

THE PUBLIC SCHOOL RETIREMENT SYSTEM

----- OF -----
THE SCHOOL DISTRICT OF KANSAS CITY, MO

Board of Trustees

Horace Coleman, Jr.
Chairperson
C. Artris Ashley
Richard O. Brown
Clarence S. Cole
Joanne M. Collins
Alexander P. Ellison
Caroline J. Helmkamp
Cheptoo Kositany-Buckner
Curtis L. Rogers
Linda E. Watkins
Joseph G. Williams

4600 Paseo Boulevard
KANSAS CITY, MO 64110
PHONE: (816) 472-5800 FAX: (816) 472-5909
www.kcpsrs.org

servicing the community since 1944

Thomas Mann
Executive Director

MINUTES OF MEETING

Monday, May 5, 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, May 5, 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
Richard O. Brown
Joanne M. Collins
Clarence S. Cole
Alexander P. Ellison
Caroline J. Helmkamp
Cheptoo Kositany-Buckner (via telephone)
Curtis L. Rogers
Linda E. Watkins
Joseph G. Williams

Members Absent: C. Artris Ashley

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

Others Present: Mark Flaherty, Esq. (via telephone)
Rosemary Guillette, Segal Rogerscasey
Rodney Bland, Bland Consulting Group
Benjamin Lazarus, CFA, Parametric Clifton
Jeffrey Rodgers, CFA, Parametric Clifton
Adriana M. Clancy, Corbin Capital Partners
Gwen Gold, Corbin Capital Partners

MINUTES OF MEETING

May 5, 2014

Page 2

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

Approval of the minutes of the Regular Board of Trustees meeting held April 7, 2014.

Approval of the cash disbursements for the month of March 2014.

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.

Approval of the Budget Variance Report for pension fund, building and technology for the quarter ending March 31, 2014.

The Coleman requested Mr. Bland report on the status of any proposed legislation being considered that may affect the Kansas City Public School Retirement System.

Mr. Bland noted that he and Ms. Nancy Giddens, of the Giddens Group, work closely to monitor legislation that may affect the Retirement System. Mr. Bland gave an overview of two bills currently being considered. Senate Bill 493 addresses student transfer issues with unaccredited districts; the legislature is working to reconcile the differences between the House and Senate versions. Mr. Bland noted they will continue to monitor the transfer and accreditation provisions that may affect the retirement program. He also reported Senate Bill 672 language was amended requiring retirement plans to invest in Missouri based venture capital entities. During the amendment process on the floor of the House this language was removed from the bill. Mr. Bland noted there are 10 days left in the legislative session and both he and Ms. Giddens will continue to monitor any legislation introduced that could affect the Retirement System. Mr. Coleman thanked Mr. Bland for his report.

On motion of Mr. Rogers, seconded by Ms. Helmkamp, the Board voted to approve the report of Parametric Clifton.

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

MINUTES OF MEETING

May 5, 2014

Page 3

Mr. Coleman requested Ms. Guillette to report on the investment performance of the portfolio as of 3/31/14.

Ms. Guillette gave a general overview of the investment markets noting the first quarter 2014 had positive returns for most markets with the KCPSRS portfolio showing a return of 1.17% slightly under the benchmark. Ms. Guillette 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 quarter, and the latest one, five and ten year periods. In reviewing each fund manager's performance, most met or exceeded their benchmark for the year. Ms. Guillette noted the underperformance for the latest one and three year periods by a couple of managers will be investigated by the Segal Rogerscasey's team. Ms. Guillette indicated the portfolio is in a good position for the future.

On motion of Mr. Rogers, seconded by Mr. Brown, the Board voted to approve the report of Segal Rogerscasey.

Mr. Coleman requested the Policy and Evaluation Committee report.

Mr. Rogers reported the Policy and Evaluation Committee met twice to review the current board education policy, board attendance policy and to complete the Executive Director's evaluation. Mr. Rogers reviewed the current board education policy noting the changes that were suggested. He then reviewed the proposed draft of the board attendance policy noting the importance of board members to attend their assigned committee meetings and all regularly scheduled board meetings.

After a lengthy discussion, on motion of Mr. Rogers and seconded by Mr. Williams, the Board voted to approve updating the current board education policy with the changes discussed and to adopt the new board attendance policy.

Mr. Coleman, Chairperson, requested the Board go into Executive Session at 6:05 p.m.

The Board reconvened at 6:15 p.m.

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

Report of the Chairperson

Mr. Coleman commented that the KCPSRS Education Program held April 17th was very informative and hoped the material presented was beneficial to both new and current board members. He thanked Mr. Mann and staff for their work in putting together this program.

Mr. Coleman noted NCTR holds Webinars every quarter and that tomorrow's webinar will discuss the new GASB rules. He encouraged all board members to participate.

MINUTES OF MEETING

May 5, 2014

Page 4

Mr. Coleman mentioned that many pension systems are paperless where a retiree may only receive a statement at year end or a change is made to their account that affects their benefit payment. The System continues to mail statements each month. After a lengthy discussion, the Board requested Mr. Mann to prepare a cost analysis of mailing statements out each month and what would be needed for our System to go paperless.

Report of the Executive Director

Mr. Mann reviewed the Charter School's contribution report with the Board. He indicated all schools are up to date with their contributions.

Mr. Mann informed the Board that the appraisal of the building has been completed and he suggested an Ad Hoc Building Committee be formed to review the property options going forward. Mr. Coleman appointed the following Trustees to the Ad Hoc Building Committee:

Caroline Helmkamp, Chairperson
Horace Coleman, Jr.
Joanne Collins
Joseph Williams

The meeting was adjourned by common consent at 6:30 p.m.

Respectfully submitted,

Thomas Mann, Executive Secretary