



**WICHITA EMPLOYEES' RETIREMENT SYSTEM
REGULAR BOARD MEETING MINUTES
May 17, 2023**

Present: Carla Burgardt® Arlen Hamilton
Joni Chamberlain® Shelly Hammond®
Stephen Coberley® Terry Jones
Mark Elder Mark Manning®
Elizabeth Goltry Wadle Jay Newton, III®
Mark Hall Sean Seamster®
Heather St. Pierre

Also Present: Pam Beim (Pension Manager)
Amy Butcher (Administrative Assistant)®
Andrew Cohen (Cheiron Representative)®
Janet Cranna (Cheiron Representative)
KayLynn Gonzalez (Senior Financial Management Analyst)®
Michelle Haun (Administrative Assistant)
Jake Libauskas (Cheiron Representative)
Brian McLeod (Legal Counsel)
Mandi Sleiter (Senior Financial Management Analyst)
LaTonya Williams (Assistant Pension Manager)

Absent: Mike Hastings William Perkins
Jeff Kennedy

Members Leaving Prior to Adjournment: None

®Denotes remote meeting attendance.

No Vacancy

President Hall called the regular meeting of the Wichita Employees' Retirement Board to order at 9:01a.m. in the First Floor Board Room, City Hall. *Access information for remote attendance through Microsoft Teams was issued Wednesday, May 9, 2023; there were no public requests to attend. Attendees were reminded of remote meeting protocol.*

1. PRESENTATION BY CHEIRON (Janet Cranna/Jake Libauskas)

Wichita Employees' Retirement System Actuarial Valuation as of December 31, 2022 Produced by Cheiron May 2023, marked **EXHIBIT A**; and Actuarial Valuation Results as of December 31, 2022, marked **EXHIBIT B**.

Cheiron representatives, Cranna and Libauskas, summarized the annual actuarial valuation for the Retirement System for year ended December 31, 2022. Cranna stated that the funded ratio decreased from 93.6% to 90.3%, primarily due to the investment losses for the year. Libauskas informed the Board that City Council approved the increased actuarial required contribution rate of 15.2% for 2024 from the current rate of 13.0%. Cranna also informed the Board of the Actuarial Standard of Practice changes of reporting the low default risk obligation measure (LDROM). The difference from LDROM and actuarial liability could be viewed as the expected reduction in taxpayer's cost by investing in a diversified portfolio for more return than holding a bond until maturity OR the expected cost of eliminating investment risk by investing in bonds held until maturity. Cheiron expects to include the disclosure in next year's report.

Hamilton arrived at 9:08 a.m.

Goltry moved, seconded by Elder to receive and file.

2. MINUTES of the Ad Hoc meeting held April 19, 2023 and regular meeting held on April 19, 2023, both marked **EXHIBIT C**.

Seamster moved, seconded by Burgardt to approve, and authorize distribution of MINUTES for the Ad Hoc meeting and the regular Board meeting held April 19, 2023, as submitted.

3. FINANCIAL REPORTS/INVESTMENT REPORTS

- a. Quarterly Financial Report for the Quarter and Year Ended December 31, 2022, prepared and reviewed by Senior Financial Management Analysts KayLynn Gonzalez and Mandi Sleiter, respectively, marked **EXHIBIT D**.

Sleiter reported a total net loss of \$222.4 million for the year. Overall, the net position of the WRS' Fund decreased by 17.68% for the year ended December 31, 2022.

- b. Report of the Joint Investment Committee from the regular meetings held May 4, 2023 (MINUTES are distributed to all Board members following Committee approval).

Beim summarized topics addressed by the Joint Investment Committee on May 4, 2023. For details, MINUTES from the meeting will be distributed to all Board members following Committee's review and approval.

Goltry moved, seconded by Jones to receive and file Items 3a-3b.

4. SECRETARY'S REPORT/READING OF COMMUNICATIONS

For detailed information, see Wichita Employees' Retirement System Secretary's Report/Reading of Communications May 2023, marked **EXHIBIT E**.

- a. **Service Retirement:**
Brian K. Gunter (Park)
- b. **Completion of Deferred Retirement Option Plan (DROP):**
1.) Geoffrey W. Mechem (PW)
2.) Christopher G. Nickel (PW)
3.) Melinda A. Walker (FN)
- c. **Termination of Deferred Retirement Option Plan (DROP):**
Verl L. Niedens (FN)
- d. **Death of Pensioner:**
1.) Daniel D. Bader (IT)
2.) Nancy A. Murdock (Housing)
- e. **Death of Widow Pensioner:**
Nancy A. Murdock (MACD)

Moved by Elder, seconded by Goltry to receive and file Items 4a-4e.

- f. **Application for Non- Service-Connected Disability:**
Christin M. Price (MC)

The following information was previously distributed to Disability Screening Committee members, Staff, the applicant, and electronically to remaining Board members: *Disability Benefit Application* dated May 3, 2023; *Disability Physician's Statement* from Dr. Truong, MD with accompanying medical documentation; *Disability Physician's Statement* from Mary Gonzales, APRN; and *Medical Summary – Christin Price (medical records provided electronically in lieu of paper form)*. See MINUTES of the Disability Screening Committee meeting held May 9, 2023, marked **EXHIBIT F**.

