

MINUTES

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

Thursday, March 12, 2020

Richard Smith called the meeting to order.

PRESENT:

Richard Smith, Member
Scott Hummel, Member
Bailus Tate, Member
Walter Bixby, Member
Robert Jones, Member
Thomas Mills, Member

Jonathan Dilly, Attorney
Sharon Blancett, Staff
Lisa Colclasure, Staff
Jason Hoy, Staff
James Pyle, Staff

SECRETARY REPORT:

INVESTMENT COMMITTEE REPORT

Mr. Pyle said the Investment Committee (IC) met on February 13 and March 3 with Ryan Sullivan and Marcia Beard from RVK and Rob Woodard from Mariner to review the following items.

RVK Capital Markets Assumptions Update – Mr. Sullivan said RVK was still working to finalize their Capital Markets Assumptions for 2020. The CMA will be used to project market returns for the Asset/Liability study which RVK presented to the IC in March.

Investment Policy Statement Review - Mr. Hoy and Mr. Sullivan reviewed a proposed amendment to Appendix B of Policy #004 Investment Policy Statement. The amendment would incorporate the self-funded line of credit for Grosvenor into the IPS. The Retirement Board approved using a line of credit with Grosvenor in September 2019.

Mr. Pyle said the IC recommends approving the proposed change to the Investment Policy Statement. Mr. Mills made the motion to amend Appendix B of Policy #004 Investment Policy Statement to include the provisions for the self-funded line of credit. Mr. Hummel seconded the motion which passed unanimously.

Asset Liability Study – Mr. Sullivan and Ms. Beard presented the results of the Asset/Liability study as of April 30, 2019. RVK used data from the April 30, 2019 actuarial valuations to complete the liability side of the study and our current asset allocation and RVK's 2020 Capital Markets Assumptions for the asset side of the study. They will be attending the April 9 Retirement Board meeting to review the details of the A/L study with the board. RVK used deterministic and stochastic modeling to review a wide range of outcomes for the plan.

The outcomes showed both plans to be relatively healthy with consistent projected payout ratios (benefit payments/market value of assets). The testing also showed that with our current and projected assumed rates of return that our target asset allocation produces

reasonable returns without taking undue risk. The study also shows that taking greater risk in the portfolio does not produce significantly greater returns.

January 2020 Investment Portfolio Analysis - Mr. Sullivan reviewed the January 2020 Investment Performance Analysis. The Police plan lost 0.270% for the month and 0.31% net of fees and had an ending market value of \$923.6 million. The Civilian Employees' plan lost 0.25% for the month and 0.29% net of fees and had an ending market value of \$153.2 million. The target benchmark for both plans gained 0.18%. For the one year period ending in January, the Police plan gained 10.1% net of fees and the Civilian Employees' plan gained 10.3% net of fees. The target benchmark for the same time period gained 10.6%.

RETIREMENT BOARD ELECTION SCHEDULE

Mr. Pyle reviewed the 2020 Retirement Board election schedule for the one open seat, held by Mr. Smith, up for election this year. The first date in the election process is April 1 when the notice of election and the filing period will be posted. The deadline for filing and nominations will be April 30 at 4pm. The notice of election will be posted on the kcpers.org website, run in the Daily Informant, and mailed to retired members, surviving spouses, and deferred vested members.

SECRETARYS UPDATE

Investment Managers Coronavirus Preparation – Mr. Pyle said investment managers were providing frequent updates on their response to the COVID-19 virus. The updates include information on their business continuity plans, efforts to protect their employees' health, and investment market analysis. Staff is ready to implement our business continuity plan. Laptops have been set up for staff to work from home and we have tested processes to ensure we can provide services to our members from remote locations.

Disability Evaluation Provider Update – Mr. Pyle said staff is continuing to work to find an additional psychiatrist who can assist with disability evaluations. Mr. Mills has helped identify a couple leads and those doctors will be contacted about serving on the Medical Board or providing advice and recommendations about other doctors to contact.

BOARD MEMBER COMMENTS

There were no additional Board member comments.

PUBLIC COMMENTS

A time was set aside for public comments.

OMNIBUS MOTION

Mr. Bixby made the following motion, seconded by Mr. Tate. Motion passed unanimously.

RESOLVED, that the Retirement Board hereby unanimously approves:
The minutes of the previous meeting of February 13, 2020;
The monthly financial statements for January 2020;
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.

ADJOURNMENT

The next regularly scheduled board meeting will be April 9 at 9:00am at the Greater KC Public Safety Credit Union, 2800 E. 14th Street.

BOARD SECRETARY

CHAIRMAN