

**MINUTES
KANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

May 16, 2025

The meeting of the Board of Trustees was called to order by Chairperson James Zakoura, at 9:46 a.m., on May 16, 2025, in the Retirement System Board Room, Topeka, Kansas.

Board members present: James Zakoura, Chairperson
 Ernie Claudel, Vice-Chairperson
 Steven Johnson
 Brad Stratton
 Rich Proehl
 Ryan Trader
 Sam Williams
 Jo Yun

Board members absent: Emily Hill

Chairperson Zakoura welcomed Trustee-Elect Chris Huntsman, KPERS Retiree Ruth Goff, and Jason Alatidd, Statehouse Reporter. Chairperson Zakoura also welcome guests via Zoom: Representative Nick Hoheisel, Senator Brenda Dietrich, Steven Wu, Legislative Research Department, Eileen Ma, Revisor of Statutes Office, and all other participants.

Public Comments

There were no public comments.

Consent Agenda

The consent agenda included the approval of the March 28, 2025, meeting minutes and the appointment of a hearing officer for Randy Rockhold and Kelly Owens.

Chairperson Zakoura moved that the Board of Trustees adopt the consent agenda. Trustee Claudel seconded the motion. The motion carried.

Approval of Election Results for Elected Trustees

Chairperson Zakoura recognized Trustee Yun, Audit Committee Chairperson. Trustee Yun stated that the Audit Committee met on Thursday, May 15, 2025, to review the Board of Trustees Election for 2025.

Trustee Yun introduced Emily Wilson, Communication Officer. Ms. Wilson provided a report on the recent Board election process and results, including member voting options, the selection of Ryan Trader as the non-school elected Trustee and the election of Chris Huntsman, school elected Trustee. Ms. Wilson provided an overview of the certification process and responded to questions.

Trustee Yun moved that the Board of Trustees accept the Internal Audit Report on the 2025 Board election process as recommended by the Audit Committee. Trustee Williams seconded the motion. The motion carried.

Trustee Yun moved that the Board accept the KPERS Internal Audit Report on the Board election as recommended by the Audit Committee and the election results as certified by the Board Election Oversight Committee and declare that Ryan Trader is elected to the non-school position and Chris Huntsman is elected to the school position and that both individuals serve a four-term beginning on July 1, 2025. Trustee Williams seconded the motion. The motion carried.

Executive Director's Report

Chairperson Zakoura recognized Alan Conroy, Executive Director. Mr. Conroy reported on recent agency activities including:

Benefits and Member Services InfoLine staff provided support to members with questions about the Board election, including how to access the web portal and use the phone voting system or request a paper ballot.

The Training and Education Team hosted in-person spring pre-retirement sessions at 20 different locations across the state.

The Employer Auditing Unit completed 11 employer audits since the March Board meeting, bringing the total to 77 for FY 2025. The Employer Auditing Unit is also working with Internal Audit to gather information requested by Moss Adams from the 69 employers chosen for the Fiscal Year 2025 GASB 68 audit.

The Employer Reporting Unit handled over 4,000 calls and emails from employers since March 1, 2025. In addition, the Unit distributed about 4,500 letters to employers on various topics.

The Information Technology team has been working on modernization, the data needs for the building remodel, and wrapping up the KITS platform upgrade. Since March, the IT Helpdesk received 297 tickets.

The IT staff is working with Genus Technologies to extract test images from the Sagitec platform and move them to the Tegrity product, Arrivos. Staff finalized a scope of work with Genus Technologies to develop a testing environment for this work and test new application capabilities and scanning.

The Information Technology staff is wrapping up on Phase 2 of the .org to .gov conversion, including new email addresses for the remainder of KPERS staff. This is being tested now and will launch in June.

Investment staff negotiated an investment management agreement and funded the new international equity investment manager, as was previously approved by the Board. Assets from the terminated international equity manager were used to fund the new portfolio, which is now fully invested. A portion of the assets from the legacy manager were used to rebalance toward the interim targets for U.S. and International Equity.

