

MINUTES
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
BOARD OF TRUSTEES

June 6, 2023

The meeting of the Board of Trustees was called to order by Chairperson James Zakoura at 11:00 a.m. on June 6, 2023, in the Retirement System Board Room, Topeka, Kansas.

Board members present: James Zakoura, Chairperson (Zoom)
 Ron Johnson, Vice Chairperson (Zoom)
 Ernie Claudel (Zoom)
 Steven Johnson (Zoom)
 Brad Stratton (Zoom)
 Jo Yun (Zoom)

Board members absent: Emily Hill
 Ryan Trader
 Sam Williams

Chairperson James Zakoura welcomed all participants.

Public Comments

There were no public comments.

The Selection of a Proxy Voting Services Firm

Chairperson Zakoura recognized Alan Conroy, Executive Director. Mr. Conroy stated that the selection of a proxy voting services firm will keep KPERS in compliance with HB 2100, approved by the 2023 Legislature which defines environmental, social, and governance (ESG) factors. Mr. Conroy introduced Bruce Fink, Chief Investment Officer.

Mr. Fink stated that in response to the passage of HB 2100 during the 2023 Legislative Session, the Kansas Public Employees Retirement System Board of Trustees approved the creation of a Procurement Negotiating Committee (PNC) to oversee the issuance of a Request for Proposal for Proxy Advisory Services (RFP). The PNC approved an RFP and the search was advertised in the Kansas Register and on the Retirement System's website on May 4, 2023. Responses from interested parties were due by May 25, 2023. Four firms responded to the RFP.

The PNC reviewed each firm's response to assess whether the firm had a practice of following guidelines, when voting shares or proxies that follow the System's obligation to act solely upon financial factors and not upon policy considerations that are not the express policy objectives of the System. In addition, the PNC considered the references provided by each firm, the timeline and operational steps needed to implement and maintain the service

and the estimated fees proposed by each firm. The PNC met on June 2, 2023, to evaluate the responses. Staff responded to questions.

Trustee Steven Johnson moved that the Board of Trustees authorize staff to negotiate a contract with Egan-Jones Proxy Services to provide proxy voting services to the Retirement System, for an initial term of 2 years with two, 2-year options to renew. Trustee Ernie Claudel seconded the motion. The motion carried.

Trustee Brad Stratton moved that, upon successful negotiation and execution of a contract with Egan-Jones Proxy Voting Services to provide proxy voting service, the Board of Trustees adopt the Egan-Jones Wealth Focused Principles and Guidelines as the System's policy governing proxy voting decisions for the System, effective July 1, 2023. Trustee Jo Yun seconded the motion. The motion carried.

Chairperson James Zakoura moved that the Board of Trustees rescind the proxy voting authority granted to investment managers under Section 12 of the System's Statement of Investment Policy, Objectives and Guidelines, effective July 1, 2023. Trustee Ron Johnson seconded the motion. The motion carried.

Other Business

No other business was discussed.

Board Self Evaluation

There was no further discussion.

Trustee Ernie Claudel moved that the meeting be adjourned. Chairperson James Zakoura and Trustee Ron Johnson seconded the motion. The meeting adjourned at 11:21 a.m.