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CITY OF KANSAS CITY, MO

RETIREMENT SYSTEM EXECUTIVE OFFICER (RSEO)

POSITION SPECIFICATIONS

CLIENT

Our client is the City of Kansas City, MO and two defined benefit plans for employees of the City. Specifically, this position will direct the activities of the Employees' Retirement System (ERS) and the Firefighters' Pension System (FPS).

Employees' Retirement System

ERS was established December 1, 1964 as a contributory defined benefit plan under Section 414 of the Internal Revenue Code. The system provides retirement and survivor benefits to City employees (other than firefighters and uniformed police officers). ERS has assets of approximately \$1B and was 83.7% funded as of May 1, 2014. Its investment portfolio earned 11.44% on a market asset value basis (9.96% on an actuarial asset value basis) for the year ended April 30, 2014. The assumed rate of return is 7.5%.

Effective May 1, 2014, members of ERS contribute 5% of their salary. The City pays the remaining costs of the system. Normal retirement benefits are available to employees hired after May 1, 2014 upon achieving the age of 67, with at least ten years of service. Employees hired prior to May 1, 2014 may take normal retirement at age 65 with at least five years of service. Optional early retirement benefits are also available.

ERS is governed by a ten-member Board of Trustees, comprised of two ex-officio members (the Director of Finance and the Director of Human Resources), seven members appointed by the Mayor, and one member elected by ambulance service personnel. The Mayoral appointments consist of four recognized business leaders with a background in investments or benefits, one retiree, and two active members of the system, as recommended by the union.

Firefighters' Pension System

FPS was established July 1, 1953 as a contributory defined benefit plan under Section 414 of the Internal Revenue Code. The system provides retirement, disability and survivor benefits to members of the City's firefighting division. Employee members do not participate in Social Security. FPS has assets of approximately \$500M and was

77.6% funded as of May 1, 2014. Its investment portfolio earned 10.73% on a market asset value basis (11.79% on an actuarial asset value basis, incorporating smoothing). The assumed rate of return is 7.75%.

Effective May 1, 2014, members of FPS contribute 10.55% of their salary. The City pays the remaining costs of the system. Normal retirement benefits are available to employees hired prior to May 1, 2014 after 25 years of service, regardless of age. Normal retirement benefits are available to employees hired on or after May 1, 2014 after 27 years of service, regardless of age. Disability benefits are also provided.

FPS is governed by a nine-member Board of Trustees, comprised of four ex-officio members (the Fire Chief, the Director of Finance, the Director of Human Resources, and the City Treasurer), three elected members who are current members of Local 42, one elected member who is a current member of Local 3808, and one non-voting retiree member jointly appointed by Local 42 and Local 3808. (The Locals are part of the International Association for Fire Fighters.)

The Community

Located in the Heart of America at the confluence of the Kansas and Missouri Rivers, Kansas City, Missouri (City population 468,000; metro area population 2.3 million) is a world class community with a long tradition of performing arts, outstanding professional sports, superb restaurants, and spectacular entertainment. The City's history of strong neighborhoods gives the community a gracious and welcoming feeling that transcends its large city status.

Kansas City has a rich history of supporting the cultural arts and enjoys a beautiful Performing Arts Center in downtown Kansas City. The City hosts several renowned art museums, and offers numerous opportunities for theater-goers. More than a dozen hospitals serve the region. In addition, Kansas City is dedicated to transforming the area into a center for excellence in life sciences research, and has established the Kansas City Area Life Sciences Institute, a nonprofit organization jointly funded by the Kansas City Civic Council and the Kansas City Area Development Council.

Kansas City has been home to numerous corporate headquarters, including Hallmark Cards, H & R block, DST Systems, Inc., Black and Veatch, Kansas City Southern Industries, and American Century to name just a few. The Kansas City economy is multifaceted, with a healthy retail sales base.

In the last ten years, more than \$6.5 billion has been invested in the downtown area, and downtown Kansas City was recognized by *Forbes* as one of the top 10 downtowns in America. Additional accolades from Frommers (Top 10 Travel Destination), Saveur (next great culinary destination) and Travel + Leisure (Most Affordable Getaway in the US) highlight the momentum behind the Greater Kansas City region.

The Kansas City area is ranked by several national publications as one of the best places to live and work in the United States. The City offers short commutes, affordable cost of living, and an exceptional quality of life.