Investments staff conducted private equity due diligence meetings and real assets due diligence meetings and have been working with The Townsend Group on an infrastructure

investment recommendation. Staff held review meetings and attended quarterly meetings with several private markets investment managers.

The Planning and Research staff worked to finalize our legislative documentation. Staff has been involved with the planning for changes to KPERS processes and to the pension administration system related to the changes in the child support payment that was passed by the 2025 Legislature. Staff responded to questions about legislative changes to the National Association of State Retirement Administrators and member requests about the Legislature, primarily around cost-of-living adjustments.

The first design iteration of the new pension administration system focused on Member Information and Beneficiary screens. Initial design is complete and user acceptance testing is currently underway. The KAPS team will establish the design for setting up and maintaining information about our participating employers as well as the employer contribution reporting process.

The KPERS 457 team has added six local government plans, including City of Marysville, Riley County Conservation District, Jefferson County, City of Riley, Salina Public Library, and City of Americus. The KPERS 401(a) also added two new plans – City of Liberal 401(a) and Fairmount Township Fire Department. This brings the total number of joinders to 14 for the calendar year. Empower will work with those employers to enroll new participants and post their deferrals.

The Communications Team partnered with Benefits and Member Services to conduct and plan various seminars and webinars, including spring pre-retirement seminars, the April 11, 2025, meeting of the Employer Advisory Group and planning of the November 2025 Employer Conference.

Staff also finalized printing and mailing of annual statements in late April. Disability statements (1,430 total) were mailed on April 30, 2025, and Inactive statements (54,815 total) were mailed on May 2, 2025. KPERS delivered all electronic active member statements (156,549 total) by April 18, 2025. Employers that requested paper statements (about 100 employers, totaling 3,902 statements) also received their statements. Overall, KPERS distributed about 213,000 annual statements for CY 2024.

KPERS recognized the agency's staff during Public Service Recognition Week, May 5-9, 2025, along with Governor Kelly's proclamation. In their honor, agency staff were treated to a Cashmere popcorn bar and small succulent plants with an appreciation note.

Mr. Conroy reviewed the proposed Board Meeting dates for Fiscal Year 2026 (July 1, 2025 – June 30, 2026), which will be finalized at the July Board meeting, and responded to questions.

Vice-Chairperson Paul “Ernie” Claudel Farewell

Chairperson James Zakoura and Alan Conroy, Executive Director made a presentation to Vice-Chairperson Claudel as this will be his last meeting as a KPERS Trustee.

Mr. Conroy honored Vice-Chairperson Claudel for his 12 years of service on the Board of Trustees, a year as Vice-Chairperson of the Board, and as Chairperson of the Personnel Committee for nine years. Vice-Chairperson Claudel achieved perfect attendance during his

years of service, as he attended 84 Board meetings, along with several special session meetings. Vice-Chairperson Claudel made or seconded 607 motions and approved funding of investing over \$10.3 billion and €110 million. The Trust Fund has more than doubled from \$13 billion to approximately \$28 billion in the last 12 years. KPERS unfunded actuarial liability decreased by about \$1.4 billion since 2012. The funded ratio for schools increased from 49 percent to 75 percent. During his tenure membership has grown from 272, 000 to 350,000 members.

Mr. Conroy thanked Vice-Chairperson Claudel who has served the Board of Trustees with dedication, distinction and honor.

On behalf of the Board, Chairperson Zakoura presented Vice-Chairperson Claudel with a plaque to honor his 12 years of service on the Board of Trustees. Chairperson Zakoura congratulated Vice-Chairperson Claudel for his outstanding service as a fiduciary on behalf of the retirees, beneficiaries, and members he has served while on the Board of Trustees.

Chairperson Zakoura recognized Trustee-Elect Chris Huntsman. Ms. Huntsman thanked Vice Chairperson Claudel for his years of dedicated service on the Board of Trustees.

