

THE PUBLIC SCHOOL RETIREMENT SYSTEM

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THE SCHOOL DISTRICT OF KANSAS CITY, MO

Board of Trustees

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Thomas Mann
Executive Director

MINUTES OF MEETING

Monday, October 3, 2011

The Board of Trustees of the Public School Retirement System of the School District of Kansas City, Missouri met in REGULAR SESSION on Monday, October 3, 2011, at 4:00 p.m. in the Public School Retirement System Office conference room at 4600 The Paseo, Kansas City, MO.

MEMBERS PRESENT: Horace Coleman, Jr., Chairperson
C. Artris Ashley
Joanne M. Collins
Darwin Curls
Alexander P. Ellison
Caroline J. Helmkamp
Elizabeth Langle
Curtis L. Rogers
Joseph G. Williams

MEMBERS ABSENT: Clarence S. Cole
Cheptoo Kositany-Buckner

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

Others Present: Mark Flaherty, Esq. (via telephone)
Rosemary Guillette, Segal Advisors
Lawrence H. Marino, Segal Advisors
Steve Caruthers, CFA, Capital Guardian
Vincent Ortega, Capital Guardian
Elizabeth B. Anathan, Fisher Investment
Leon P. Stamps, Fisher Investment
Cynthia Hackney, Active Member

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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.

Mr. Coleman opened the floor for nominations for candidates to serve as a Trustee elected by the active members of the Retirement System.

Ms. Cynthia Hackney, an active member, and a resident taxpayer of the Kansas City, MO School District, nominated herself.

There being no other nominations, on motion of Mr. Ashley, seconded by Mr. Rogers, the Board unanimously agreed to close the nominations.

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

Approval of the minutes of the Regular Meeting of the Board of Trustees held Monday, September 12, 2011.

Approval of cash disbursements for the month of August 2011.

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

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

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted unanimously to receive and file the report of Capital Guardian.

On motion of Mr. Ellison, seconded by Mr. Curls, the Board voted unanimously to receive and file the report of Fisher Investment, Inc.

Mr. Coleman requested the Investment Committee report.

Mr. Rogers, Co-Chairperson for the Investment Committee gave an overview of the four Hedge Fund of Funds managers interviewed; Grosvenor Capital Management, L.P., Corbin Capital Partners, Aetos Capital, LLC, and The Blackstone Group.

On the motion of Mr. Curls, seconded by Mr. Rogers, the Board voted unanimously to hire Corbin Capital Partners to manage the System's Hedge Fund of Funds mandate.

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Mr. Rogers asked Segal Advisors to give their report on the asset/liability study recommendations.

Mr. Lawrence Marino and Rosemary Guillette of Segal Advisors addressed the Board regarding the asset/liability study presented in the September meeting. Mr. Marino reiterated the findings of the study and discussed the reasons for, and considerations in, implementing a more efficient portfolio, including the addition of various alternative investment asset classes.

Ms. Guillette introduced a possible time line to implement the changes in the portfolio suggested from the study. After lengthy deliberation, the Board asked for an Investment Committee meeting to be held on Monday, November 7, 2011 at 3:00 p.m. to further discuss the information presented by Segal Advisors.

Report of Chairperson

Mr. Coleman reminded the Board to please turn in their quarterly Trustee Disclosure forms.

Report of the Executive Director

Mr. Mann informed the Board that the System is in contact with Imagine Schools and is waiting for all of the charter school paperwork to be signed. Mr. Flaherty and Ms. Hayes continue to work on the issue of eligibility under the Missouri statutes and will report back to the Board once they have obtained more information regarding this issue.

Mr. Mann reviewed with the Board a letter from the Missouri Senate to the Public School Retirement System of Missouri (PSRS). This letter advised PSRS of proposed statutory modifications in the form of two separate proposals that if passed may ultimately affect KCPSRS.

Mr. Mann reviewed with the Board information from the Missouri Department of Elementary and Secondary Education published on their website entitled "What happens when a School District becomes Unaccredited?" He explained the need to continue monitoring the issue because of the Kansas City School District losing its accreditation in September.

Mr. Mann informed the Board the Technology Committee will be interacting with our Website designer, In10city, as work on the branding and website progresses.

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On motion of Mr. Rogers, seconded by Mr. Coleman, the meeting was adjourned at 6:05 p.m.

Respectfully submitted,

Thomas Mann, Executive Secretary