



KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM

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MINUTES OF MEETING

Monday, March 2, 2015

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 2, 2015, 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
 Richard O. Brown
 Joanne M. Collins
 Princeton E. Grayson
 Caroline J. Helmkamp
 Cheptoo Kositany-Buckner
 Curtis L. Rogers
 Linda E. Watkins

Members Absent: Clarence S. Cole
 Alexander P. Ellison

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

Others Present: Mark Flaherty, Esq.
 Ruth Hays, Esq., Husch Blackwell LLP
 Rosemary Guillette, Segal Rogerscasey
 Lawrence H. Marino, Segal Rogerscasey
 Sophie Pullan, Brookfield Property Group
 Kenneth G. Lay, Rock Creek Group
 Ken LaPlace, Rock Creek Group
 Gwen Gold, Corbin Capital Partners
 Matthew H. Glasofer, Corbin Capital Partners

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

Horace Coleman Jr., Chairperson, presiding.

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

Approval of the minutes of the Regular Board of Trustees meeting held February 2, 2015.

Approval of the minutes of the Investment Committee meeting held February 2, 2015.

Approval of the cash disbursements for the month of January 2015.

Approval of the report of the Secretary, submitting names of members retiring since 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 Ms. Kositany-Buckner, the Board voted to approve the report of Brookfield Property Group.

On motion of Mr. Rogers, seconded by Ms. Helmkamp, the Board voted to approve the report of Rock Creek Group.

On motion of Mr. Rogers, seconded by Mr. Grayson, the Board voted to approve the report of Corbin Capital Partners.

Mr. Coleman requested Mr. Marino and Ms. Guillette to report on the investment performance of the portfolio as of 12/31/14.

Mr. Marino gave a general overview of the investment market noting the year 2014 had weak investment returns for most markets. Equity markets, real estate, hedge funds and U.S. fixed income markets showed positive returns during both the fourth quarter and for the year while emerging markets, global fixed income and especially the commodity markets showed negative returns for the year.

Mr. Marino reviewed the total retirement fund composite and then each fund manager's performance, and compared the returns of the managers to each relevant benchmark for the fourth quarter, and the latest one, three, five and ten year periods. In reviewing each fund manager's performance, most met or exceeded their benchmark for the year. Mr. Marino indicated the underperformance for the latest one and three year periods by a couple of managers is being investigated by the Segal Rogerscasey's team.

Ms. Guillette reviewed the target allocations of each fund category and noted the portfolio is within the guidelines of the policy. She informed the Board that Segal Rogerscasey will be updating the System's asset/liability study and will present the report during the May Board meeting. She noted the asset/liability study is updated every three years.

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On motion of Mr. Rogers, seconded by Ms. Helmkamp, the Board voted to receive and file the report of Segal Rogerscasey.

Mr. Coleman requested a report from the Policy and Evaluation Committee.

Mr. Rogers, Chairperson of the Policy and Evaluation Committee noted the Committee reviewed the Board's education policy to develop a procedure that documents removing a board member if the member fails to achieve the educational requirements set forth in HB 1882. Mr. Rogers reviewed with the Board the current policy with proposed revision reflecting the procedure of removing a non-participating board member.

After a lengthy discussion, on motion of Mr. Coleman, seconded by Ms. Collins, the Board voted to accept the proposed addition to the Policies, Rules and Regulations of the System, Chapter II Section D.4, The Duty to Participate in the System's Trustee Education Program, documenting the procedure of removing a board member if the member fails to achieve the educational requirements as stated under section 1.b.

Mr. Rogers informed the Board that Mr. Mann announced his retirement effective June 1, 2015. Mr. Rogers commented the current staff is very experience in the day to day operations of the System allowing the Board time to find a replacement.

Mr. Coleman requested a report on the proposed treasury rules for charter schools.

Ms. Hays updated the Board on the proposed U. S. Treasury rules that addresses the issue of charter schools participating in public pension plans. Ms. Hays noted she reviewed the 2015-07 Treasury guidance and feels there is no concern at this time with the charter schools participating in our plan. She noted that this could change as the final determination can be up to four years away.

Report of the Chairperson

Mr. Coleman informed the Board he recently met with Senator Jamilah Nashell, the sponsor of Senate Bill 270 that adds a charter school teacher or administrator as an additional member on the board of trustees of both the Kansas City and St. Louis Public School Retirement Systems. He discussed how the Kansas City School Retirement System supports the inclusion of a charter school member but would like to keep the total number of trustees to twelve. Mr. Coleman indicated that Senator Nashell would not oppose this change.

Report of the Executive Director

Mr. Mann reported Ms. Giddens, our legislative consultant, informed us that the proposed amendment to Senate Bill 270, keeping the number of trustees to twelve with the inclusion of the charter school teacher or administrator, came out of the Committee without the amendment included. Ms. Giddens contacted the bill's sponsor, Senator

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Nashell, and she indicated she will bring the bill back to Committee in order to include the amendment.

Mr. Mann reported the Mesirow Financial contract has been completed and the first capital call is funded. The Westport contract will be completed in the near future.

Mr. Mann informed the Board there will be a Business and Technology Committee meeting on Wednesday, March 4, 2015 at 4:00 p.m.

Mr. Mann reported that charter schools are current in their contributions and referred the Board members to the reports on refunds in their current packets.

The meeting was adjourned by common consent at 6:25 p.m.

Respectfully submitted,

Thomas Mann, Executive Secretary