Investment Operations Report

Chairperson Zakoura recognized Michael Cumming, Deputy Chief Investment Officer for Public Markets. Mr. Cumming reviewed the March 31, 2025, Investment Performance Report. He reported that the Retirement System's investment portfolio experienced a total return of 0.2% for the quarter, 3.8% for the fiscal year to date (not annualized), 5.5% for the trailing one year, 4.3% for the trailing three years, 10.1% for the trailing five years, and 7.1% for the trailing ten years ending March 31, 2025. Mr. Cumming reported that the System's average annualized total return exceeded that of the Policy Index benchmark for all reported time periods three years and longer. Mr. Cumming also reported on the performance of the System's International Equity investment managers.

Daniel Wadsworth, Investment Officer for Public Markets, reported on the performance of the System's non-core fixed income investment managers along with the public real assets REIT manager. Kyle Grimes, Assistant Investment Officer for Public Markets, reported on the performance of the System's core fixed income and passive Domestic Equity investment managers and responded to questions from the Board.

Chairperson Zakoura recognized Aysun Kilic, Meketa Investment Group. Ms. Kilic reviewed the organization's Investment Market Risk Metrics Report and responded to questions.

Investment Committee Report

Brad Stratton, Vice-Chairperson of the Investment Committee, reported on the Investment Committee's meeting on Thursday, May 15, 2025, and responded to questions.

Vice-Chairperson Stratton moved that the Board of Trustees approve a commitment of up to \$110 million to JMI Equity Fund XII-A, L.P. and authorize staff to proceed with the investment pending a satisfactory and final legal review of corresponding partnership documents. Trustee Williams seconded the motion. The motion carried.

Vice-Chairperson Stratton moved that the Board of Trustees approve a commitment of up to \$110 million to TPG Partners X, L.P. and authorize staff to proceed with the investment pending a satisfactory and final legal review of corresponding partnership documents. Trustee Trader seconded the motion. The motion carried.

Vice-Chairperson Stratton moved that the Board of Trustees approve an additional commitment of up to \$140 million to Brookfield Super-Core Infrastructure Partners L.P. and to authorize staff to proceed with the investment pending a satisfactory and final legal review of corresponding partnership documents. Trustee Claudel seconded the motion. The motion carried.

Deferred Compensation Committee Report

Chairperson Zakoura recognized Ryan Trader, Chairperson of the Deferred Compensation Committee. The Deferred Compensation Committee met on Thursday, May 15, 2025. Chairperson Trader provided a report and responded to questions.

Personnel Committee

Chairperson Zakoura recognized Ernie Claudel, Chairperson of the Personnel Committee. The Personnel Committee met on Friday, May 16, 2025. Chairperson Claudel provided a report and responded to questions.

Chairperson Claudel moved the Board of Trustees authorize the Executive Director to implement Fiscal Year 2026 pay plan legislation, and to provide performance-based merit adjustments for high performing employees within the minimum and maximum of the assigned pay grade. Trustee Yun seconded the motion. The motion carried.

Vice-Chairperson Claudel thanked the Board of Trustees and the KPERS staff for their service during his 12 years on the Board. He stated that it was an honor to serve the on the Board and as Chairperson of the Personnel Committee.

Consideration of Contract Extension of Actuarial Consulting Services

Chairperson Zakoura recognized Jarod Waltner, Planning and Research Officer. Mr. Waltner reviewed the information regarding the contract extension of Actuarial Consulting Services with CavMac and responded to questions.

Trustee Stratton moved that the Board direct staff to negotiate a three-year extension of the consulting actuary contract with CavMac for actuarial services on behalf of KPERS' pension plans, ending July 31, 2028. Trustee Claudel seconded the motion. The motion carried.

Interim Joint Committee on Pensions, Investments and Benefits

Chairperson Zakoura recognized Jarod Waltner. Mr. Waltner stated the Legislative Coordinating Council has approved two days of meetings for the Joint Committee on Pensions, Investments and Benefits. Mr. Waltner reviewed the subject matters that may be discussed during the Interim Committee. The Chairperson is Representative Nick Hoheisel, who will set the meeting dates, which are usually in November or December.

