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MINUTES OF MEETING

Monday, June 3, 2024

The Board of Trustees of the Kansas City Public School Retirement System met in REGULAR SESSION on Monday, June 3, 2024, 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 (Joined 4:20 p.m., left 4:55 p.m., rejoined 5:18 p.m.)
Jamekia Kendrix
Judy Morgan
Andrew Murphy (Left 5:30 p.m.)
Roger Offield (Joined 4:11 p.m.)
Beverly Pratt
Debbie Siragusa
Eddie Smith
Brian Welch

Members Absent: Jennifer Collier
Linda Watkins

Staff Present: Laura Oswald, Senior Staff
Zoe Wilson, Business Communications Specialist
Tyler Walock, Fiscal Accountant (Left 5:32 p.m.)

Others Present: Jonathan N. Dilly, Swanson Bernard
Rosemary Guillette, Segal Marco Advisors
Patricia Beckham, Cavanaugh Macdonald Consulting (Left 6:05 p.m.)
Brian Hoge, Cavanaugh Macdonald Consulting (Left 6:05 p.m.)
Megan E. Skiles, Cavanaugh Macdonald Consulting (Left 6:05 p.m.)

There being a quorum present, the meeting was called to order at 4:08 p.m.

Cecelia Carter, Chairperson, presiding:

A roll call was requested by chairperson Carter, completed by Laura Oswald.

Chairperson Carter asked if there were any questions or changes that needed to be made regarding the agenda. With none to be made, on the motion of Trustee Siragusa, seconded by Trustee Kendrix, the Board voted unanimously to adopt the agenda. Trustee Siragusa made a motion to approve the consent agenda. Trustee Morgan requested an amendment to the 2024 Budget concerning Professional fees be presented during the September Board Meeting. On motion of Ms. Siragusa seconded by Trustee Smith, the motion to approve the consent agenda was unanimously approved by all Trustees present at the meeting.

Audit Committee Chair Welch summarized the Committee's review of the Audit Report on the Financial Statements for the years ended December 31, 2023 and 2022. The Auditor's Report gave a clean opinion of the Financial Statements. Trustee Welch indicated he will complete his review of the Audit Report soon and communicate with our auditors of any minor wording changes that he may have. Trustee Kendrix made a motion to accept the audit report as presented pending any minor wording changes by Trustee Welch. This motion was seconded by Trustee Morgan and approved unanimously by all trustees present at the meeting.

Chairperson Carter requested that the Cavanaugh Macdonald Consulting representatives present the 1/1/2024 actuarial valuation. Ms. Beckham, Mr. Hoge, and Ms. Skiles gave a thorough overview of the 2024 valuation results for KCPSRS. Ms. Beckham noted the unfunded actuarial accrued liability showed a slight decrease of \$3.8M in this valuation, and the actuarial funded ratio is 69.1% up from last year's 68.4%. Ms. Beckham reported the actuarial required contribution rate of 17.85%, down from last year's 18.25%. She reported increases in payroll growth, increases in contributions due to higher than expected number of active members, coupled with actual salary increases and decrease in liability experience with more than expected terminations of non-vested members were the largest drivers of the change in the rate. She provided details of the employer contribution rate per Missouri law. Ms. Beckham noted the contribution rate for employers will remain 12.0% effective July 1, 2025 to June 30, 2026. 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 2041 compared to 2043 in last year's valuation.

Trustee Kendrix and Trustee Morgan asked the consultants additional questions concerning the actuary process and the System's valuation results. Chairperson Carter requested to schedule a separate time in the near future to address follow up questions educating trustees on the actuary valuation process in general and our valuation report.

Trustee Siragusa made a motion to receive and file the actuarial report, seconded by Trustee Welch, and approved unanimously by all trustees present at the meeting.

Trustee Siragusa made a motion to certify the employer contribution rate of 12% for the 2025/2026 school year, seconded by Trustee Welch, and approved unanimously by all trustees present at the meeting.

Investment Committee Chair Siragusa, and Rosemary Guillette, of Segal Marco Advisors, provided a recap of the Investment Committee meeting held at 3:00 p.m. on June 3, 2024. Ms. Guillette provided an overview of KCPSRS's money manager performance for the first quarter 2024. Ms. Guillette reminded the Board of the upcoming trustee educational session to be held Monday, June 17, 2024 that will include several of our Equity and Fixed Income investment managers. She also noted the next scheduled educational session with our Real Estate investment managers will be held in mid-July and the final educational session with our Alternative investment managers will be held during the fall.

Trustee Morgan, on behalf of the Policy and Evaluation Committee, provided the board with an overview of the proposed policy and changes that were made during the Policy and Evaluation Committee meeting held at 1:00 p.m. on May 30, 2024. Trustee Siragusa motioned to adopt the proposed policy pending legal approval, this motion was seconded by Trustee Pratt and approved unanimously by all trustees presents.

Ms. Oswald provided the board with the staff report providing information on administrative activities, including audit, legal, and operational issues.

Trustee Kendrix inquired to review copies of the minutes for any closed Committee and Board meetings held during 2024 for the Board's approval. After discussion, it was noted that the minutes for the closed meetings held during 2024 will be included during the September Regular Board Meeting to review and approve.

On motion of Trustee Siragusa, seconded by Trustee Welch, Chairperson Carter asked Ms. Oswald to conduct a roll call vote to move the meeting into closed session. All committee members voted in favor of going into closed session at 6:25 p.m.

On the motion of trustee Kendrix, seconded by Trustee Smith and approved by all committee members via a roll call, the Committee came out of closed session at 6:43 p.m.

Without any further discussion, the Committee adjourned by common consent at 6:44 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Laura J. Oswald".

Laura Oswald, Senior Staff