

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 283, Page 13, Section 86.320, Line 22, by
2 inserting after all of said line the following:

3 "169.291. 1. The general administration and the responsibility for the proper operation of
4 the retirement system are hereby vested in a board of trustees of twelve persons who shall be resident
5 taxpayers of the school district, as follows:

6 (1) Four trustees to be appointed for terms of four years by the board of education; provided,
7 however, that the terms of office of the first four trustees so appointed shall begin immediately upon
8 their appointment and shall expire one, two, three, and four years from the date the retirement system
9 becomes operative, respectively;

10 (2) Until the election in 2016, four trustees to be elected for terms of four years by and from
11 the members of the retirement system; provided, however, that the terms of office of the first four
12 trustees so elected shall begin immediately upon their election and shall expire one, two, three, and
13 four years from the date the retirement system becomes operative, respectively, but beginning at the
14 election in 2016, three trustees;

15 (3) Beginning at the election in 2016, one trustee shall be a person employed as a teacher or
16 administrator at a charter school, as "charter school" is defined in section 169.270, elected for a term
17 of four years by and from the members of the retirement system;

18 (4) The ninth trustee shall be the superintendent of schools of the school district;

19 [(4)] (5) The tenth trustee shall be one retirant of the retirement system elected for a term of
20 four years beginning the first day of January immediately following August 13, 1986, by the
21 retirants of the retirement system;

22 [(5)] (6) The eleventh trustee shall be appointed for a term of four years beginning the first
23 day of January immediately following August 13, 1990, by the board of trustees described in
24 subdivision (3) of section 182.701;

25 [(6)] (7) The twelfth trustee shall be a retirant of the retirement system elected for a term of
26 four years beginning the first day of January immediately following August 28, 1992, by the
27 retirants of the retirement system.

28 2. If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired
29 term in the same manner as the office was previously filled, except that the board of trustees may
30 appoint a qualified person to fill the vacancy in the office of an elected member until the next regular
31 election at which time a member shall be elected for the unexpired term. No vacancy or vacancies
32 on the board of trustees shall impair the power of the remaining trustees to administer the retirement
33 system pending the filling of such vacancy or vacancies.

34 3. In the event of a lapse of the school district's corporate organization as described in
35 subsections 1 and 4 of section 162.081, the general administration and responsibility for the proper
36 operation of the retirement system shall continue to be vested in a twelve-person board of trustees,

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1 all of whom shall be resident taxpayers of a city, other than a city not within a county, of four
2 hundred thousand or more. In such event, if vacancies occur in the offices of the four trustees
3 appointed, prior to the lapse, by the board of education, or in the offices of the four trustees elected,
4 prior to the lapse, by the members of the retirement system, or in the office of trustee held, prior to
5 the lapse, by the superintendent of schools in the school district, as provided in subdivisions (1), (2)
6 and (3) of subsection 1 of this section, the board of trustees shall appoint a qualified person to fill
7 each vacancy and subsequent vacancies in the office of trustee for terms of up to four years, as
8 determined by the board of trustees.

9 4. Each trustee shall, before assuming the duties of a trustee, take the oath of office before
10 the court of the judicial circuit or one of the courts of the judicial circuit in which the school district
11 is located that so far as it devolves upon the trustee, such trustee shall diligently and honestly
12 administer the affairs of the board of trustees and that the trustee will not knowingly violate or
13 willingly permit to be violated any of the provisions of the law applicable to the retirement system.
14 Such oath shall be subscribed to by the trustee making it and filed in the office of the clerk of the
15 circuit court.

16 5. Each trustee shall be entitled to one vote in the board of trustees. Seven trustees shall
17 constitute a quorum at any meeting of the board of trustees. At any meeting of the board of trustees
18 where a quorum is present, the vote of at least seven of the trustees in support of a motion, resolution
19 or other matter is necessary to be the decision of the board; provided, however, that in the event of a
20 lapse in the school district's corporate organization as described in subsections 1 and 4 of section
21 162.081, a majority of the trustees then in office shall constitute a quorum at any meeting of the
22 board of trustees, and the vote of a majority of the trustees then in office in support of a motion,
23 resolution or other matter shall be necessary to be the decision of the board.

