



CHILDREN'S SERVICES FUND
OF JACKSON COUNTY

Board of Directors Meeting Minutes

Thursday, January 16, 2020 - 2:30 p.m.
Penntower Office Center
3100 Broadway Boulevard, Kansas City, Missouri

Board Members Present:

Jovanna Rohs, Ph. D (Chair)
Ann Mesle (Vice Chair)
Brian Kaberline (Secretary)
Robert Bartman, Ed.D
Anthony Mondaine
Jessica Ramirez

Guests, Affiliations:

Brandi Bair, Hope House
Angie Blumel, Jackson County CASA
Lynn Durbin, Steppingstone
Barb Friedmann, Community Volunteer
Justin Horton, Cornerstones of Care
Casey Thomas, the Family Conservancy

Board Members Absent:

Rhonda Holman
Marietta Parker
Rachelle Styles (Treasurer)

Staff Present

Rob Whitten (Executive Director)
Seth Baker
Sue Richter, Recording
Katherine Rivard
Moji Shogbamimu

- I. Call to Order Jovanna Rohs
The Children's Services Fund of Jackson County (CSF) meeting was called to order at 2:30 p.m.

- II. Roll Call and Guest Introductions Sue Richter/Guests
Roll call of the Board Members was taken, and each guest was invited to introduce themselves.

- III. Review and Approval of November 21, 2019 Meeting Minutes Action Required

Board Members were asked for any comments regarding their review of the minutes that had been circulated in the Board packet prior to the meeting. There were no comments forthcoming.

A motion to approve the minutes, as presented, was made.

First: Ann Mesle

Second: Robert Bartman

Motion: Approved

IV. Review of Proposed Agenda

Jovanna Rohs

The Board reviewed and had no comments to the proposed agenda.

V. Board Education-Missouri LAGERS (Local Government Employees Retirement System)
Presenter: Jeff Pabst, LAGERS Education & Outreach Coordinator

The purpose of the presentation was to provide an overview regarding the LAGERS system. LAGERS is a service-based plan designed to attract and retain quality employees by incentivizing them to stay. Benefits get larger for every month worked and provides a dignified exit when employees are ready to retire.

The presentation provided an overview of the following types of selections that would need to be determined prior to enrollment:

- One-time Elections – the following elections cannot be changed in order to participate in the LAGERS system.
Termination of coverage - When an entity joins the system, they cannot terminate coverage. This will remain in effect unless there are no longer any full-time employees or the entity ceases to exist. Although there is not penalty should the entity cease to exist, LAGERS would attempt to settle any liability owed so that the pension plan would be fully funded.
Prior service coverage – Prior to enrollment, an employer must determine whether to cover all of an employee's service or a portion.
Annual hours – The employer must determine the annual number of hours worked by an employee in order to qualify for participation.
- Other Elections (determined at enrollment, but may be changed every two-years)
Benefit Elections – These drive the dollar amount that a member may receive from LAGERS. It is a multiplier that ranges from one to two percent.
Final Average Salary (FAS) – Employer must determine if the final average salary will be based on 36- or 60-month average salary based on 120 months from retirement date and pull the highest based on number of months selected.
Funding Elections – Employer must determine whether employees are required to contribute or not. If contribution is selected, employees must participate at four percent.
Retirement Age - Choose normal retirement ages either 60 or the rule of 80. If you start over 40 years of age or older you are not eligible to participate in the rule of 80.

Additional information and in responses to questions the following was provided:

How is disability retirement handled? - When someone goes out on disability retirement, service credit is extended to the employee. All employers pay into a

casualty reserve fund. This prevents the responsibility for the total liability from a single employer and is absorbed and spread among the 700+ LAGERS subdivisions from this reserve fund.

Who carries the risk of investment? – LAGERS is a defined benefit plan with risk on investment belonging to the employer versus a defined contribution plan where the investment risk is on the employee. Each year (February-to-February) a recalculation of employer contribution rates is conducted by the actuaries at LAGERS to maintain a 7.25% return. Should the return trend up, employers see the advantage of that and get downward pressure for their contribution rates, with the opposite occurring for a downturn. Missouri statute limits employer contribution rates. The statute states that the increase cannot be more than a one percent payroll increase. Additionally, actuarial smoothing also provides protection by taking all investment returns in excess above or below the 7.25% return assumption and smooths it over a five-year period. This is done to provide more stability for the fund.

What are the costs? – The tables provided in the LAGERS document distributed in the November board packet outlines the cost to CSF for either a contributory (employee contributes) or non-contributory (employee does not contribute) plan.

Unaccrued Liability – It was confirmed that the unaccrued liability for the LAGERS plan would need to be reflected in the CSF financials as a liability on the balance sheet. The fund would also have the option to pay that liability in full at the time of enrollment but is not required. However, there are other factors that could impact the CSF balance sheet such as other liabilities assessed due to actuarial gains or losses.

