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MINUTES OF MEETING

Monday, June 5, 2023

The Board of Trustees of the Kansas City Public School Retirement System met in REGULAR SESSION on Monday, June 5, 2023, at 4:00 p.m. via Zoom and in the Retirement System's conference room at 3100 Broadway, Suite 1211, Kansas City, MO.

Members Present (via Zoom): Cecelia Carter, Chairperson
 Lauren Amicone (Zoom, left at 5:39 p.m.)
 Jamekia Kendrix (Zoom, joined at 7:10 p.m.)
 Judy Morgan
 Andrew Murphy
 Roger Offield (Zoom, joined at 4:22 p.m., left at 6:27 p.m.)
 Beverly Pratt (Zoom)
 Debbie Siragusa (Zoom)
 Eddie Smith
 Linda Watkins
 Brian Welch

Members Absent: Jennifer Collier

Staff Present (via Zoom): Jim Roehner, Executive Director
 Kelly Fowler
 Zoe Wilson

Others Present (via Zoom): Jonathan N. Dilly, Swanson Bernard
 Rosemary Guillette, Segal Marco Advisors
 Patrice A. Beckham, Cavanaugh Macdonald
 Bryan Hoge, Cavanaugh Macdonald

There being a quorum present, the meeting was called to order at 4:16 p.m.

Cecelia Carter, Chairperson presiding:

Ms. Carter asked if there were any questions regarding the consent agenda items. Andrew Murphy asked Jim Roehner to review the budget report for March 31, 2023. Mr. Roehner went over the any items with a positive variance greater than (5%) and more than \$500. He responded to questions regarding the variances discussed. Mr. Roehner took note that Brian Welch asked that all future reports be changed to show negative variances greater than (5%) and more than \$500 instead of any items with a positive variance. On motion of Judy Morgan, seconded by Beverly Pratt, 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, May 1, 2023

Approval of the minutes of the Executive Committee Meeting held Wednesday, April 19, 2023

Approval of the minutes of the Special Meeting of the Board of Trustees held Tuesday, May 23, 2023

Approval of cash disbursements for the month of April 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

Approval of the Budget Variance Report for pension fund and technology for quarter ending March 31st

Ms. Carter called for the report of the Executive Director. Mr. Roehner provided his report on operational, communication, and Board issues. He updated the Board on legal activities, a claim for assets presumed abandoned with the Missouri State Treasurer Office, progress being made on the inactive non-vested members project, hiring new Benefits Data Analyst, Cierra Kelley, and both RFP's for Strategic Planning Consulting Services and Compliance Audit being sent out to prospective bidders the day after this Board meeting. He also coordinated several Board and Committee meetings regarding the KCPSRS Medical Board and the Board of Trustees sending letters of support for Senate Bill (SB) 20 and SB 75. Mr. Roehner reminded Board members to complete the Hospitality Disclosure Forms.

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

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

On motion of Andrew Murphy, seconded by Linda Watkins, the Board voted unanimously in favor to accept and file the report of the Investment Committee.

Ms. Siragusa requested Ms. Guillette review the target, current, and proposed alternative allocation mixes.

Ms. Guillette gave a general overview of the asset allocation process and differences in the three mixes Ms. Guillette answered questions regarding the differences between mixes. With no further questions, Ms. Siragusa asked for a motion to vote on the recommendation of the Investment Committee to change the Retirement System's current asset allocation to mix 1.

On motion of Ms. Pratt, seconded by Eddie Smith, the Board voted unanimously in favor of accepting the recommendation of the Investment Committee to change the Retirement System's current asset allocation to mix 1.

Ms. Carter called for the report of the Legislative and Benefits Committee.

Judy Morgan, Chairperson of the Legislative Committee, summarized the request received by the Retirement System from Kansas City Public Schools to provide letters of support for SB 20 and SB 75. Both bills increase the number of critical shortage of certified teachers with (1) the total number of retired certificated teachers not exceed thirty certificated teachers, at any one time and (2) teach full time for up to four years for a school district covered by such retirement system.

