

## MINUTES

### KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES

November 16, 2007

The meeting was called to order by Chairperson Jody Boeding at 8:00 a.m., in the Retirement System Boardroom, Topeka, Kansas.

Board members present:

- Jody Boeding, Chairperson
- Duane Anstine
- Jarold Boettcher
- Lynn Jenkins
- Lon Pishny
- Rachel Lipman Reiber
- Michael Braude
- Doug Wolff

#### **Outstanding Service Award**

The Chairperson recognized Kathleen Billings as the Outstanding Service Award recipient for the third period of 2007.

#### **Public Comment**

There were no public comments.

#### **Approval of Minutes**

It was moved by Doug Wolff and seconded by Michael Braude that the minutes of the September 21 and October 18 and 19, 2007 meetings be approved as submitted. Motion passed.

#### **Executive Director's Report**

The Chairperson recognized Glenn Deck, Executive Director. Deck provided a summary report on current issues; the Joint Committee on Pensions, Investments and Benefits November meeting topics and the upcoming December meeting. Mr. Deck announced the full schedule of the 2008 Board meetings with the addition of the Deferred Compensation Committee meeting and responded to questions.

#### **Investment Operations**

The Chairperson recognized Vince Smith, Chief Investment Officer. Mr. Smith briefly reviewed the current investment environment and presented the September 30, 2007 first quarter Performance Report. He reported that the Retirement System had a total return of 3.0 percent (not annualized) for the fiscal year-to-date and 10.1 percent for the calendar year to date and responded to questions.

The Chairperson recognized Laurie McKinnon, General Counsel. Ms. McKinnon provided a Board of Trustees' Resolution report and responded to questions.

Doug Wolff moved that the Board adopt three separate resolutions each consistent with the wording of the suggested resolutions submitted by staff, granting power of attorney to certain staff members, as stated therein, to execute documents on behalf of the System related to authorized investment transactions. Rachel Lipman Reiber seconded the motion. Motion passed.

### **Investment Committee Report**

The Chairperson recognized Michael Braude, Chairperson of the Investment Committee. Mr. Braude provided a report on the Committee meeting of November 15, 2007 and recognized Jarold Boettcher, who assisted with the report.

### **Investment Consulting Services**

The Chairperson recognized Vince Smith, Chief Investment Officer. Mr. Smith previewed the probation and contract status of Pension Consulting Alliance (PCA) and responded to questions.

Doug Wolff moved that the Board direct staff to release PCA from the January 2007 Trustee-directed probation. Jarold Boettcher seconded the motion. Motion passed.

Doug Wolff moved that the Board direct staff to execute a re-stated general consulting services contract with PCA. Said contract should have the same fee arrangement and similar other terms and conditions as the existing agreement. Duane Anstine seconded the motion. Motion passed.

Doug Wolff moved that the Board direct staff to negotiate and execute a contract for real estate consulting services with PCA Real Estate Advisors. Said contract should have the same fee arrangement and similar other terms and conditions as the existing agreement. Jarold Boettcher seconded the motion. Motion passed.

### **Audit Committee Report**

Jody Boeding, Chairperson of the Audit Committee, provided the report on the Committee meeting of November 15, 2007.

### **Retirement System Operations**

The Chairperson recognized Mary Beth Green, Member Services Officer. Ms. Green provided the November operations report including information on Designated Agent workshops, the \$300 one-time payment and the annual 13<sup>th</sup> check to qualified retirees, and staff's response to incoming phone calls and emails. Ms. Green reviewed September and October service standards and performance and responded to questions.

### **Monthly Financial Report**

The Chairperson recognized Leland Breedlove, Chief Fiscal Officer. Mr. Breedlove reviewed the preliminary October 31, 2007 financial statements and responded to questions.

### **New Employer Affiliations**

The Chairperson recognized Leland Breedlove, Chief Fiscal Officer. Mr. Breedlove summarized the 2008 affiliation list.

Doug Wolff made a motion that the Board approve the affiliation of entities completing the requirements and waive the December 1 filing deadline for local units of government that have submitted incomplete applications. Jarold Boettcher seconded the motion. Motion passed.

### **Disability Third-Party Administrator Agreement**

The Chairperson recognized Laurie McKinnon, General Counsel. Ms. McKinnon summarized the Disability Consulting Group Resource Options (DCG) renewal memo and responded to questions.

Doug Wolff made a motion that the Board authorize the staff to execute a three-year contract renewal with DCG Resource Options under the terms discussed. Michael Braude seconded the motion. Motion passed.

### **Appointment of Hearing Officers**

The Chairperson recognized Laurie McKinnon, General Counsel. Ms. McKinnon reviewed the request for administrative appeals of JoAnn Ash and Craig Bailey.

Doug Wolff moved that staff be authorized to contract with the Office of Administrative Hearings for assignment of hearing officers, for the purpose of hearing the administrative appeals of JoAnn Ash and Craig Bailey. Rachel Lipman Reiber seconded the motion. Motion passed.

### **Deferred Compensation Plan Overview**

The Chairperson recognized Glenn Deck, Executive Director. Mr. Deck provided an overview of the transfer of the Deferred Compensation Plan to KPERs. Mr. Deck recognized Faith Loretto, Deferred Compensation Plan Manager. Ms. Loretto summarized the legal structure and the roles and function of the various parties involved in the plan's ongoing operations and responded to questions.

### **Actuarial Experience Study**

The Chairperson recognized Pat Beckham, Milliman USA. Ms. Beckham presented the 2007 Experience Study Report and responded to questions.

Doug Wolff made a motion that the Board adopt the actuarial assumptions recommended in the 2007 Triennial Experience Study conducted by Milliman, Inc. Michael Braude seconded the motion. Motion passed.

### **Old Business**

There was no old business.

### **New Business**

There was no new business.

### **Board Evaluation**

There was no Board evaluation

The meeting adjourned at 11:55 a.m.