What are the impacts to plan participants upon hire/resignation? - A question regarding the impact to an employee who moves between two organizations both of which belong to LAGERS. As a multi-employer pension plan every employers' benefits are calculated separately. Each plan would be calculated separately and then added together for a combined benefit to the employee. The employer will only be responsible for the service benefit accrued during employment at CSF, even if hired from another LAGERS employer.

If the fund ceases to exist what are the impacts to non-vested employees? – Should the fund cease to exist, and the employee is not vested they would not be entitled to any benefit. However, should they go to work for another employer who participates, the total service years would be included towards vesting. Additionally, any employee who leaves CSF prior to vesting will receive all their contribution and an additional 0.5% interest rate.

How should CSF budget for a shortfall? – A percentage of payroll should be budgeted for the employer contribution each year. Should there be a downturn, state statute would limit any increase to no more than one percent of payroll. Actuarial smoothing would also impact the contribution rate. The statute also requires a six month notice of any change to the contribution rate for the following year.

Can the State of Missouri access LAGERS funds? – Currently LAGERS is a separate entity from the State of Missouri so there is nothing in place that would allow Missouri to access these funds. Funding comes from employers, employees where applicable and investment returns. Although unlikely, there would need to be a state statute change that requires the state plans to merge with the LAGERS plan.

The Board requested that staff come up with a recommendation at the February meeting for the Board to act on. It was also noted that an attorney with knowledge of ERISA should be consulted as a component of our due diligence on this matter.

VI. Old Business

A. Financial Report

Moji Shogbamimu

1. December Financials – It was noted that December financials were presented as incomplete pending the receipt of outstanding 2019 expense information.

The Financial Activity document for December 2019, circulated in the board packet prior to the meeting, was reviewed.

Revenues were reported as follows:

- Sales tax revenue for MTD was reported at \$1.2M, and for YTD at \$13.5M. Total revenue for MTD was reported at \$1.3M and for YTD at \$13.9M. This amount includes interest and investment income revenue.

Expenses were reported as follows:

- Payment to partners MTD was reported at \$2.6M with YTD at \$8.8M
- Total YTD Expense actuals were reported at \$9.5M against a budgeted YTD Expense of \$11.8M.

Financial Position was stated as follows:

- Current Assets (12.31.2019) - \$23.6M
- Current Liabilities (2019 Contracts) - \$2.6M
- Accrued Liabilities (2020 Contracts) - \$14.1M
- Ending Net Asset - \$6.9M

B. Children's Services Contracting

1. Update on Current Projects

Rob Whitten

It was reported that CSF had sent out 54 of the 55 contracts approved at the November meeting. The remaining contract was due to an outstanding budget issue. Of those sent for signature by partners 27 have been returned.

2. 2020 RFP Discussion

A small workgroup was convened to discuss the possibilities of the next funding round. It was suggested that following a review of the topics discussed today,

that this workgroup will reconvene and bring back a recommendation for Board action at the February meeting.

A review of the document circulated in the Board materials was reviewed regarding the 2020 RFP. This included upcoming board decision points:

- Introduction of a Letter of Intent
- Funding Parameters
- Up-Front Release of Funding

Invitation to attend the 2020 RFP information sessions will be sent to numerous organizations through a CSF internal master list, the Greater Kansas City Community Foundation organization list, and NP Connect.

C. Executive Director's Report

Rob Whitten

Behavioral Health Funders' Collaborative held two sessions around assessing network strength. A total of 13 organizations attended, seven of which receive CSF funding. A Funders' session is scheduled for February 5 to make other foundations and funding organizations aware of this effort.

Missouri Children's Service Fund Executive Director Meeting was held in December. Currently Lafayette and Boone county have openings for an Executive Director.

Other meetings attended:

- Colorado Institute for Social Impact
- First Call Technology
- Mental Health Levy & COMBAT

Audit Committee Appointment

In addition to Jovanna Rohs, Board Chair and Rachelle Styles, Board Treasurer, the following were appointed by the Board Chair to the Audit Committee:

- Robert Bartman
- Brian Kaberline
- Anthony Mondaine

[A motion was made to approve the appointments as stated above.](#)

[First: Ann Mesle](#)

[Second: Robert Bartman](#)

[Motion: Approved](#)

Personnel Handbook & Performance Evaluation Framework

A personnel handbook will be circulated prior to the next Board Meeting. During the February meeting approval for this document will be requested.

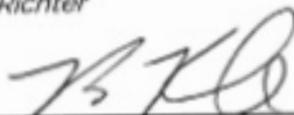
VII. Other Items

Director and Guest Comments

Angie Blumel, Jackson County CASA stated her appreciation for the survey distributed to funded organizations. She did respond to the survey and stated that her organization had three children whose lives have been changed because of CSF funding.

- VIII. Adjournment
The meeting was adjourned at 4:35 p.m.

Respectfully submitted: Sue Richter



Brian Kabertine, Secretary

Next Meeting: February 20, 2020 – Penntower Office Center, Room 130, 2:30 p.m.