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**KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM**

MINUTES OF MEETING

Monday, October 6, 2014

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 6, 2014, 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  
Richard O. Brown  
Joanne M. Collins  
Alexander P. Ellison  
Caroline J. Helmkamp  
Cheptoo Kositany-Buckner (via telephone)  
Curtis L. Rogers  
Linda E. Watkins  
Joseph G. Williams

Members Absent: Clarence S. Cole

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

Others Present: Mark Flaherty, Esq.  
Ruth Hays, Husch Blackwell Sanders LLP  
Lawrence H. Marino, Segal Rogerscasey  
Rosemary E. Guillette, Segal Rogerscasey  
Patricia Hunter, BlackRock Real Estate  
Dhaval Parikh, BlackRock Real Estate  
Kathy Malitz, BlackRock Real Estate  
Douglas A. Schwartz, J.P. Morgan Asset Management  
Michael J. Duignan, J. P. Morgan Asset Management  
Tess Shih, J. P. Morgan Asset Management

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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.

Mr. Richard O. Brown, an active member, nominated Mr. Princeston Grayson, an active member and a resident taxpayer of the Kansas City, MO School District.

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

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

Mr. Curtis L. Rogers, retired member and resident taxpayer of the Kansas City, MO School District, nominated himself.

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

On motion of Ms. Collins, seconded by Mr. Rogers, 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 8, 2014.

Approval of cash disbursements for the month of August 2014.

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. Rogers, seconded by Mr. Ellison, the Board voted unanimously to approve the recommendation of the Medical Board that Carla Ginn be continued on disability retirement.

On motion of Mr. Rogers, seconded by Mr. Williams, the Board voted unanimously to receive and file the report of BlackRock Real Estate.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted unanimously to receive and file the report of J. P. Morgan Real Estate.

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Mr. Coleman requested the Ad Hoc Building Committee report.

Ms. Caroline Helmkamp, Chairperson of the Ad Hoc Building Committee informed the Board the Committee met and reviewed the costs of maintaining the operations of the plan in its current location and alternatives. Ms. Helmkamp stated the committee voted to recommend to the Board to begin the process of selling the building.

After a lengthy discussion, on the motion of Ms. Helmkamp, seconded by Mr. Rogers, the Board voted unanimously to accept the Ad Hoc Building Committee's recommendation to begin the process to sell the building.

### **Report of Chairperson.**

Mr. Coleman commented NCTR would like to do more in educating the public about defined benefits plans that are receiving some negative comments in the media. He noted the importance of the Board being aware of any current legislative actions affecting defined benefit plans.

Mr. Coleman recommended the Policy and Evaluation Committee meet to review the recent state legislative changes regarding Board education and the effects on the plan's current education policies. Mr. Rogers, Chairperson of the committee, indicated he would try to have a meeting towards the end of October.

### **Report of the Executive Director**

Mr. Mann reported that Missouri State Auditor, Tom Schweich released a report that examined 89 public pension systems as of December, 2012, in Missouri and placed 15 pension plans on an "auditor's watch list" with ours being one of them. The plans listed had a funded ratio of 70% or lower and/or received less than 95% of the annual required contribution rate. KCPSRS had a funding ratio of 80%, higher than any of the listed plans, but because we received less than 95% of the actuarial annual required contribution rate, we were included on the list. The legislation passed in July 2013 addressed that concern by allowing the contribution rate to fluctuate between 7.5% and 9.0%.

Mr. Mann informed the Board Bank of America is structuring a collateralized account for our banking operations and the contract requires approvals by the Board.

On motion of Ms. Collins, seconded by Ms. Helmkamp the Board voted unanimously the following items in order to go forward with the collateralization of our accounts with Bank of America:

1. Designate Mr. Thomas Mann, Board Secretary, as authorized to represent and act on behalf of the retirement system in all matters of every kind arising under the collateral security agreements;
2. Authorize the appointment of BNY Mellon as the custodian of the collateralized funds; and

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3. Approve the collateral policy authorizing all such securities as allowed by Missouri state statute and deemed acceptable by the Missouri State Treasurer.

The meeting adjourned by common consent at 5:55 pm.

Respectfully submitted,

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Thomas Mann, Executive Secretary