

FIRST REGULAR SESSION

SENATE BILL NO. 257

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROBERTS.

0577S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 169.450, RSMo, and to enact in lieu thereof one new section relating to the board of trustees of the public school retirement system of the city of St. Louis.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 169.450, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 169.450,
3 to read as follows:

169.450. 1. The general administration and
2 responsibility for the proper operation of the retirement
3 system and for making effective the provisions of sections
4 169.410 to 169.540 are hereby vested in a board of trustees
5 of eleven persons, as follows:

6 (1) Four trustees to be appointed for terms of four
7 years by the board of education; provided, however, that
8 their terms shall be fixed so the terms of one of the
9 trustees so appointed shall expire each year. The members
10 of such board of trustees appointed by the board of
11 education may be members of the board of education or other
12 individuals deemed qualified to hold such positions by the
13 board of education;

14 (2) Four trustees to be elected for terms of four
15 years by and from the active members of the retirement
16 system who shall hold office as trustees only while active
17 members; provided, however, that their terms shall be fixed
18 so that the terms of one of the trustees so elected shall

19 expire each year; and provided further, that not more than
20 two of such persons shall be teachers and two shall be
21 nonteachers. For the purposes of this subsection, a school
22 administrator shall not be eligible for the positions
23 established pursuant to this subdivision and shall be
24 eligible for the position established pursuant to
25 subdivision (4) of this subsection;

26 (3) Two trustees, who shall be retired members, to be
27 elected for terms of four years by and from the retired
28 members of the retirement system; provided, however, that
29 the terms of office of the first two trustees so elected
30 shall begin immediately upon their election and shall expire
31 two and four years from the date of their election,
32 respectively; and provided further, that not more than one
33 of such persons shall be a teacher and one shall be a
34 nonteacher;

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

41 (5) **Two trustees to be appointed for terms of four**
42 **years by the Missouri Public Charter School Association;**
43 **provided, however, that the terms of office of the first two**
44 **trustees so elected shall begin immediately upon their**
45 **election and shall expire two and four years from the date**
46 **of their election, respectively. The members of such board**
47 **of trustees appointed by the Missouri Public Charter School**
48 **Association shall have experience or qualifications relevant**
49 **to public charter schools and the retirement system. The**
50 **appointment of the trustees shall be subject to the same**

51 **rules and regulations applicable to other trustees,**
52 **including, but not limited to, taking an oath of office as**
53 **provided in subsection 5 of this section.**

54 2. If a vacancy occurs in the office of trustee, the
55 vacancy shall be filled for the unexpired term in the same
56 manner as the office was previously filled. No vacancy or
57 vacancies on the board of trustees shall impair the power of
58 the remaining trustees to administer the retirement system
59 pending the filling of such vacancies.

60 3. In the event of a lapse of a school district's
61 corporate organization as described in subsections 1 and 4
62 of section 162.081, or for any other reason, the general
63 administration and the responsibility for the proper
64 operation of the retirement system shall continue to be
65 fully vested in the trustees then currently serving and such
66 trustees shall continue to serve and be elected in the same
67 manner as set forth in this statute as if no lapse had
68 occurred, except that in the event of vacancies occurring in
69 the office of trustees appointed by the board of education
70 prior to the lapse, the board of trustees shall appoint a
71 qualified person or persons to fill such vacancy or
72 vacancies for terms of up to four years.

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

77 5. Each trustee shall, within ten days after such
78 trustee's appointment or election, take an oath of office
79 before the clerk of the circuit court of the judicial
80 circuit in which the school district is located that, so far
81 as it devolves upon the trustee, the trustee will diligently
82 and honestly administer the affairs of the board of trustees

83 and that the trustee will not knowingly violate or willingly
84 permit to be violated any of the provisions of the law
85 applicable to the retirement system. Such oath shall be
86 subscribed to by the trustee making it and filed in the
87 office of the clerk of the circuit court.

