

MINUTES

POLICE RETIREMENT SYSTEM OF KANSAS CITY and CIVILIAN EMPLOYEES' RETIREMENT SYSTEM OF THE POLICE DEPARTMENT OF KANAS CITY BOARD MEETING

Thursday, April 11, 2024

Scott Hummel called the meeting to order.

PRESENT:

Scott Hummel, Member

Leslie Lewis, Member

Robert Jones, Member

Chad Pickens, Member

Nathan Simecek, Member

Wayne Stewart, Member

Lisa Colclasure, Staff

Jenn Best, Staff

Jason Hoy, Staff

Jonathan Dilly, Attorney

INVESTMENT COMMITTEE UPDATE

Mr. Stewart said the Investment Committee (IC) met on April 2 with Ryan Sullivan and Marcia Beard from RVK and Rob Woodard from Mariner to review the following items:

February 2024 Investment Portfolio Analysis

The Police plan reported a net gain of 1.31% after fees, achieving an ending market value of \$997.1 million. At the same time, the Civilian Employees' plan also saw a net gain of 1.25% after fees, reaching an ending market value of \$176.0 million. Both plans surpassed expectations, outperforming the target benchmark by .09% and .03%. For the one-year period ending in February, the Police plan boasted an 8.93% gain, and the Civilian Employees' plan achieved an 8.65% net of fees against the target benchmark's one-year gain of 8.75%. Both plans demonstrated strong performance, notably outperforming their fiscal year-to-date targets.

2024 Asset Allocation Review

Annually, the Kansas City Police Employees' Retirement Systems conducts a comprehensive review of their target allocation to account for significant shifts in the economy, market dynamics, or any adjustments to the plan's long-term objectives. Moreover, a thorough asset allocation study is conducted at least once every three years to ensure the targets remain aligned with evolving market conditions or if modifications are necessary to optimize performance.

The foundational structure and philosophy of the overall allocation were initially adopted in 2014. The present target allocation, adopted in September 2023, reflected a reduction in the target for Multi-Strategy Hedge Funds and a corresponding increase in the target for Private Credit. Before this adjustment, the target allocation, established in 2020, eliminated the target for private equity while making adjustments across other asset classes. The thorough review determined that no changes were needed to our asset allocation strategy, affirming that we continue to achieve the desired level of results from our risk portfolio.

RETIREMENT SYSTEMS OFFICE UPDATE

Mr. Hoy commenced with a comprehensive review of the Retirement Systems' primary objectives, namely membership, communication, education, and administration, along with key initiatives such as the redesigned website, Town Halls, Video Communications, and others. During the meeting, progress was discussed on the original seven goals presented last year. Three goals were completed, but some time frames shifted. The shift in strategies towards membership and communication was emphasized. Administrative objectives were updated, focusing on continuity and succession planning.

Mr. Hoy then reviewed the branding and communication refresh. Plans were announced for a branding and communication refresh, including the rollout of refreshed logos and branded presentation materials. All formats will focus on maintaining a consistent theme and formats to enhance brand recognition.

SECRETARY REPORT:

Retiree Townhall

Mr. Hoy recapped the Retiree Townhalls, which were held on April 8th. Each town hall had approximately 20 to 25 members in attendance, with another 25 to 30 online participants. Staff have received positive feedback about the overall presentations and information provided.

Retirement Board Election Update

Mr. Hoy stated that election letters were mailed on March 29th. He also advised that a notice was placed in the Daily Informant and on the KCPERS website.

UMASS Contract Update

Mr. Hoy updated the status of the UMASS contract and said that they had agreed to waive the monthly technology fee and only charge on a per-use basis. The contract has been signed and executed.

OMNIBUS MOTION

Mr. Pickens made the following motion, seconded by Mr. Stewart. The motion passed unanimously.

RESOLVED, that the Retirement Board hereby unanimously approves:

The minutes of the previous meetings of January and February 2024;

The monthly financial statements for January and February 2024;

The payment of bills as listed in the Secretary's Reports for this meeting;

The return of contributions to those persons, who have resigned or terminated service, as listed in the Secretary's Reports for this meeting;

The purchases and sales of assets as listed in the Secretary's Reports for this meeting;

The payment or commencement of pensions or other benefits as listed in the Secretary's Reports for this meeting; and

Any purchases of creditable service as listed in the Secretary's Reports for this meeting.

BOARD MEMBER COMMENTS

Mr. Jones made comments on the success of the Retiree Townhalls.

CLOSED SESSION

Mr. Hummel motioned to close this part of the meeting pursuant to Sections 610.021(1) & 610.021(13) RSMo to discuss pending litigation and employee matters. Mr. Pickens seconded the motion.

The following board members were present and voted to go into closed session as follows:

Mr. Hummel	Mr. Pickens
Mr. Jones	Mr. Simecek
Ms. Lewis	Mr. Stewart

Following the closed session, the Board reconvened in an open session. Mr. Hoy reported that the Board reviewed pending litigation with legal counsel.

LEGISLATION MOTION

Mr. Simecek motioned to authorize Mr. Hoy (i) to draft potential legislation for the Board’s review and approval that would amend the disability statute to align the exclusivity requirements for accidents with that of occupational diseases and (ii) to discuss the proposed legislation and its impact with affected parties and System stakeholders. Ms. Lewis seconded the motion, which passed unanimously.

PUBLIC COMMENTS

Time was made for public comments.

ADJOURNMENT

The next regularly scheduled board meeting is May 9, at the Public Safety Credit Union, 2800 E. 14th Street.

BOARD SECRETARY

CHAIRMAN