On motion of Ms. Morgan, seconded by Ms. Pratt, that the Board of Trustees provide letters of support for SB 20 and SB 75. After much discussion, the Chairperson put the motion to vote by rollcall – Trustees Morgan,

Murphy, Offield, Pratt, Siragusa, Watkins voted Aye; Trustee Welch voted Nay; and Trustees Carter and Smith Abstained. The motion failed.

Ms. Carter briefly explained the need for the resolution to remove the signature of former Board Chairperson, Horace Coleman, and replace it with Ms. Carter's signature on the Bank of America account for retiree ACH and paper check payments.

On motion of Ms. Siragusa, seconded by Ms. Morgan, the Board voted unanimously in favor of approving the Resolution: *Resolved*, that former Chairperson, Horace Coleman Jr., be removed as signatory and replaced with Cecelia Carter, Chairperson, as signatory on Bank of America account for retiree ACH and paper check payments.

Ms. Carter called on Mr. Roehner to introduce the next agenda item regarding letters drafted by the Retirement System's retained Actuary and by the Retirement System to meet the statutory requirement under RSMo 169.350: (1) The actuary shall determine the total actuarially required contribution based upon an actuarial valuation of the retirement system; and (2) the Board shall certify the employer rate. Ms. Beckham explained the methodology used as described in the letter and reasons why the employer contribution rate will remain at (12%) effective July 1, 2024 – June 30, 2025. After responding to questions, Ms. Beckham turned the discussion over to Mr. Roehner to briefly review the changes to the employer contribution rate notification letter sent annually to all participating employers.

Upon careful consideration, Ms. Siragusa motioned, Brian Welch seconded, to certify the employer contribution rate effective July 1, 2024 – June 30, 2025 to remain at 12%. The Board voted unanimously in favor to certify the employer contribution rate effective July 1, 2024 – June 30, 2025 will remain at (12%).

Ms. Carter called on Mr. Roehner for an update on the 2022 Annual Audit. Mr. Roehner summarized the impediments delaying the completion of the audit, which included (1) the cash account general ledger not reconciling with the bank statements, (2) investments recorded in BNY Mellon not tying to the general ledger and needed to be mapped appropriately to the financials, and (3) employer contributions not reconciling with the general ledger. Mr. Roehner recommended the Retirement System hire the auditor's affiliate, CBIZ – a third-party accounting firm, to help close the 2022 books and assist staff investigate the root cause of the variance in the financials.

On motion of Ms. Siragusa, seconded by Ms. Morgan, the Board voted unanimously in favor of authorizing the Executive Director to engage the services of a third-party accounting firm to close the 2022 books at a cost not to exceed \$15,000 without Executive Committee approval.

Mr. Roehner also extended the deadline of June 30 with the Missouri State Auditor and the Joint Committee on Public Employee Retirement for submitting KCPSRS Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. He also applied for an application deadline extension for the GFOA Certificate of Achievement for Excellence in Financial Reporting Award Program (COA). The COA extension request for KCPSRS was approved and extended to July 31, 2023. KCPSRS is eligible for five more one month extensions, as needed.

Report of Chairperson

Ms. Carter recommended that the Trustees register for the MAPERS conference in July.

Ms. Carter relayed the request of Ms. Kendrix to have a discussion on Board roles and responsibilities. Ms. Carter informed the Board, given the complexity of the discussion, in order to give it just attention, there will be a Board educational session (via Zoom) over the summer to address this request. Mr. Dilly will facilitate the discussion.

Ms. Carter requested that the 2023 Board Technical Vendor Review be added to the September agenda to review the actuarial and investment consulting services.

Other Business

Mr. Roehner briefly touched on the agenda items listed under other business.

Ms. Carter recommended the Board move into a closed meeting pursuant to RSMo 610.021 (1) & (3).

On motion of Dr. Smith, seconded by Mr. Murphy, Ms. Carter asked Mr. Roehner to conduct a roll call vote to move the meeting into closed session with Trustees Carter, Morgan, Murphy, Offield, Pratt, Siragusa, Smith, Watkins, and Welch voting in favor to go into closed session at 6:37 p.m. The Board of Trustees came out of closed session at 7:20 p.m. and the meeting returned to an open session.

The meeting was adjourned by common consent at 7:21 p.m.

Respectfully submitted,

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

Jim Roehner, Executive Director