88 6. The circuit court of the judicial circuit in which
89 the school district is located shall have jurisdiction over
90 the members of the board of trustees to require them to
91 account for their official conduct in the management and
92 disposition of the funds and property committed to their
93 charge; to order, decree and compel payment by them to the
94 public school retirement system of their school district of
95 all sums of money, and of the value of all property which
96 may have been improperly retained by them, or transferred to
97 others, or which may have been lost or wasted by any
98 violation of their duties or abuse of their powers as such
99 members of such board; to remove any such member upon proof
100 that the trustee has abused the trustee's trust or has
101 violated the duties of the trustee's office; to restrain and
102 prevent any alienation or disposition of property of such
103 public school retirement system by the members, in cases
104 where it may be threatened, or there is good reason to
105 apprehend that it is intended to be made in fraud of the
106 rights and interests of such public school retirement
107 system. The jurisdiction conferred by sections 169.410 to
108 169.540 shall be exercised as in ordinary cases upon
109 petition, filed by the board of education of such school
110 district, or by any two members of the board of trustees.
111 Such petition shall be heard in a summary manner after ten
112 days' notice in writing to the member complained of, and an
113 appeal shall lie from the judgment of the circuit court as
114 in other causes and be speedily determined, but such appeal

115 shall not operate under any condition as a supersedeas of a
116 judgment of removal from office.

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

121 8. Subject to the limitations of sections 169.410 to
122 169.540, the board of trustees shall, from time to time,
123 establish rules and regulations for the administration of
124 the retirement system, for eligibility for and determination
125 of benefits under the retirement system, for the investment
126 of retirement system assets, and for the transaction of the
127 retirement system's business.

128 9. The board of trustees shall elect from its
129 membership a chairman and shall, by majority vote of its
130 members, appoint a secretary, who may be, but need not be,
131 one of its members. It shall engage such actuarial and
132 other services as shall be required to transact the business
133 of the retirement system. It shall also engage an
134 investment counselor who shall be experienced in the
135 investment of moneys to advise the trustees on investments
136 of the retirement system. The compensation of all persons
137 engaged by the board of trustees and all other expenses of
138 the board necessary for the operation of the retirement
139 system shall be paid at such rates and in such amounts as
140 the board of trustees shall approve.

141 10. The board of trustees shall keep in convenient
142 form such data as shall be necessary for actuarial
143 valuations of the assets of the retirement system and for
144 checking the experience of the system.

145 11. The board of trustees shall keep a record of all
146 its proceedings which shall be open to public inspection.

147 It shall prepare annually and send to the board of education
148 and to each member of the retirement system a report showing
149 the fiscal transactions of the retirement system for the
150 preceding fiscal year, a detailed listing of all salaries
151 and expenditures incurred by the trustees for its operation,
152 the amount of the accumulated cash and securities of the
153 system, and the last balance sheet showing the financial
154 condition of the system by means of an actuarial valuation
155 of the assets and liabilities of the retirement system. The
156 board of trustees shall also prepare or cause to be prepared
157 an annual report concerning the operation of the retirement
158 system herein provided for, which report shall be sent by
159 the chairman of the board of trustees to the board of
160 education.

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

163 13. The board of trustees shall designate a medical
164 board to be composed of three physicians, none of whom shall
165 be eligible for benefits pursuant to sections 169.410 to
166 169.540, who shall arrange for and pass upon all medical
167 examinations required pursuant to the provisions of sections
168 169.410 to 169.540, shall investigate all essential
169 statements and certificates made by or on behalf of a member
170 in connection with an application for disability retirement
171 and shall report in writing to the board of trustees its
172 conclusions and recommendations upon all matters referred to
173 it.

174 14. The actuary shall be the technical adviser of the
175 board of trustees on matters regarding the operation of the
176 system created by sections 169.410 to 169.540 and shall
177 perform such other duties as are required in connection
178 therewith. Such person shall be qualified as an actuary by

179 membership as a fellow in the Society of Actuaries or by
180 objective standards which are no less stringent than those
181 established by the Society of Actuaries.

182 15. At least once in each five-year period the actuary
183 shall make an investigation into the actuarial experience of
184 the retirement system, and taking into account the results
185 of such investigation of the experience, the board of
186 trustees shall adopt for the retirement system such
187 actuarial assumptions as shall be deemed necessary.

188 16. On the basis of such actuarial assumptions as the
189 board of trustees shall adopt, the actuary shall make an
190 annual valuation of the assets and liabilities of the funds
191 of the retirement system.

192 17. On the basis of the valuation the board of
193 trustees shall certify the rates of contribution payable by
194 the board of education.

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