renewals at discretion of the board. The ad hoc committee will report to the Board with its selection at the next full meeting of the Board, at which time the committee shall be dissolved.

Mr. Madry opened the discussion on conducting an independent actuarial review of KCPSRS' January 1, 2022 Valuation.

On motion of Mr. Madry, seconded by Mr. Welch, The Board voted unanimously to authorize Mr. Roehner to initiate the request for proposal (RFP) process for (1) a full replication audit of the January 1, 2022 Valuation and review/comment on the assumptions and methods used in the valuation process by an independent actuary; and (2) directed the audit committee to review subsequent proposals, interview potential firms, and thereafter make its hiring recommendation to the full Board for approval.

Report of Chairperson

Mr. Madry discussed options for Board meetings in the fall. After discussion, Mr. Madry noted the Board of Trustee meetings will remain virtual.

Mr. Madry, Jamekia Kendrix and Ms. Pratt debriefed the Board on the NCPERS conference they attended with Dr. Eddie Smith in Washington, D.C.

Report of the Executive Director

Mr. Roehner provided his report on operational, communication, and Board issues. He informed the Board of the distribution of new devices for Board members, continued work with auditors on draft audit report, and reviewed both the ALM Study and the January 1, 2022 Valuation results. Mr. Roehner reminded the Board of the Hospitality Disclosure Forms that were recently sent out on May 31st.

Other Business

The Board adjourned by common consent at 7:02 p.m.

Respectfully submitted,



Jim Roehner, Executive Director