24 6. The board of trustees shall have exclusive original jurisdiction in all matters relating to or
25 affecting the funds herein provided for, including, in addition to all other matters, all claims for
26 benefits or refunds, and its action, decision or determination in any matter shall be reviewable in
27 accordance with chapter 536 or chapter 621. Subject to the limitations of sections 169.270 to
28 169.400, the board of trustees shall, from time to time, establish rules and regulations for the
29 administration of funds of the retirement system, for the transaction of its business, and for the
30 limitation of the time within which claims may be filed.

31 7. The trustees shall serve without compensation. The board of trustees shall elect from its
32 membership a chairman and a vice chairman. The board of trustees shall appoint an executive
33 director who shall serve as the administrative officer of the retirement system and as secretary to the
34 board of trustees. It shall employ one or more persons, firms or corporations experienced in the
35 investment of moneys to serve as investment counsel to the board of trustees. The compensation of
36 all persons engaged by the board of trustees and all other expenses of the board necessary for the
37 operation of the retirement system shall be paid at such rates and in such amounts as the board of
38 trustees shall approve, and shall be paid from the investment income. 8. The board of trustees
39 shall keep in convenient form such data as shall be necessary for actuarial valuations of the various
40 funds of the retirement system and for checking the experience of the system.

41 9. The board of trustees shall keep a record of all its proceedings which shall be open to
42 public inspection. It shall prepare annually and furnish to the board of education and to each
43 member of the retirement system who so requests a report showing the fiscal transactions of the
44 retirement system for the preceding fiscal year, the amount of accumulated cash and securities of the
45 system, and the last balance sheet showing the financial condition of the system by means of an
46 actuarial valuation of the assets and liabilities of the retirement system.

47 10. The board of trustees shall have, in its own name, power to sue and to be sued, to enter
48 into contracts, to own property, real and personal, and to convey the same; but the members of such

1 board of trustees shall not be personally liable for obligations or liabilities of the board of trustees or
2 of the retirement system.

3 11. The board of trustees shall arrange for necessary legal advice for the operation of the
4 retirement system.

5 12. The board of trustees shall designate a medical board to be composed of three or more
6 physicians who shall not be eligible for membership in the system and who shall pass upon all
7 medical examinations required under the provisions of sections 169.270 to 169.400, shall investigate
8 all essential statements and certificates made by or on behalf of a member in connection with an
9 application for disability retirement and shall report in writing to the board of trustees its conclusions
10 and recommendations upon all matters referred to it.

11 13. The board of trustees shall designate an actuary who shall be the technical advisor of the
12 board of trustees on matters regarding the operation of the retirement system and shall perform such
13 other duties as are required in connection therewith. Such person shall be qualified as an actuary by
14 membership as a Fellow of the Society of Actuaries or by similar objective standards.

15 14. At least once in each five-year period the actuary shall make an investigation into the
16 actuarial experience of the members, retirants and beneficiaries of the retirement system and, taking
17 into account the results of such investigation, the board of trustees shall adopt for the retirement
18 system such actuarial assumptions as the board of trustees deems necessary for the financial
19 soundness of the retirement system.

20 15. On the basis of such actuarial assumptions as the board of trustees adopts, the actuary
21 shall make annual valuations of the assets and liabilities of the funds of the retirement system.

22 16. The rate of contribution payable by the employers shall equal one and ninety-nine
23 one-hundredths percent, effective July 1, 1993; three and ninety-nine one-hundredths percent,
24 effective July 1, 1995; five and ninety-nine one-hundredths percent, effective July 1, 1996; seven and
25 one-half percent effective January 1, 1999, and for subsequent calendar years through 2013. For
26 calendar year 2014 and each subsequent year, the rate of contribution payable by the employers for
27 each year shall be determined by the actuary for the retirement system in the manner provided in
28 subsection 4 of section 169.350 and shall be certified by the board of trustees to the employers at
29 least six months prior to the date such rate is to be effective.

