

MINUTES

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES

November 17, 2006

The meeting was called to order by Chairperson Jody Boeding at 8:30 a.m., in the Retirement System Boardroom, Topeka, Kansas.

Board members present:

- Jody Boeding, Chairperson
- Doug Wolff, Vice Chairperson
- Duane Anstine
- Jarold Boettcher
- Bruce Burditt
- Lynn Jenkins
- Rachel Lipman Reiber
- Doug Wolff

Outstanding Service Award

The Chairperson announced Melva Janke as the Outstanding Service Award recipient for the third period of 2006. Due to a conflict Ms. Janke was unable to attend the meeting to accept the award. It will be presented to her at the January 2007 meeting.

Public Comment

There were no public comments.

Approval of Minutes

It was moved by Mike Braude and seconded by Doug Wolff that the minutes of the September 15 and October 19 and 20, 2006 meetings be approved as submitted. Motion passed.

Executive Director's Report

The Chairperson recognized Glenn Deck, Executive Director. Mr. Deck provided a summary report on current issues, including: a KITS update, the Joint Committee on Pensions, Investments and Benefits meeting of November 15th and the presentation of retirement options utilization and communication. Mr. Deck responded to questions.

Investment Operations

The Chairperson recognized Vince Smith, Chief Investment Officer. Mr. Smith reviewed the September 30, 2006 Performance Report. He reported that the Retirement System had a total return of 4.5 percent (not annualized) for the fiscal year-to-date and 9.4 percent for the calendar year to date. Mr. Smith also reviewed preliminary investment performance through November and responded to questions.

Investment Committee Report

The Chairperson recognized Jarold Boettcher, Chairperson of the Investment Committee. Mr. Boettcher provided a report on the Committee meeting of November 16, 2006.

Mr. Boettcher made a motion that the Board authorize staff and AEW Capital Management, L.P. to proceed with the disposition of the Estates on Quarry Lake under the terms discussed. Bruce Burditt seconded the motion. Motion passed.

Audit Committee Report

The Chairperson recognized Bruce Burditt, Chairperson of the Audit Committee. Mr. Burditt provided a report of the Audit Committee meeting on November 16th. Mr. Burditt noted that the Committee reviewed the issue of audit firm rotation but decided not to make any recommendation at this time.

Retirement System Operations

The Chairperson recognized Judy Lambert, Member Services Officer. Ms. Lambert provided the operations report including information that 100.0 percent of new retirees responding to a recent retirement process survey rated their overall satisfaction as “very satisfied” or “satisfied”. Ms. Lambert responded to questions.

Monthly Financial Report

The Chairperson recognized Leland Breedlove, Chief Fiscal Officer. Mr. Breedlove reviewed the October 31, 2006 financial statements.

New Employer Affiliations

The Chairperson recognized Leland Breedlove, Chief Fiscal Officer. Mr. Breedlove summarized the 2007 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.

Appointment of Hearing Officer

The Chairperson recognized Laurie McKinnon, General Counsel. Ms. McKinnon reviewed the request for administrative appeal of Sara Penner.

Doug Wolff moved that staff be authorized to contract with the Office of Administrative Hearings for assignment of a hearing officer, for the purpose of hearing the administrative appeal of Sara Penner. Bruce Burditt seconded the motion. Motion passed.

Retirement Plan Design Review

The Chairperson recognized Glenn Deck, Executive Director who provided an overview of the presentation to the Joint Committee on Pensions, Investments and Benefits on November 15th. Mr. Deck responded to Board questions. Mr. Deck presented the revised draft of the KPERS Retirement Funding Standards document based on the Board's discussion at the October Board meeting.

Doug Wolff moved that the Board adopt the KPERS Retirement Funding Standards document as presented. Jarold Boettcher seconded the motion. Motion passed.

Retirement Option Utilization and Communication

The Chairperson recognized Mary Beth Green, Planning and Research Officer, Kristen Basso, Communications Officer and Dianna Berry, Public Service Administrator for a presentation on utilization, communication materials and advice to members regarding retirement options. Staff responded to questions.

Old Business

There was no old business.

New Business

There was no new business.

Board Evaluation

The Chairperson summarized the items discussed at the October Board Self-Evaluation session and the follow-up actions that staff and the Board will take on those items.

The meeting adjourned at 11:25 a.m.