

MINUTES

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

Thursday, March 10, 2022

Scott Hummel called the meeting to order.

PRESENT:

Scott Hummel, Member	Jonathan Dilly, Attorney
Robert Jones, Member	Jennifer Best, Staff
Walter Bixby, Member	Lisa Colclasure, Staff
Chad Pickens, Member	Jason Hoy, Staff
Wayne Stewart, Member	James Pyle, Staff
Patrick Trysla, Member	

SECRETARY'S REPORT:

INVESTMENT COMMITTEE REPORT

Mr. Pyle said the Investment Committee (IC) met on March 1 with Ryan Sullivan and Marcia Beard from RVK and Rob Woodard from Mariner to review the following items:

January 2022 Investment Portfolio Analysis

The January capital markets flash report which showed negative returns for equities, fixed income and absolute return. The Police plan lost 2.71% net of fees in January and had an ending market value of \$1.047 billion. The Civilian Employees' plan lost 2.64% net of fees and had an ending market value of \$177.8 million. The target benchmark for both plans lost 2.60%.

2022 Capital Markets Assumptions

Mr. Sullivan reviewed RVK's Capital Markets assumptions for 2022 and said the long term return assumptions are mixed with developed market equities lower than their 2021 assumptions and emerging markets equities, fixed income, core real estate, credit, and commodities higher than prior year assumptions. The nominal geometric long term returns for the most relevant asset classes are as follows: Global Equities 5.6% (-0.22 from 2021), Emerging Markets Equities 7.5% (+0.26), US Aggregate Fixed Income 2.4% (+0.50), Direct Lending 5.6% (+0.25), Core Real Estate 5.27% (+0.25), Fund of Hedge Funds 3.8% (unchanged) and US Inflation 2.5% (+0.48). Implied expected inflation ranges from 2.9% for the five year period to 2.3% for the 30 year period.

Investments in Russia

Mr. Pyle said the Retirement Systems do not have any direct investments in Russia. We do have an investment in the GQG Partners Emerging Markets Equity Fund, which as of the end of February included \$3.5 million invested in Russia. That represents 0.003 of the Police and Civilian Employees' total investment portfolio. GQG began selling off their holdings in Russia in early January. Russian markets are now closed to foreign investors and the MSCI has removed Russia from their emerging markets index.

RETIREMENT BOARD ELECTION SCHEDULE

Mr. Stewart reviewed the 2022 Retirement Board election schedule for one of the open seats on the Board currently held by Mr. Jones. 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 May 2 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.

SECRETARY'S UPDATE

Investment Consultant RFP

Mr. Pyle said the RFP will be posted on the Retirement Systems website on March 21, proposals will be due on April 21, and the Investment Committee will present their recommended finalist to the Retirement Board on June 9. The format and content of the RFP is very similar to the 2013 investment consultant RFP.

Legislative Update

Mr. Pyle said he had updated Mr. Carroll on the results of the Bass case and our intent to submit legislation next year to amend the worker's compensation offset sections of chapter 86 RSMo.

Mr. Carroll is also tracking HB 2825 which was recently introduced in the General Assembly. The bill would impact all public retirement plans in Missouri and ensure that at least twenty percent of the venture capital and real estate investments of the system are investments in businesses and real estate located in and owned by residents of this state.

MAPERS Conference

Mr. Pyle reviewed the agenda for the 2022 MAPERS conference which is scheduled to be held in person on July 13-15.

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. Pickens. Motion passed unanimously.

RESOLVED, that the Retirement Board hereby unanimously approves:
The minutes of the previous meeting of February 10, 2022;
The monthly financial statements for January 2022;
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.

CLOSED SESSION

Mr. Hummel made the motion to close this part of the meeting pursuant to Section 610.021(1) RSMo, for purposes of discussing pending litigation. The motion was seconded by Mr. Trysla.

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

Mr. Bixby	Yes	Mr. Pickens	Yes
Mr. Hummel	Yes	Mr. Stewart	Yes
Mr. Jones	Yes	Mr. Trysla	Yes

ADJOURNMENT

The next regularly scheduled board meeting will be April 14 at the Retirement Systems office.

BOARD SECRETARY

CHAIRMAN