

THE PUBLIC SCHOOL RETIREMENT SYSTEM

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THE SCHOOL DISTRICT OF KANSAS CITY, MO

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Thomas Mann
Executive Director

MINUTES OF MEETING

Monday, March 1, 2010

The Board of Trustees of the Public School Retirement System of the School District of Kansas City, Missouri met in REGULAR SESSION on Monday, March 1, 2009, at 4:00 p.m. in the conference room at 4600 The Paseo, Kansas City, Missouri 64110.

MEMBERS PRESENT: Horace Coleman Jr., Chairperson
C. Artris Ashley
Darwin Curls
John T. Duncan
Alexander P. Ellison
Caroline J. Helmkamp
Elizabeth Langle
Curtis L. Rogers

MEMBERS ABSENT: Clarence S. Cole
Joanne M. Collins
Dr. John W. Covington
Cheptoo Kositany-Buckner

Staff Present: Thomas Mann, Executive Director
Laura J. Oswald
Willia J. Reese

Others Present: Mark Flaherty, Esq.
Patti Haffner, Asset Consulting Group
Tracy Harris, Parish Capital Advisors, LLP
Kristie Goodman, Parish Capital Advisors, LLP
Susan L. McAndrews, Pantheon Ventures Inc.
Carol L. Foster, Pantheon Ventures Inc.

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There being a quorum present, the meeting was called to order at 4:00 p.m.

Horace Coleman, Jr., Chairperson presiding:

On motion of Mr. Ellison, seconded by Ms. Helmkamp, the Board voted unanimously to approve the following items on the consent agenda:

The minutes of the Regular Board of Trustees meeting held February 8, 2009.

The cash disbursements for month of January 2010.

The report of the Secretary submitting the names of members retiring since the last report including the dates of retirement and the retirement allowances.

The report of the Secretary submitting the names of members who have passed away since the last report.

Mr. Coleman asked for a report from the Investment Committee. Mr. Curls, Chairperson, then asked Ms. Haffner to update the Board on the issues discussed at the Investment Committee meeting held on Monday, February 22, 2010. Ms. Haffner summarized the portfolio performance for the calendar year for the Board. She then briefed the Board on the ownership issues that had unfolded over the last month involving Pantheon Ventures and Parish Capital, the two private equity managers under contract with the System.

Ms. Haffner explained that Parish had alerted the System that Mr. Wendell McCain was no longer affiliated with Parish Capital effective immediately and had not been very forthcoming in its explanation of the situation nor the cause of the action. She detailed the ownership of the firm noting that Mr. McCain was one of three key individuals identified in the Limited Partnership agreement with Parish and his leaving was cause for concern. She also informed the Board that Pantheon had been sold by Russell Investments to the public holding company AMG. She indicated that it was very timely that both firms were presenting at this meeting.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted unanimously to receive and file the Investment Committee report from Ms. Patti Haffner, Asset Consulting Group.

Mr. Coleman introduced Ms. Tracy Harris and Ms. Kristie Goodman of Parish Capital and asked them to present the latest investment performance report and to enlighten the Board on the ownership issues that had presented themselves prior to the meeting. Ms. Harris apologized for absence of James Mason, a partner in the firm, who was scheduled to appear and tried to assure the Board that the firm was functioning well in spite of the turmoil of the ownership change. After considerable discussion Ms. Harris made it clear that the remaining partners would be able to address all of the Board concerns once the departure had been resolved.

On motion of Mr. Rogers, seconded by Mr. Duncan, the Board voted unanimously to receive and file the report of Parish Capital Advisors, LLP.

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The Board took a break at 5:15 p.m.

The Board reconvened at 5:20 p.m.

Mr. Coleman introduced the representatives from Pantheon and asked them to report on the firm's performance and address the ownership issues that have taken place.

Ms. Carol Foster, Principal, and Ms. Susan Long McAndrews, Partner, told the Board that Pantheon Russell Private Equity has been purchased by AMG, a publicly traded holding company. Ms. McAndrews and Ms. Foster explained that the reason this sale was not divulged to the limited partners prior to the purchase was because AMG is publicly traded, and insider information had to be protected. She assured the Board that this is a good change because Pantheon had been entirely owned by Russell and under AMG the partners will have an equity interest. Ms. McAndrews then recapped the performance of the Private Equity funds.

On motion of Mr. Curls, seconded by Mr. Rogers, the Board voted unanimously to receive and file the report of Pantheon Ventures, Inc.

The Board went into Executive Session at 6:00 p.m.

The Board came out of Executive Session at 6:15 p.m.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted seven ayes, with Mr. Ashley abstaining, to award the Executive Director a five percent increase in salary beginning on April 1, 2010. Mr. Coleman noted the Director's two year anniversary is in April and he had not received an increase since his employment date.

Report of the Chairperson

Mr. Coleman informed the Board he was working on committee assignments.

Report of the Executive Director

Mr. Mann reported that accounts receivable for charters schools are current through December 2009. He also pointed out that refunds of contributions to members no longer active in the System are higher this year compared to last year and are expected to continue rising with the talk of downsizing plans by the District. Mr. Mann informed the Board that he would speak with Human Resources to offer any assistance that the System may be able to give in counseling members that are going to be affected by the downsizing.

He also informed the Board that Representative Ms. Shalonn (KiKi) Curls is sponsoring the Board proposed legislation on salary limitations for retirees.

The Board discussed the unresolved nature of the Parish Capital ownership issues and directed the Investment Consultant and Mr. Mann to assure Mr. Mason's attendance at the April 5, 2010 Board Meeting.

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The Chairperson adjourned the meeting by common consent at 6:30 p.m.

Respectfully submitted,

Thomas Mann, Executive Secretary