Fall 2024 Active Member Survey Overview

Chairperson Zakoura recognized Emily Wilson, Communications Officer. Ms. Wilson provided an overview of the Fall 2024 Member Survey results. Ms. Wilson presented several results. There were 1,981 members that responded, of which 45 percent were KPERS 1 members and 35 percent were KPERS 3 members. Forty percent were school members, and 46 percent were pre-retirement age. The members who source for specific information, 35 percent were very likely to call KPERS directly, 51 percent were very likely to visit kspers.gov., and 58 percent use the online web portal accounts.

Seventy percent reported kspers.gov met their needs completely or most of the time, 77 percent reported that information is easy to find or somewhat easy to find, 93 percent reported that they can count on the information they see on kspers.gov, 65 percent agreed or strongly agreed that content on kspers.gov is easy to understand; 58 percent would be likely or very likely to submit their retirement application online if it were available, 66 percent looked at their annual statement in 2024, and 69 percent logged in to their online account in 2024. Ms. Wilson responded to questions.

Retirement System Operations

Chairperson Zakoura recognized Dirk Camilletti, Chief Benefits Officer. Mr. Camilletti reviewed the monthly operations report of the Benefits and Member Services Division's performance. Mr. Camilletti responded to questions.

Chairperson Zakoura recognized Kris Holm, Chief Fiscal Officer. Mr. Holm reviewed the monthly financial report and responded to questions.

Overview of Recent Plan Design Changes in Other Public Pension Plans

Chairperson Zakoura recognized Jarod Waltner, Planning and Research Officer. Mr. Waltner presented an overview of the recent plan design changes in other Public Pension Plans. Mr. Waltner stated that since the 2010's states are increasingly implementing other plan designs including Defined Contribution, (fixed employer/employee contributions), Cash Balance, (defined benefit with defined contribution elements), Hybrid (benefits is partially defined benefits and partially defined contributions). Mr. Waltner responded to questions.

Significant State Pension Litigation 2024-2025

Chairperson Zakoura recognized Laurie McKinnon, General Counsel. Ms. McKinnon presented an overview of the Significant State Pension Litigation for 2024-2025 and responded to questions.

Review of Initial Order

Chairperson Zakoura recognized Kathleen Billings, Staff Attorney. Ms. Billings reviewed the Initial Order regarding the appeal of Elizabeth Dongoski and Amanda Mills and responded to questions.

Trustee Zakoura moved the Board inform the Executive Director of its decision to accept the Presiding Officer's Initial Order of the Elizabeth Dongoski appeal and delegate to the Executive Director the authority to draft a Final Order containing the Board's decision, thereafter, to be

approved and signed by the Chairperson and to be served on the parties by the Executive Director in accordance with the provisions of the Kansas Administrative Procedure Act. Trustee Johnson seconded the motion. The motion carried.

Trustee Zakoura moved the Board inform the Executive Director of its decision to remand the Presiding Officer's Initial Order of the Amanda Mills appeal and delegate to the Executive Director the authority to draft a Final Order containing the Board's decision, thereafter, to be approved and signed by the Chairperson and to be served on the parties by the Executive Director in accordance with the provisions of the Kansas Administrative Procedure Act. Trustee Williams seconded the motion. The motion carried.

Other Business

Chairperson Zakoura recognized Alan Conroy, Executive Director. Mr. Conroy stated the Fiscal Year 2026 Board of Trustee tentative meeting dates are available on the desks of the Board members to review. Mr. Conroy stated the official action to set the meeting dates is required by statute to take place at the next Board meeting which will be held on July 25, 2025.

Trustee Yun inquired about the July 25, Board meeting regarding the voting for Board Chairperson and Vice-Chairperson. Mr. Conroy stated that no procedural changes were approved by the Board.

No other business was discussed.

Informational Items

Chairperson Zakoura called the Board's attention to the informational items behind Tab N in the Board book.

Board Self Evaluation

There was no further discussion.

Meeting Adjourned

Trustee Stratton moved that the Board of Trustees adjourn the meeting at 1:19 p.m. Trustee Trader seconded the motion. The motion carried.