30 17. In the event of a lapse of a school district's corporate organization as described in
31 subsections 1 and 4 of section 162.081, no retirement system, nor any of the assets of any retirement
32 system, shall be transferred to or merged with another retirement system without prior approval of
33 such transfer or merge by the board of trustees of the retirement system.

34 169.450. 1. The general administration and responsibility for the proper operation of the
35 retirement system and for making effective the provisions of sections 169.410 to 169.540 are hereby
36 vested in a board of trustees of eleven persons, as follows:

37 (1) Four trustees to be appointed for terms of four years by the board of education; provided,
38 however, that their terms shall be fixed so the terms of one of the trustees so appointed shall expire
39 each year. The members of such board of trustees appointed by the board of education may be
40 members of the board of education or other individuals deemed qualified to hold such positions by
41 the board of education;

42 (2) Four trustees to be elected for terms of four years by and from the active members of the
43 retirement system who shall hold office as trustees only while active members; provided, however,
44 that their terms shall be fixed so that the terms of one of the trustees so elected shall expire each year;
45 and provided further, that [not more than] at least two of such persons shall be teachers and [two] not
46 more than one shall be [nonteachers] a nonteacher, and beginning in 2016, one shall be a person
47 employed as a teacher or administrator at a charter school, as "charter school" is defined in section
48 169.270, and elected for a term of four years by the members of the retirement system. For the

1 purposes of this subsection, a school administrator shall not be eligible for the positions established
2 pursuant to this subdivision and shall be eligible for the position established pursuant to subdivision
3 (4) of this subsection;

4 (3) Two trustees, who shall be retired members, to be elected for terms of four years by and
5 from the retired members of the retirement system; provided, however, that the terms of office of the
6 first two trustees so elected shall begin immediately upon their election and shall expire two and four
7 years from the date of their election, respectively; and provided further, that not more than one of
8 such persons shall be a teacher and one shall be a nonteacher;

9 (4) One member, who shall be a school administrator, to be elected for a term of four years
10 by and from the active members of the retirement system who shall hold office as a trustee only
11 while an active member; except that, the initial term of office of such trustee shall expire on
12 December 31, 1999.

13 2. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the unexpired
14 term in the same manner as the office was previously filled. No vacancy or vacancies on the board
15 of trustees shall impair the power of the remaining trustees to administer the retirement system
16 pending the filling of such vacancies.

17 3. In the event of a lapse of a school district's corporate organization as described in
18 subsections 1 and 4 of section 162.081, or for any other reason, the general administration and the
19 responsibility for the proper operation of the retirement system shall continue to be fully vested in
20 the trustees then currently serving and such trustees shall continue to serve and be elected in the same
21 manner as set forth in this statute as if no lapse had occurred, except that in the event of vacancies
22 occurring in the office of trustees appointed by the board of education prior to the lapse, the board of
23 trustees shall appoint a qualified person or persons to fill such vacancy or vacancies for terms of up
24 to four years.

25 4. Trustees shall serve without compensation, and any trustee shall be reimbursed from the
26 expense fund for all necessary expenses which the trustee may incur through service on the board of
27 trustees.

28 5. Each trustee shall, within ten days after such trustee's appointment or election, take an
29 oath of office before the clerk of the circuit court of the judicial circuit in which the school district is
30 located that, so far as it devolves upon the trustee, the trustee will diligently and honestly administer
31 the affairs of the board of trustees and that the trustee will not knowingly violate or willingly permit
32 to be violated any of the provisions of the law applicable to the retirement system. Such oath shall
33 be subscribed to by the trustee making it and filed in the office of the clerk of the circuit court.

