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MINUTES OF MEETING

Monday, March 6, 2023

The Board of Trustees of the Kansas City Public School Retirement System met in REGULAR SESSION on Monday, March 6, 2023 at 4:00 p.m. via Zoom.

Members Present (via Zoom):
Cecelia Carter, Chairperson
Jennifer Collier (left at 5:26 p.m.)
Jamekia Kendrix
Judy Morgan
Andrew Murphy
Beverly Pratt
Debbie Siragusa (left at 5:37 p.m.)
Eddie Smith (left at 5:32 p.m.)
Linda Watkins

Members Absent:
Lauren Amicone
Roger Offield
Brian Welch

Staff Present (via Zoom):
Jim Roehner, Executive Director
Franck Akati
Kelly Fowler

Others Present (via Zoom):
Jonathan N. Dilly, Swanson Bernard
Rosemary Guillette, Segal Marco Advisors
Felicia Ewell, Segal Marco Advisors
Lawrence Ostow, J.P. Morgan Asset Management
Stephanie Neely, J.P. Morgan Asset Management

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

Cecelia Carter, Chairperson presiding:

Ms. Carter calls for Jim Roehner to perform roll call of Trustees in attendance.

On motion of Beverly Pratt, seconded by Dr. Eddie Smith, the Board voted to approve the following items on the consent agenda:

Approval of the minutes of the Regular Meeting of the Board of Trustees held Monday, February 6, 2023

Approval of cash disbursements for the month of January 2023

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

Ms. Carter recognized Rose Guillette wishing to address the Board of Trustees through the Chair. Ms. Guillette introduced the representatives from JP Morgan, Lawrence Ostow and Stephanie Neely. Ms. Carter called for the report from JP Morgan.

On motion of Jamekia Kendrix, seconded by Debbie Siragusa, the Board unanimously voted to receive and file the report of J.P. Morgan Asset Management, as presented by Lawrence Ostow and Stephanie Neely.

Ms. Carter called for the report of the Investment Committee.

Ms. Siragusa, Chairperson of the Investment Committee, asked Ms. Guillette of Segal Marco Advisors to provide a summary of the 4th Quarter Performance Report ending December 31, 2022. Ms. Guillette reported the following to the Board:

2022 4th Quarter Report

KCPSRS total fund gross performance for the fourth quarter ending December 31, 2022 was 5.8%, slightly underperforming the policy index by 0.2%, and the year-to-date gross performance of -11.9%, closely matched the policy index of -12.0%.

In reviewing each fund manager's performance, most met their benchmark for the year with Real Estate and International Developed Equities falling below benchmarks.

Except for Private Equity, the major asset classes are all within the target allocation ranges. Private Equity, an illiquid asset class, has done well for the Fund.

Annual Investment Performance vs Investment Objectives

As of December 31, 2022, KCPSRS' total fund met the Policy Index of the Board's 3- and 5-year period investment objectives, however, did not meet the Required Rate of Return and Actuarial Assumed Rate of Return performance objectives.

Annual Report of Manager Due Diligence Meetings

Segal Marco performed due diligence meetings with all KCPSRS investment managers during 2022. This report confirms Segal Marco's due diligence reviews of each of KCPSRS' investment managers.

Ms. Guillette stated that Segal Marco Advisors will prepare updated asset mixes based on Segal's current market assumptions for consideration at June's quarterly Investment Committee meeting. Committee members will decide on recommending any asset allocation changes to the full Board in June's meeting.

On motion of Ms. Siragusa, seconded by Ms. Pratt, the Board unanimously voted to receive and file the report of Investment Committee of the 4th Quarter Performance Report ending December 31, 2022.

Ms. Carter asked for Mr. Roehner and Jon Dilly to give an update on the Working After Retirement process after their meeting with KCPSRS Legislative Consultant, Nancy Giddens. They received feedback from Ms. Giddens that it would be extremely challenging to get any bill that influences funding status started while KCPSRS is on the watchlist. Ms. Kendrix asked Dr. Jennifer Collier if it was possible for KCPS to work towards sponsoring a bill to assist with allowing retirees to substitute for more than the 600 hours per year limit. Dr. Collier will work with her team on the next steps at KCPS and make a full report at the next regularly scheduled Board meeting in April.

