

THE PUBLIC SCHOOL RETIREMENT SYSTEM

OF

THE SCHOOL DISTRICT OF KANSAS CITY, MO

Board of Trustees

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Clarence S. Cole
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Thomas Mann
Executive Director

MINUTES OF MEETING

Monday, May 6, 2013

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 6, 2013 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 (via telephone)
Alexander P. Ellison
Caroline J. Helmkamp
Curtis L. Rogers
Joseph G. Williams

MEMBER ABSENT: C. Artris Ashley
Cheptoo Kositany-Buckner

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

Others Present: Mark Flaherty, Esq., (via telephone)
Rosemary Guillette, Segal Rogerscasey
Benjamin Lazarus, CFA, Clifton Group
Jeffrey Rodgers, CFA, Clifton Group
Larry Langer, Buck Consultants
Troy Jaros, Buck Consultants

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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:

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

Approval of the minutes of the Regular Meeting held April 1, 2013.

Approval of the cash disbursements for the month of March 2013.

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.

Approval of the Budget Variance report for pension fund, building and technology for the quarter ending March 3, 2013.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to receive and file the report of Clifton Group.

Mr. Coleman, Chairperson, requested the Board go into Executive Session at 4:40 p.m.

The Board reconvened at 4:45 p.m.

On motion of Mr. Rogers, seconded by Mr. Coles, the Board unanimously approved a five percent increase in the compensation of the Executive Director retroactive to his anniversary date.

Mr. Curls left the meeting (via phone) at 4:50 p.m.

Mr. Coleman requested a presentation on the 1/1/2013 actuarial valuation.

Mr. Larry Langer and Mr. Troy Jaros, of Buck Consultants gave a thorough overview of the 2013 valuation results for the Retirement System. Mr. Langer informed the Board overall the results of the valuation showed the funded status to be higher than anticipated. The 80.2% funding level beat the expected 78.8% level due to higher than expected investment returns and salary increases that were less than expected. Also noted during the discussion was for the second consecutive year, the statutory employer contribution was less than the actuarial required contribution (ARC). Prior to last year, the trend had been several years of statutory employer contributions that were much greater than the ARC.

After a lengthy discussion, on motion of Mr. Rogers, seconded by Ms. Helmkamp, the Board voted unanimously to receive and file the 2013 actuarial valuation report of Buck Consultants.

Mr. Ellison left the meeting at 5:20 p.m.

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Mr. Coleman requested the Investment Committee Report.

Because of the lack of a quorum, Mr. Coleman tabled the report of the Investment Committee on the review of the investment policy until the June meeting.

Mr. Mann referred to an unsolicited letter from AQR Capital Management in response to an American Federation of Teachers (AFT) published claim that 33 asset-management firms, including AQR, advocate eliminating public-sector defined benefit pension plans. Mr. Mann informed the Board that AQR will be giving their presentation during the June Board meeting and questions can be asked concerning the letter.

Report of Chairman

Mr. Coleman requested the trustees to complete their trustee disclosure form.

Mr. Coleman informed the Board that several trustees will be attending the NASP conference held in June and encouraged all Board members to consider taking advantage of the following educational opportunities coming up at MAPERS, July 10-12, 2013 or the NCTR Trustees Workshop July 29-31, 2013. He directed the members to set up arrangements with staff if needed.

Mr. Coleman asked Mr. Cole for a report on the Southern Conference on Teacher Retirement conference in St. Louis.

Mr. Cole stated that Mr. Steve Yoakum, Executive Director of PSRS of MO was Chairman of the conference and there were about 160 attendees. Mr. Cole noted topics included funding and investing but also offered information on other topics such as, disaster and emergency planning for pension systems that he found very interesting. Mr. Cole commented that Mr. Mann acted as the moderator for an alternative investment opportunities presentation and did a fine job. Mr. Cole stated it was an informative conference.

Mr. Coleman informed the Board that Ms. Cynthia L. Hackney resigned from the Board because she no longer met the Board membership requirement to be a resident taxpayer of the school district. She recently moved out of the school district and has no plans to move back into school district boundaries. The Board will consider filling her position with an interim trustee until the November election of new trustees to serve out her term.

Report of the Executive Director

Mr. Mann commented on the Southern Conference on Teacher Retirement conference noting it had a great mix of topics that included both investments and operations.

Mr. Mann reviewed the charter schools' contribution report with the board.

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Mr. Mann's legislative update informed the Board that both Senate Bill 223 and House Bill 861 are not moving out of their respective committees even though they received favorable responses from committee members. He indicated that amendments consisting of language mirroring the pension legislation are being attached to other bills having success moving through the legislative process. He will keep the Board posted of any progress.

Meeting adjourned by common consent at 5:45p.m.

Respectfully submitted,

Thomas Mann, Executive Secretary