For additional information about the City and exciting developments within the Kansas City area, please visit the following websites:

City of Kansas City, Missouri	www.kcmo.gov
Downtown Council	www.downtownkc.org
KC Convention & Visitors Association	www.visitkc.com
KC Area Development Council	www.thinkkc.com
Greater Kansas City Chamber of Commerce	www.kcchamber.com

RESPONSIBILITIES

This position is responsible for the administrative and investment activities required to direct the Division of Retirement Systems within the City Human Resources Department. The primary function of the Retirement System Executive Officer (RSEO) is to ensure that all employee benefit plan assets of the Employees Retirement System and the Firefighters Pension System are properly safeguarded and investment in accordance with sound investment principles and fiduciary standards for the exclusive benefit of plan participants. This position provides direction regarding: (a) investment policies, objectives and guidelines; (b) asset allocation; (c) custodian/consultant/manager selection and termination; (d) funding requirements; (e) cash disbursement and management; and (f) cost controls.

Fiduciary control is exercised by the Board of Trustees of each retirement system, within guidelines established by ordinances, but this position is expected to exercise considerable judgment and discretion in solving the more difficult problems arising out of administration of the retirement funds, and is expected to ensure that the operation of the systems complies with applicable ordinances, rules and regulations. The statistical and financial operations are subject to the review and recommendations of professional consultants. This position is also critical to ensuring that all pension obligations are met in a timely manner.

The RSEO works under the general administrative supervision of the Director of Human Resources for the City, and manages an administrative staff of four full-time employees.

Key responsibilities include:

- Manages the assets and liabilities of separate major retirement systems in an integrated manner.
- Ensures that the pension trust derives maximum benefit from its multiple manager investment structure.
- Is cognizant of pension-related developments which may affect the City's defined benefit plans.
- Makes continuous analysis of all aspects of the retirement systems; confers with consultants in making periodic assessments of the integrated system and its operations; previews recommendations of actuaries and submits proposal for improvements to the applicable Board of Trustees.
- Maintains liaison between the fund and its membership; advises and assists participants relative to their rights in the system; services accounts by correspondence and personal interviews; receives correspondence and answers inquiries.

- Establishes and automates office procedures, forms, and records for the proper care and custody of adequate investment records; keeps the minutes of Board meetings and maintains the rules and regulations; supervises the receipt, calculation and disposition of claims for annuities and benefits as well as refunds for employees under the system.
- Supervises and participates in the preparation of detailed annual and other regular and special reports; makes periodic reports to the Boards of Trustees relative to the statistical or financial operations; compiles financial, actuarial, and statistical data for the annual report of the Board.
- Manages FPS duty and non-duty disability application process.
- Attends regular Board of Trustee meetings.

EDUCATION AND EXPERIENCE

- Accredited bachelor's degree with major course work in finance, accounting, public finance, business administration or a related field.
- Significant (ideally five-plus years) of progressively responsible experience with a plan sponsor, pension consultant, or other complex financial organization in financial administration or investment management.
- Experience managing staff, budget and external vendor relationships.
- Experience reporting to/working with a board; knowledge of best practices in board governance and policy.
- Thorough knowledge of investments used to structure investment programs based on plan liabilities and risk tolerance.
- Considerable knowledge of: sound cash management practices; modern principles, practices and techniques in public finance administration; modern office management principles practices and procedure; and automated work environments.
- Working knowledge of: investment instruments and accounting principles related to pension finance; investment alternatives within capital markets; and pension related legislation.

PERSONAL CHARACTERISTICS

- Excellent customer service orientation; driven to provide timely, effective and efficient services to members.
- Good planning and organization skills to effectively direct a program of accounting and fiscal services, with appropriate controls, and develop and implement improvements in established fund management systems, procedures, records and controls.
- Strong interpersonal skills to develop and maintain effective working relationships with subordinates, participating employees, consulting personnel, unions and city officials.
- Good attention to detail to compile statistical data and prepare complex and complete financial reports.
- Sound judgment, self-confidence and the highest degree of personal integrity.

COMPENSATION

This position is a classified exempt position. The City will provide a competitive base salary dependent on experience and qualifications of the successful candidate. A highly competitive benefits package includes membership in the ERS, a deferred compensation plan, general vacation and sick leave, 10 paid holidays, a flexible benefits plan including multi-option health, dental and vision coverage, and family and domestic partner leave.

If the selected candidate is not currently a resident within Kansas City, Missouri, residency will be required upon commencement of employment. The City will provide relocation assistance on an individually negotiated basis.

NON-DISCRIMINATION

Our client and EFL Associates firmly support the principle and philosophy of equal opportunity for all individuals, regardless of age, race, gender, creed, national origin, disability, veteran status or any other protected category pursuant to applicable federal, state or local law.

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