34 6. The circuit court of the judicial circuit in which the school district is located shall have
35 jurisdiction over the members of the board of trustees to require them to account for their official
36 conduct in the management and disposition of the funds and property committed to their charge; to
37 order, decree and compel payment by them to the public school retirement system of their school
38 district of all sums of money, and of the value of all property which may have been improperly
39 retained by them, or transferred to others, or which may have been lost or wasted by any violation of
40 their duties or abuse of their powers as such members of such board; to remove any such member
41 upon proof that the trustee has abused the trustee's trust or has violated the duties of the trustee's
42 office; to restrain and prevent any alienation or disposition of property of such public school
43 retirement system by the members, in cases where it may be threatened, or there is good reason to
44 apprehend that it is intended to be made in fraud of the rights and interests of such public school
45 retirement system. The jurisdiction conferred by sections 169.410 to 169.540 shall be exercised as in
46 ordinary cases upon petition, filed by the board of education of such school district, or by any two
47 members of the board of trustees. Such petition shall be heard in a summary manner after ten days'
48 notice in writing to the member complained of, and an appeal shall lie from the judgment of the

1 circuit court as in other causes and be speedily determined, but such appeal shall not operate under
2 any condition as a supersedeas of a judgment of removal from office.

3 7. Each trustee shall be entitled to one vote in the board of trustees. Six votes shall be
4 necessary for a decision by the trustees at any meeting of the board of trustees.

5 8. Subject to the limitations of sections 169.410 to 169.540, the board of trustees shall, from
6 time to time, establish rules and regulations for the administration of the retirement system, for
7 eligibility for and determination of benefits under the retirement system, for the investment of
8 retirement system assets, and for the transaction of the retirement system's business.

9 9. The board of trustees shall elect from its membership a chairman and shall, by majority
10 vote of its members, appoint a secretary, who may be, but need not be, one of its members. It shall
11 engage such actuarial and other services as shall be required to transact the business of the retirement
12 system. It shall also engage an investment counselor who shall be experienced in the investment of
13 moneys to advise the trustees on investments of the retirement system. The compensation of all
14 persons engaged by the board of trustees and all other expenses of the board necessary for the
15 operation of the retirement system shall be paid at such rates and in such amounts as the board of
16 trustees shall approve.

17 10. The board of trustees shall keep in convenient form such data as shall be necessary for
18 actuarial valuations of the assets of the retirement system and for checking the experience of the
19 system.

20 11. The board of trustees shall keep a record of all its proceedings which shall be open to
21 public inspection. It shall prepare annually and send to the board of education and to each member
22 of the retirement system a report showing the fiscal transactions of the retirement system for the
23 preceding fiscal year, a detailed listing of all salaries and expenditures incurred by the trustees for its
24 operation, the amount of the accumulated cash and securities of the system, and the last balance sheet
25 showing the financial condition of the system by means of an actuarial valuation of the assets and
26 liabilities of the retirement system. The board of trustees shall also prepare or cause to be prepared
27 an annual report concerning the operation of the retirement system herein provided for, which report
28 shall be sent by the chairman of the board of trustees to the board of education.

29 12. The board of trustees shall arrange for necessary legal advice for the operation of the
30 retirement system.

31 13. The board of trustees shall designate a medical board to be composed of three
32 physicians, none of whom shall be eligible for benefits pursuant to sections 169.410 to 169.540, who
33 shall arrange for and pass upon all medical examinations required pursuant to the provisions of
34 sections 169.410 to 169.540, shall investigate all essential statements and certificates made by or on
35 behalf of a member in connection with an application for disability retirement and shall report in
36 writing to the board of trustees its conclusions and recommendations upon all matters referred to it.

37 14. The actuary shall be the technical adviser of the board of trustees on matters regarding
38 the operation of the system created by sections 169.410 to 169.540 and shall perform such other
39 duties as are required in connection therewith. Such person shall be qualified as an actuary by
40 membership as a fellow in the Society of Actuaries or by objective standards which are no less
41 stringent than those established by the Society of Actuaries.

42 15. At least once in each five-year period the actuary shall make an investigation into the
43 actuarial experience of the retirement system, and taking into account the results of such
44 investigation of the experience, the board of trustees shall adopt for the retirement system such
45 actuarial assumptions as shall be deemed necessary.

46 16. On the basis of such actuarial assumptions as the board of trustees shall adopt, the
47 actuary shall make an annual valuation of the assets and liabilities of the funds of the retirement
48 system.

1 17. On the basis of the valuation the board of trustees shall certify the rates of contribution
2 payable by the board of education."; and
3
4 Further amend said bill by amending the title, enacting clause, and intersectional references
5 accordingly.