Ms. Carter recognized Mr. Roehner to address the carryover discussion item from last Board meeting regarding the KCPSRS Medical Board.

Mr. Roehner stated Clay Platte Family Medicine Clinic has not offered a third physician from its practice to serve on KCPSRS Medical Board. Mr. Roehner is looking into alternatives including reestablishing connection with Dr. James McDonald, formerly a physician of Clay Platte Family Medicine Clinic, now proprietor of Clarity Direct Primary Care. Mr. Dilly mentioned that there are not many medical practices that are willing to undertake the disability approval process, however, he would reach out to the Kansas City Police Employees' Retirement System, another client of his and contact Mr. Roehner with the results of his inquiry.

Report of Chairperson

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

On motion of Ms. Kendrix, seconded by Ms. Pratt, Ms. Carter conducted a roll call vote to move the meeting into closed session. Trustees Carter, Collier, Kendrix, Morgan, Murphy, Pratt, Siragusa, Smith, Watkins and voted to go into closed session at 5:17 p.m.

The Board came out of Closed Session at 5:27p.m. and the meeting returned to an open session.

Ms. Carter, presiding:

Ms. Carter called for Ms. Kendrix to report on the National Institute on Retirement Security (NIRS) Annual Conference attended in February. Ms. Kendrix stated she felt the conference would be very beneficial for members of the Legislative Committee members to attend. A study showed teacher retention and recruitment is becoming a major topic as the appetite for corporate defined benefit plans are gaining momentum due to changes in Federal laws and regulations governing pensions. Defined Benefit plans impact social equity of its members and encourage retention and recruitment needs of its participating-employers. Ms. Kendrix also shared with another takeaway from the conference Trustees to consider assembling a "state of the pension" plan. Strategies could include partnering with Union representatives, annual state of the union presentation, new teacher orientation, member self-service web-portal, videos, and simplifying communications such as member annual statements.

Ms. Carter open the floor for discussion regarding in-person board meetings. Board members agreed to a hybrid meeting – in-person and through video conferencing – beginning with April's Board meeting. Mr. Roehner reassured Trustees that the Boardroom is equipped with technologies to support a hybrid meeting. Ms. Carter stated she will be attending April's meeting in-person and encouraged other Board members to do the same.

Ms. Carter updated the Board that Dr. Smith joined the Charter School Ad-Hoc Committee. The revised committee assignments have been added to BoardDocs®.

The resolution to authorize Ms. Carter as signatory on Bank of America account for retiree ACH and paper check payments was moved to April's Board meeting due to lack of a quorum for further discussion.

Report of the Executive Director

Mr. Roehner provided his report on operational, communication, and Board issues. Mr. Roehner provided the Board the annual report of Board member education for the year ended 2022. He also reviewed the Board's interest in educational opportunities for Trustees coming in 2023.

Mr. Roehner also answered an inquiry from the previous Board meeting after researching the repayment process for benefit overpayments to deceased retirees and/or beneficiaries. Mr. Roehner reported that there is no specific policy, however, operations has a practice in place to recoup benefit overpayments. Ms. Carter asked Mr. Kendrix as Chairperson of the Policy & Evaluation if she would review policy and report back to the full Board. Ms. Kendrix agreed to include it as an agenda item at future Committee meeting.

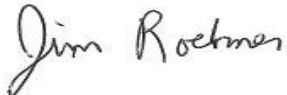
Mr. Roehner shared with Board members an analysis to show distribution of benefit recipients living in Missouri and Kansas by zip code as of December 31, 2022. The analysis is accessible through BoardDocs®. Mr. Roehner will continue to update the analysis on an annual basis. He also will share the analysis with KCPSRS Legislative Consultant.

In his report of the executive director, Mr. Roehner highlighted the pre-retirement education sessions were held via Zoom and in-person in February and surveys were sent electronically to attendees to collect feedback. He also reviewed the monthly refund payment and employer payment reports and answered questions.

Other Business

The Board adjourned by common consent at 6:10 p.m.

Respectfully submitted,

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

Jim Roehner, Executive Director