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KANSAS CITY PUBLIC SCHOOL RETIREMENT SYSTEM

MINUTES OF MEETING
Monday, September 8, 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, September 8, 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
Clarence S. Cole
Joanne M. Collins
Alexander P. Ellison
Caroline J. Helmkamp
Cheptoo Kositany-Buckner
Curtis L. Rogers
Linda E. Watkins
Joseph G. Williams

Members Absent: C. Artris Ashley

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

Others Present: Mark Flaherty, Esq.
Ruth Hays, Husch Blackwell Sanders LLP
Uche Enemchukwu, Husch Blackwell
Rosemary Elly Guillette, Segal Rogerscasey
Ryan Manthey, Segal Rogerscasey
Michael Kelly, Fisher Institutional Group
Orlando Copeland, Fisher Institutional Group
Justin A. Richards, Mondrian Partners Limited
Solomon Peters, Mondrian Investment Partners Limited

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 Ms. Helmkamp, the Board voted to approve the following items on the consent agenda:

1. Approval of the minutes of the Regular Meeting held on Monday, June 9, 2014.
2. Approval of the minutes of Audit Committee meeting held on Thursday, June 5, 2014.
3. Approval of the cash disbursements for the month of May, June and July 2014.
4. Discussion and approval of the report of the Secretary submitting the names of members retiring since last report including dates of retirement.
5. Discussion and approval of the Secretary submitting the names of members who have passed away since the last report.
6. Budget Variance Report for pension fund, building and technology for the quarter ending June 30, 2014.

On motion of Mr. Rogers, seconded by Ms. Kositany-Buckner, the Board voted to approve the report of Fisher Institutional Group.

On motion of Mr. Ellison, seconded by Mr. Cole, the Board voted to approve the report of Mondrian Investment Partners Limited.

Mr. Coleman requested Ms. Guillette and Mr. Manthey report on the investment performance of the portfolio as of 6/30/14.

Mr. Manthey gave a general overview of the investment markets noting the second quarter 2014 had positive returns for all investment classes for both quarter and year to date with the KCPSRS portfolio showing a year to date return of 4.86%, 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, three, and five year periods. In reviewing the fund manager's performance, most met or exceeded their benchmark for the latest one, three and five year period. She reviewed the underperformance for the latest one and three year periods by a couple of managers and noted the Segal Rogerscasey's team will continue to monitor their activity.

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

Report of Chairman

Mr. Coleman reported that the recent NCTR Trustee Workshop held at University of California, Berkeley during July was very educational and a great opportunity to interact with trustees from other pension plans. Ms. Helmkamp and Mr. Rogers noted the speakers at the conference were excellent and commented on the importance of trustees to continue to stay informed of the challenges and issues facing defined benefit plans.

Mr. Coleman asked Mr. Brown to comment on the recent GMI Rating conference he attended. Mr. Brown said he learned a considerable amount about securities litigation and the tools available. Discussion then turned to the System's efforts on monitoring securities litigation and Mr. Flaherty outlined the approaches of the two firms under contract with the Board.

Report of Executive Director

Mr. Mann informed the Board that Ms. Kositany-Buckner, Mr. Coleman, Mr. Williams and Mr. Rogers terms end December 31, 2014. Mr. Mann will send a letter to the Board of Education and Library Board informing them of the need for action by the Board of Education and Library Board. The Retirement System will post notification concerning the nominations for one Active Trustee and one Retired Trustee seat. Nominations will be accepted at the October 6, 2014 Board meeting. Ballots will be sent out for the Election in November.

Mr. Mann informed the Board that House Bill 1882, signed by the Governor this summer, updated requirements for trustees on pension boards in the state of Missouri regarding continuing education. He then reviewed the new requirements with the Board.

Mr. Mann informed the Board that House Bill 1217, recently signed by the Governor states that any member with a felony offense relating to their position can lose any further pension benefit.

Mr. Mann requested a policy committee meeting be scheduled to review our current policies and regulations manual to address the above changes and any others to ensure our manual is current. Mr. Rogers, Chairperson of the Policy and Evaluation Committee will set up a meeting in the near future.

Mr. Mann noted the staff has been experiencing difficulties getting information from one of the doctors on the Medical Board concerning disability reviews. Mr. Mann requested the Board add an additional doctor to our current Medical Board to expedite the process.

On motion of Ms. Collins, seconded by Ms. Helmkamp, the Board voted to direct the staff to work with Mr. Flaherty to identify an available physician to appoint to the Medical Board.

Mr. Mann requested the Ad-hoc Building Committee schedule a meeting to review issues regarding the property. Ms. Helmkamp, Chairperson of the Ad-hoc Building Committee, indicated a meeting will be scheduled prior to the next Board meeting.

Meeting adjourned by common consent at 6:30 p.m.

Respectfully submitted,

Thomas Mann, Executive Secretary