

**REPORT FROM UMB INVESTMENT ADVISORS –  
by Mr. Jim Moffett and Mr. Don Smith**

Mr. Jim Moffett provided a review of the UMB investment performance as of May 31, 2002.

The Board thanked Mr. Moffett for his report.

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**REPORT OF FINANCIAL STATEMENTS – MARCH 2002 and APRIL 2002**

The Board discussed the financial statement of the system showing assets at market value of \$1,367,165,337 as of March 31, 2002. This is an increase of \$32.5 million from the value of \$1.33 billion as of February 28, 2002.

The Board also discussed the financial statement of the system showing asset at a market value of \$1,330,608,590 as of April 30, 2002. This is a decrease of \$36.5 million from the value of \$1.36 billion as of March 31, 2002.

After consideration, the Board, by unanimous vote of all members present, accepted the reports and directed that they be filed in the office of the Executive Director.

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**LEGISLATION**

Mr. Robinson informed the Board regarding retirement legislation that was passed by the General Assembly and sent to Governor Holden for consideration. The two bills are:

**House Bill 1455 – sponsored by Representative Jim O’Toole**

The primary focus of this bill is to revise the options available under the BackDROP. The bill also contains language to clarify various sections of the statutes dealing with the Closed Plan and Year 2000 Plan.

**Senate Bill 1202 – sponsored by Senator Westfall**

This legislation would transfer various duties to a newly created Motor Carrier Services Unit within MoDOT. Employees currently employed in the Division of Motor Carrier Services and Highway Reciprocity will be affected by the transfer.

Mr. Robinson stated these proposed pieces of legislation will have no fiscal impact on our retirement system.

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**REQUEST TO CONTINUE GOVERNMENTAL  
PENSION CONSULTANT AGREEMENT**

The Executive Director reminded the Board that on July 10, 1997, the Board granted approval for the Executive Director to enter into a Governmental Pension Consultant Agreement with Mr. Jack Pierce. The agreement provided for the consultant to provide 1) advice to the Board on general retirement issues as well as background of how current retirement provisions were developed, 2) track and make periodic reports to the Board on legislation before the Missouri General Assembly dealing with issues of interest to the Board, and 3) give advice on the passage of legislation regarding the Highway and Transportation Employees' and Highway Patrol Retirement System or in which the Board has expressed an interest. The consultant would also provide assistance in opposing legislation that has been determined by the Board to be detrimental to its interests.

The Executive Director stated the arrangement between the Board and Mr. Pierce has been extremely productive. Mr. Pierce is a valuable resource for the Executive Director in conducting legislative business.

The initial one-year contract with Mr. Pierce provided for annual compensation of \$12,000. The contract was extended in 1998 for a one-year period ended on June 30, 1999 at the same annual compensation of \$12,000. The contract was further extended in 1999 for a one-year period ended June 30, 2000 at an annual compensation of \$15,000, in 2000, for a one-year period ended June 30, 2001 at an annual compensation of \$15,000 and again in 2001 for a one-year period ended June 30, 2002.

The Executive Director recommended continuance of the agreement with Mr. Jack Pierce for the period of July 1, 2002, through June 30, 2003 at an annual compensation of \$15,000.

After discussion, the Board, by unanimous vote of all members present approved the Executive Director's recommendation.

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**STATUS OF CUSTODY SERVICES SEARCH**

Mr. Robinson informed the Board that Mr. Curt Kohlberg of Chatham Partners has completed preparation of the Request for Proposal (RFP) for the custody services. Proposals were forwarded to bidders and a notice was published in "Investment Management Weekly" (a widely distributed trade publication). Mr. Robinson state responses to the RFP are due on June 21, 2002.

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**FUTURE MEETING DATES**

Mr. Robinson recommended the Board hold its next meeting on Tuesday, August 13, 2002 at the Holiday Inn SunSpree Hotel at Lake of the Ozarks. Several board members are scheduled to attend the MAPERS (Missouri Association of Public Employees Retirement Systems) conference being held August 14-16<sup>th</sup>. This would allow Board members to stay for the conference upon conclusion of the Board meeting.

The Board agreed with Mr. Robinson's recommendation.

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**RESULTS OF ELECTION OF  
RETIREMENT BOARD MEMBERS**

The Executive Director presented the results of the election of a Missouri Department of Transportation active employee, a Missouri State Highway Patrol active employee and a retiree. The election was held on May 23, 2002, in Jefferson City and the results were certified by the Executive Director as follows:

**Missouri Department of Transportation employee candidates:**

Mr. John R.W. Bales Transportation Project Manager District 2, Macon	60	Mr. John P. Ohlms Intermediate Materials Inspector District 6, Chesterfield	31
Mr. Joseph "Joe" E. Clayton Registered Survey Party Chief District 7, Joplin	90	Ms. Patty Purves Finance Manager General Headquarters, Jefferson City	60
Mr. Wayne Goyea Construction Technician District 6, Chesterfield	22	Mr. Harold Reeder Senior Business Specialist District 4, Kansas City	211
Ms. Yolanda "Loni" Johnstone-Ross Condemnation Agent District 6, Chesterfield	80	Mr. "Chuck" Schumann Intermediate Design Technician District 2, Macon	24
Mr. Kyle Kittrell Transportation Planning Director General Headquarters, Jefferson City	97	Mr. Larry J. Thompson Sign Shop Supervisor General Headquarters, Jefferson City	187
Mr. Bob Lannert Enterprise Administrator General Headquarters, Jefferson City	99	Mr. Adam Watson Transportation Project Designer District 1, St. Joseph	45
Mr. Jerry A. Martin Senior Right of Way Specialist District 5, Jefferson City	36		

Based on the tally of votes cast, the Executive Director recommended that Mr. Harold Reeder be declared the successful candidate to represent the active employees of the Missouri Department of Transportation on the Board of Trustees.

Missouri State Highway Patrol employee candidates:

Major Edward H. Bliefnick Commander of Field Operations Bureau General Headquarters, Jefferson City	143
Mr. Clifford R. Gronauer Director, Information Systems Division General Headquarters, Jefferson City	39
Major A. Dale Penn Commander of Support Services Bureau General Headquarters, Jefferson City	135
Lieutenant Juan Villanueva Troop Staff Troop D, Springfield	184

Based on the tally of votes cast, the Executive Director recommended that Lieutenant Juan Villanueva be declared the successful candidate to represent the active employees of the Missouri State Highway Patrol on the Board of Trustees.

Retiree member candidates:

Mr. Frank L. Carroll Assistant Chief Engineer, Design Missouri Department of Transportation General Headquarters, Jefferson City	406
Mr. William H. Shaw Assistant Chief Engineer, Planning & Design Missouri Department of Transportation General Headquarters, Jefferson City	694
Mr. Harold W. Stanfield Lieutenant Missouri State Highway Patrol Troop F, Jefferson City	641

Based on the tally of votes cast, the Executive Director recommended that Mr. William H. Shaw be declared the successful candidate to represent the retired members of the Missouri Department of Transportation and Missouri State Highway Patrol on the Board of Trustees.

The Executive Director also reminded the Board of the guidelines approved for this election process and requested permission to destroy the ballots, tally sheets, and envelopes pertaining to the election after 60 days, unless the election is contested or if there is any evidence of irregularities.

By unanimous vote of all members present, the Board declared Mr. Harold Reeder, and Lieutenant Juan Villanueva to be the active employee members and Mr. William "Bill" Shaw to be the retiree member of the Board of Trustees and authorized the Executive Director to destroy the ballots, tally sheets, and envelopes pertaining to the May 23, 2002, election after 60 days.

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**RESOLUTION EXPRESSING APPRECIATION TO  
MR. LARRY J. THOMPSON FOR OUTSTANDING SERVICE  
TO THE HIGHWAY AND TRANSPORTATION EMPLOYEES'  
AND HIGHWAY PATROL RETIREMENT SYSTEM**

**WHEREAS**, Mr. Larry J. Thompson was elected to the Board of Trustees of the Highway and Transportation Employees' and Highway Patrol Retirement System on September 1, 1999; and

**WHEREAS**, Mr. Thompson faithfully served as a Member of the Board from that time until June 30, 2002; and

**WHEREAS**, Mr. Thompson has been a long-time supporter of and advocate for Missouri's transportation programs and has expressed sincere interest in the promotion of those programs and in the well-being of the people who work in transportation as well as those who provide law enforcement services; and

**WHEREAS**, Mr. Thompson provided wise counsel to the Board and to the Retirement System staff on difficult and complex retirement system issues; and

**WHEREAS**, during his tenure on the Board of Trustees, Mr. Thompson performed his duties with integrity, fairness, firmness, and a genuine compassion for the best interest of all Missourians, seeking always to provide adequate and equitable benefits for retirees of the Missouri Department of Transportation and the State Highway Patrol; and

**WHEREAS**, Mr. Thompson gave unselfishly of his personal time to meet with legislators, state government employees and retirees, both individually and collectively, to hear their concerns, to carefully study those issues, and to tirelessly support proposals deemed appropriate and fair to all Missourians; and

**WHEREAS**, Mr. Thompson has always been mindful of maintaining the System on a sound financial basis, thus protecting the interests of all future retirees; and

**NOW, THEREFORE, LET IT BE RESOLVED** that the Highway and Transportation Employees' and Highway Patrol Retirement System Board of Trustees expresses its deep and heartfelt appreciation to Mr. Thompson for his outstanding service.

**BE IT FURTHER RESOLVED** that a copy of this resolution be forwarded to Mr. Thompson so he will have a permanent record of the high regard and esteem in which he is held by the members of the Highway and Transportation Employees' and Highway Patrol Retirement System Board of Trustees, by the Retirement System staff, and by the employees and retirees of the Missouri Department of Transportation and the Missouri State Highway Patrol, whom he most competently served.

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