4. SECRETARY'S REPORT/READING OF COMMUNICATIONS (CONT.)

f. **Application for Non- Service-Connected Disability (cont.):**

Christin M. Price (MC)

Beim provided the Applicant an opportunity to address the Board and discuss her claim for disability retirement. Ms Price informed the Board that she was diagnosed with stage 4 colon cancer that has metastasized to her liver, lungs, and tail bone. Chemotherapy began at the time of diagnosis and continues on an every other week basis. She added that the tumors on her liver have been reduced but the chemotherapy has awful side effects including, extreme fatigue, neuropathy in her hands, nausea, upset stomach, cold and flu symptoms, fever, etc.

Price explained that her cancer is incurable, and her doctor indicated that she could live for an estimated 2 to 4 years. She added that she may go into remission but expects to be on chemotherapy for the rest of her life.

On motion by Burgardt, seconded by Seamster, IT WAS UNANIMOUSLY VOTED to approve the application for Non-Service-Connected Disability Retirement from Christin Price, and adopt Findings of Fact provided by Legal Counsel; receive and file Item 4f.

Hammond left the meeting at 9:57a.m.

5. UNFINISHED BUSINESS

Vitech Migration Assessment Update.

Beim informed the Board that Vitech's proposal came in under \$4 million, which is better than expected; however, the proposal was just received and additional review is necessary prior to providing a recommendation to each Retirement Board.

Moved by Elder, seconded by St. Pierre to receive and file Item 5.

6. NEW BUSINESS

- a. Disability Screening Committee's annual review, see WICHITA EMPLOYEES' RETIREMENT SYSTEM DISABILITY RETIREES-LIMITED LISTING AS OF DECEMBER 31, 2022 (Only Those Required to Submit Annual Tax Returns), marked **EXHIBIT G**; and Disability Screening Committee meeting MINUTES dated May 9, 2023, marked **EXHIBIT F**.

Beim reported Staff's issuance of request letters for required tax documentation from two disability pensioners. Both pensioners submitted the requested information in a timely manner, and it is the recommendation of the Disability Screening Committee to take no action at this time.

Moved by Elder, seconded by Goltry to receive and file Item 6a.

- b. Report receipt of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Presented to Wichita Retirement Systems Kansas for Fiscal Year Ended December 31, 2021, marked **EXHIBIT H**.

Beim was pleased to announce that the Wichita Retirement Systems received its 23rd consecutive award from the Government Finance Officers Association (GFOA) of the United States and Canada award of Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report for fiscal year ended December 31, 2021. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting and its attainment represents a significant accomplishment by a government and its management. Beim highlighted this was the second time of "No Comments" from GFOA on the report for the Retirement Systems which is a very rare occurrence.

Off Agenda Item – BPAS/NRS Update

Beim informed the Board that there is no “wobble room” regarding the December 31, 2023 deadline. She was able to confirm that there would be no revenue sharing funds and that we would be able to keep State Street Target Date funds. They would offer education services for Plan 3B participants. They provided a proposal of \$85k per year and that they would want to be the Recordkeeper, Trustee, Custodian and third party administrator. Callan would remain as the investment consultant and the City would remain as the Plan administrator. There will be follow up Ad Hoc meeting to review the fund line ups and Plan governance. Upon Ad Hoc Committee completion, the Board will review their proposed recommendations.


Moved by Goltry, seconded by Elder to receive and file Items 6b and off agenda item.

IT WAS UNANIMOUSLY VOTED by roll call to approve all actions and motions on items addressed at this meeting; receive and file Items 1, 2, 3a-3b, 4a-4f, 5, 6a-6b and off agenda item.

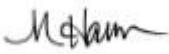
STATUS ON OUTSTANDING ISSUES	
<p>1</p> <p>Managers on Watch List:</p>	<p><u>Brandes</u> (Date of official placement: January 9, 2020; Extended January 7, 2021 and December 2, 2021)</p> <p><u>UBS Trumbull Property Fund</u> (Date of official placement: January 9, 2020; Extended January 7, 2021 and December 2, 2021)</p>
<p>2</p> <p>Optional Reversionary Annuity Provisions:</p>	<p>Review process initiated April 15, 2015; referred to Joint Ad Hoc Committee, and subsequently reviewed by actuary. Deferred by Board April 20, 2016 pending clarity regarding State Worker’s Compensation offset provisions. Ordinance revisions were finalized upon resolution of offset provisions, and approved by the Board July 13, 2016 for submission to City Council.</p>

The meeting adjourned at 10:16 p.m.

The next regular meeting of the Wichita Employees’ Retirement Board is scheduled June 28, 2023.

Approved: 

(Pension Manager)

Prepared By: 

(Administrative Assistant)