

THE PUBLIC SCHOOL RETIREMENT SYSTEM

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Curtis L. Rogers
Joseph G. Williams

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THE SCHOOL DISTRICT OF KANSAS CITY, MO

4600 Paseo Boulevard
KANSAS CITY, MO 64106
PHONE: (816) 472-5800 FAX: (816) 472-5909
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Thomas Mann
Executive Director

MINUTES OF MEETING

Monday, February 6, 2012

The Board of Trustees of the Public School Retirement System of the School District of Kansas City, Missouri met in REGULAR SESSION on Monday, February 6, 2012, 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
Clarence S. Cole (via telephone)
Darwin Curls
Alexander P. Ellison
Cynthia L. Hackney
Caroline J. Helmkamp
Cheptoo Kositany-Buckner (via telephone)
Curtis L. Rogers
Joseph G. Williams

MEMBERS ABSENT: Joanne M. Collins

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

Others Present: Mark Flaherty, Esq.
Lawrence H. Marino CFA, Segal Advisors
Rosemary Guillette, Segal Advisors
Benjamin Lazarus, CFA, Clifton Group
Dean Graves, CFA, Denver Investments
Troy Dayton, CFA, Denver Investments
Peter W. Latara, Fred Alger Management
Kevin D. Collins, Fred Alger Management

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There being a quorum present, the meeting was called to order at 4:15 p.m.

Horace Coleman, Jr., Chairperson presiding.

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

Approval of the minutes of the Regular Board of Trustees meeting held January 9, 2012.

Approval of the minutes of the Investment Committee meeting held January 9, 2012.

Approval of the minutes of the Board of Trustees Strategic Planning meeting held January 28, 2012.

Approval of cash disbursements for the month of December 2011.

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

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

Approval of the report of the 2011 Budget Variance report for the quarter ended December 31, 2011.

Mr. Coleman requested the Policy and Evaluation Committee Report.

Because Mr. Rogers, Chairperson of the Policy and Evaluation Committee was not present at the time, Mr. Mann reported that the purpose of the meeting was to discuss the meal reimbursement section of the current travel expense policy. The Committee voted to recommend to the Board to add additional language to Chapter II, Section E (5.)(a) of the Policies, Rules and Regulations of the Board of Trustees of the Kansas City Public School Retirement System dealing with meal reimbursement. Specifically the rule would now read “(a) The System shall reimburse for meals and incidental expenses based on the per diem rates established by GSA. The individual may choose to be reimbursed based on actual expenses for meals, provided the actual expense for each meal does not exceed the GSA reimbursement amount. Receipts are required when requesting actual expense reimbursement.”

After lengthy deliberation, on motion of Mr. Williams, seconded by Mr. Curls, Mr. Ellison and Ms. Hackney, voted no, Mr. Curls, Mr. Williams, Mr. Ashley, Mr. Cole, Mr. Coleman and Ms. Helmkamp voted yes, and Ms. Kositany-Buckner abstained. The motion failed.

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On motion of Mr. Curls, seconded by Mr. Ellison, Ms. Kositany-Buckner abstained, the Board voted to receive and file the report of Fred Alger Management, Inc.

Mr. Curls left the meeting at 5:10 p.m.

Ms. Kositany-Buckner left the meeting (via phone) at 5:15 p.m.

Mr. Rogers joined the meeting at 5:20 PM

On motion Mr. Ellison, seconded by Mr. Rogers, the Board voted to receive and file the report of Denver Investment Advisors, LLC.

Mr. Coleman requested the Investment Committee Report.

Mr. Rogers turned the presentation over to Ms. Rosemary Guillette of Segal Advisors to summarize their presentation at the committee meeting.

Ms. Guillette gave a brief overview of the content of the Investment Committee meeting. She reported that the Committee was recommending the Board select three finalist for interviews from the long list of emerging market equity investment firms reviewed. Those firms being;

- EARNEST Partners
- Quantitative Management Associates, LLC
- Wells Capital Management, Inc.

Ms. Guillette informed the Board that the Committee tabled the review of the long list of GTAA investment managers until the next Investment Committee meeting.

Ms. Guillette noted that the Clifton Group gave an educational presentation concerning commodity investing and the Committee voted to recommend to the full Board to hire the Clifton Group to manage the System's commodities program.

On motion of Mr. Ellison, second by Ms. Helmkamp, the Board voted to approve the recommendation of the Investment Committee to interview the three firms selected as Emerging Market Equity Investment finalists.

On motion of Mr. Ellison, seconded by Mr. Williams, the Board voted to approve the recommendation of the Investment Committee to hire the Clifton Group to manage the System's commodities program.

Report of the Chairperson

Mr. Coleman brought to the attention of the Board a direct request to Segal Advisors from the Library System to present the results of the asset/liability study to a group of employers of the Retirement System. Mr. Marino expressed his discomfort with the request and indicated his firm is contracted with the Board and would act on the Board's request only.

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After lengthy deliberation, on motion of Mr. Williams, seconded by Mr. Ashley, the Board requested Mr. Coleman prepare a letter to Ms. Kositany-Buckner of the Library System on the proper procedure when requesting information from the Retirement System.

Report of the Executive Director

Mr. Mann informed the Board on the current status of legislative proposals affecting the System, indicating both Senator Callahan's bill and Senator Cunningham's bill are currently in committee.

The Board requested Mr. Mann to write an article for the members in the newsletter on what is currently being done by the Retirement System regarding the District accreditation loss and the various legislative proposals affecting the System.

New Business

Mr. Ellison informed the Board the NASP Conference will be held on June 18-20, 2012 in Baltimore, Maryland.

The Board meeting adjourned by common consent at 6:00 p.m.

Respectfully submitted,

Thomas Mann, Executive Secretary