

# THE PUBLIC SCHOOL RETIREMENT SYSTEM

OF

## THE SCHOOL DISTRICT OF KANSAS CITY, MO

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**Thomas Mann**  
*Executive Director*

### MINUTES OF MEETING

Monday, May 7, 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, May 7, 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  
Clarence S. Cole  
Joanne M. Collins  
Darwin Curls  
Alexander P. Ellison  
Cynthia L. Hackney  
Caroline J. Helmkamp  
Cheptoo Kositany-Buckner  
Curtis L. Rogers  
Joseph G. Williams

MEMBER ABSENT: C. Artris Ashley

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

Others Present: Mark Flaherty, Esq.  
Rosemary Guillette, Segal Rogerscasey  
Alifia Doriwala, Rock Creek Group  
Kenneth G. Lay, Rock Creek Group

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There being a quorum present, the meeting was called to order at 4:05 p.m.

Horace Coleman, Jr, Chairperson presiding:

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

Approval of the minutes of the Regular Meeting held April 2, 2012.

Approval of the minutes of the Investment Committee held April 2, 2012.

Approval of the cash disbursements for the month of March 2012.

Approval of the 2012 Budget Variance report for the quarter ended March 31.

Approval of the report of the Secretary submitting the 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.

Mr. Coleman requested Mr. Mann and Mr. Flaherty discuss the System's disability process and possible alternatives.

Mr. Flaherty informed the Board that he has drafted a letter to send to Dr. Franks requesting additional information for a member who previously applied for a disability and was examined by Dr. Franks. Mr. Flaherty noted that the Board may want to consider adding a physician to the Medical Board that specializes in work place injuries that will focus on the member's functional capacity to do their regular job. He also suggested that the Board consider adding a psychiatrist.

The Board requested Mr. Mann and Mr. Flaherty to further research the disability process and give their recommendations for the Board to review.

On motion of Mr. Ellison, seconded by Ms. Collins, the Board voted unanimously to approve the recommendation of the Medical Board that Bethel Carter be placed on disability retirement to become effective the first date of the month following the date his/her signed application arrived in the Retirement Office or the first day of the month following the last day of paid compensation from the School District, whichever is the later date.

Mr. Coleman introduced Ms. Alifia Doriwala and Mr. Kenneth B. Lay of Rock Creek Group to give the Board an update on the Rock Creek Fund.

On motion of Mr. Ellison, seconded by Mr. Cole, the Board voted to receive and file the report of The Rock Creek Group.

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Mr. Coleman requested the Investment Committee Report.

Mr. Rogers turned the presentation over to Ms. Rosemary Guillette of Segal Rogerscasey 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 four finalists for interviews from the long list of real estate investment firms reviewed. Those firms being;

- Brookfield Asset Management, Inc
- TA Associates Realty
- CBRE Clarion Securities, LLC
- Heitman, LLC

On motion of Mr. Ellison, seconded by Mr. Curls, the Board voted to approve the recommendation of the Investment Committee to interview the four firms selected as real estate investment finalists.

Mr. Rogers asked Ms. Guillette to report on the latest quarterly investment performance of the portfolio.

Ms. Guillette gave an overview of the investment markets. She noted overall equity markets showed a strong first quarter for 2012. The fixed income market underperformed in the first quarter 2012, returning to their worst quarter since 2010. Ms. Guillette said, on a one-year basis, fixed income markets have still outperformed equity markets.

Ms. Guillette reviewed the total retirement fund composite and then each fund manager's performance, and compared the returns of the fund to the policy index for the first quarter, and the latest one, three, five and ten year periods. Total Fund Composite outperformed the policy index for the first quarter 2012. Both Real Estate funds showed strong returns for the one year period. Fisher Investments showed a strong first quarter and three year return. Ms. Guillette informed the Board during March 2012 the manager consolidation in both the international equity and fixed income asset strategies were complete. Ms. Guillette then reviewed the targeted allocations of each fund category and noted the current allocations are within the guidelines of the policy.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to receive and file the Investment Committee report from Segal Rogerscasey.

Mr. Coleman requested the Policy and Evaluation Committee Report.

Mr. Rogers, Chairperson for the Policy and Evaluation Committee, distributed the Executive Director Evaluation form to the Board members present. Mr. Rogers asked the Board members to review and evaluate the Executive Director's goals and accomplishments of 2011 and add any proposed changes or additions to the goals for 2012. Mr. Rogers requested the evaluation form be completed and submitted by May 21, 2012. Mr. Rogers informed the Board the Policy and Evaluation Committee is planning to meet on May 22, 2012 to review this information and make their recommendation during the June Board Meeting.

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**Report of the Chairman**

Mr. Coleman noted the following educational opportunities are coming up for MAPERS, July 11-13, 2012 and NCTR Trustees Workshop July 23-25, 2012 and encouraged all Board members to attend.

**Report of Executive Director**

Mr. Mann informed the Board of the recent ruling by Judge David Lee Vincent III that the state law that could have allowed thousands of Kansas City and St. Louis students to transfer from unaccredited districts to accredited districts is unconstitutional and impossible to fulfill. This ruling appears to have dampened the enthusiasm for the legislation currently under consideration that may have had an adverse impact on the Retirement System. Mr. Mann noted that he is continuing to monitor legislative issues through the end of the legislative session on May 18, 2012.

On motion of Mr. Curls, seconded by Mr. Rogers the meeting was adjourned at 5:30 p.m.

Respectfully submitted,

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Thomas Mann, Executive Secretary