

# THE PUBLIC SCHOOL RETIREMENT SYSTEM

OF

## Board of Trustees

## THE SCHOOL DISTRICT OF KANSAS CITY, MO

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, June 9, 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, June 9, 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  
C. Artris Ashley  
Richard O. Brown  
Clarence S. Cole  
Joanne M. Collins  
Alexander P. Ellison  
Cheptoo Kositany-Buckner  
Curtis L. Rogers  
Linda E. Watkins  
Joseph G. Williams

Members Absent: Caroline J. Helmkamp

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

Others Present: Mark Flaherty, Esq.  
Ruth Hays, Husch Blackwell Sanders LLP  
Rosemary Elly Guillette, Segal Rogerscasey  
Hal J. Hunt, Mayer Hoffman McCann P.C.  
Dana Dreier, Mayer Hoffman McCann P.C.  
Missi Ryherd, Mayer Hoffman McCann P.C.  
Sophie Pullan, Brookfield Property Group  
Patrice A. Beckham, Cavanaugh Macdonald

MINUTES OF MEETING

Monday June 9, 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 Ms. Collins, 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 May 5, 2014.

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

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.

On motion of Mr. Rogers, seconded by Mr. Williams, the Board voted unanimously to approve the recommendation of the Medical Board that Judith Cornish 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.

On motion of Mr. Rogers, seconded by Mr. Brown, the Board voted unanimously to approve the recommendation of the Medical Board that Sandra Cox 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.

On motion of Ms. Collins, seconded by Mr. Rogers, the Board voted unanimously to approve the recommendation of the Medical Board that the following persons to be continued on disability retirement:

- a. Robert Ash
- b. Lucinda Brown

Mr. Coleman requested the Audit Committee report.

Mr. Ellison, Chairperson of the Audit Committee, asked Mr. Hal Hunt of Mayer Hoffman McCann P.C. to summarize the audit findings for the year to the Board and review any changes included in the Audit Report on the Financial Statements for the Years Ended December 31, 2013 and 2012.

## MINUTES OF MEETING

Monday June 9, 2014

Page 3

On the motion of Mr. Ellison, seconded by Mr. Williams, the Board voted unanimously to accept the Audit Committee's recommendation to approve the Audit report on the Financial Statements for the Years Ended December 31, 2013 and 2012.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to approve the report of the Brookfield Property Group.

Mr. Coleman requested a presentation on the 1/1/2014 actuarial valuation.

Ms. Patrice A. Beckham, of Cavanaugh Macdonald, gave a thorough overview of the 2014 valuation results for the Retirement System. She noted the System's 81.2 % funded level shows an increase of 1% from the prior year of 80.2%. This increase reflects strong investment returns in 2013, an increase in active members participating in the plan, and an increase in the contribution rate, for both members and employers effective January 1, 2014, from 7.5% to 8.0%. As a result, the System's funding shortfall decreased from 5.52% of pay, in last year's valuation, to 3.68% of pay in the 2014 valuation.

She explained, under legislation passed in 2013, the Board has the authority to adjust the member and employer contribution rate by no more the .50% each year, with a minimum rate of 7.5% up to a maximum of 9.0%. The Board increased the contribution rate for both member and employer to 8.0% of pay, effective January 1, 2014. In addition, the legislation changed the benefit structure for new members hired after December 31, 2013, increasing their eligibility for full retirement to the Rule of 80 or age 62 and decreasing their multiplier to 1.75% for each year of service. The impact of the new tier benefit structure will evolve gradually over time as new employees are hired but it has no impact on the current valuation.

She commented that given the funded ratio of the System, and the contribution shortfall using both the actuarial and market value of assets, Cavanaugh Macdonald Consulting, LLC recommends the Board exercise their authority to increase the employee and employer contribution rate, and set the rate at 8.50% effective January 1, 2015.

On motion of Mr. Ellison, seconded by Mr. Rogers, the Board voted to increase the contribution rate for both employees and employers to 8.50 % effective January 1, 2015.

On motion of Mr. Rogers, seconded by Mr. Brown, the Board voted unanimously to accept the report of Cavanaugh Macdonald Consulting, LLC.

### **Report of Chairman**

Mr. Coleman reminded Board members of the upcoming educational opportunities during the month of July at MAPERS and the NCTR Trustee Workshop and encouraged all members to attend to fulfill their educational requirements.

MINUTES OF MEETING

Monday June 9, 2014

Page 4

Mr. Coleman asked Mr. Mann to discuss the recent issue concerning the May pension payments. Mr. Mann explained May's payroll processed using the month end date of Saturday, May 31, 2014. Because the last day of the month fell on the weekend, EFT payments made to retirees were posted to their bank account the following Monday. Mr. Mann noted the software has been updated to pay on the last business day of the month. This means, if the last day of the month falls on a weekend, the payments will be posted to the bank accounts on the preceding Friday.

**Report of Executive Director**

Mr. Mann reviewed with the Board a cost analysis of mailing out the pension statements to retirees each month. Because of the high cost incurred each month with mailing out the statements the Board requested Mr. Mann review what would be required for retirees to have access on line to obtain this information in place of receiving statements.

Mr. Mann reviewed the charter schools' contribution report and the refund report with the Board.

Meeting adjourned by common consent at 6:00 p.m.

Respectfully submitted,

---

Thomas Mann, Executive Secretary