



MINUTES

POLICE RETIREMENT SYSTEM OF KANSAS CITY and CIVILIAN EMPLOYEES' RETIREMENT SYSTEM OF
THE POLICE DEPARTMENT OF KANSAS CITY
BOARD MEETING
Thursday, August 14, 2025

Scott Hummel called the meeting to order.

PRESENT:

Scott Hummel, Member (Chair)	Lisa Colclasure, Staff
Nate Simecek, Member (Vice Chair)	Jason Hoy, Staff
Web Bixby, Member	Jonathan Dilly, Attorney
Leslie Lewis, Member	Ryan Sullivan, RVK
James Manley, Member	Marcia Beard, RVK
Steven Miller, Member	Jake Derrah, RVK
Sidney Smith, Member	Rob Woodard, Mariner
Wayne Stewart, Member	
Pat Trysla, Member	

CERTIFICATION OF RETIREMENT BOARD ELECTION

Mr. Hummel declared that Steven Miller was elected to the Retirement Board to serve in the Open Member seat. Mr. Simecek moved to certify the election results, and Mr. Manley seconded the motion. The motion carried unanimously. Mr. Miller will serve a three-year term ending in June 2028.

INTRODUCTION OF STEVEN MILLER

Mr. Hoy introduced Steven Miller as the newest addition to the Retirement Board. Mr. Hoy provided a brief overview of Mr. Miller's background and experience, emphasizing his qualifications and his proven leadership and deep institutional knowledge, which he will bring to KCPERS. Mr. Miller was elected to a three-year term on the Retirement Board ending in June 2028. He holds the seat designated as an open seat.

ELECTION OF RETIREMENT BOARD TREASURER

Mr. Hoy noted that with the retirement of Mr. Jones from the Board, it was necessary to elect a new Treasurer. Mr. Manley agreed to serve in the role. Mr. Simecek moved to elect Mr. Manley as Treasurer, and Mr. Trysla seconded the motion. The motion passed unanimously.

2ND QUARTER 2025 INVESTMENT PERFORMANCE ANALYSIS

Mr. Sullivan, Mr. Derrah, and Ms. Beard presented the June 30, 2025, Investment Performance Analysis for the Police Retirement System and Civilian Employees' Retirement System.

	2nd Qtr 2025	1 Year Ending 6/30/2025	3 Years Ending 6/30/2025	5 Years Ending 6/30/2025
Police Total Fund (net)	4.69%	8.80%	7.28%	6.64%
Relative Objective	5.01%	9.76%	7.93%	6.66%
Over/(Under) Relative Objective	-0.32%	-0.96%	-0.65%	-0.02%
Civilian Employees' Total Fund (net)	4.79%	8.99%	7.28%	6.64%
Relative Objective	5.01%	9.76%	7.93%	6.66%
Over/(Under) Relative Objective	-0.22%	-0.77%	-0.65%	-0.02%

The Relative Objective consists of 38% of the MSCI All Country World IM Index, 31% of the Bloomberg US Aggregate Bond Index, 10% of the S&P UBS Leveraged Loan Index +2%, 13% of the NCREIF ODCE Index, and 8% of the Absolute Return Custom Benchmark.

Asset Class Performance (net)	2nd Qtr 2025	Market Value
Police Global Equity	9.97%	\$ 410.72
Civilian Global Equity	10.12%	\$ 74.21
MSCI ACW IM Index	11.62%	
Police Fixed Income	1.68%	\$ 334.59
Civilian Fixed Income	1.72%	\$ 60.92
Bloomberg US Aggregate Bond Index	1.21%	
Police Direct Lending*	0.93%	\$ 104.03
Civilian Direct Lending*	0.95%	\$ 17.79
Direct Lending Custom Index*	1.11%	
Police Real Estate	0.81%	\$ 115.87
Civilian Real Estate	0.81%	\$ 19.74
NCREIF ODCE Index	0.81%	
Police Absolute Return	4.65%	\$ 97.77
Civilian Absolute Return	4.65%	\$ 16.66
Absolute Return Custom Index	2.52%	
Police Total Fund		\$ 1,072.11
Civilian Total Fund		\$ 192.17
*Performance as of 03/31/25		

Police Fund Manager Performance (net)	2nd Qtr 2025	Benchmark QTD	YTD 6/30/2025	Benchmark YTD
LSV (global large cap value)	8.19%	5.38%	9.35%	11.47%
Artisan (global large cap growth)	11.46%	17.67%	9.08%	25.92%
Northern Trust ACWI (global)	11.40%	11.62%	10.41%	16.37%
Wellington (global small cap)	11.17%	12.37%	10.10%	7.66%
GQG (emerging markets)	5.33%	11.99%	5.17%	7.50%
FCI Advisors (fixed income)	1.44%	1.22%	1.07%	1.18%
PIMCO (fixed income)	2.22%	1.21%	1.98%	1.25%
White Oak (direct lending)*	0.17%	1.11%	7.69%	8.24%
Ares Pathfinder (direct lending)*	2.15%	1.11%		
Morgan Stanley (real estate)	0.30%	0.81%	0.30%	-2.27%
Prudential (real estate)	1.38%	0.81%	-2.58%	-2.27%
Grosvenor (hedge fund)	4.65%	2.52%	3.51%	2.56%
*Performance as of 03/31/25				

Civilian Employees' Fund Manager Performance (net)	2nd Qtr 2025	Benchmark QTD	YTD 6/30/2025	Benchmark YTD
LSV (global large cap value)	8.49%	5.38%	9.38%	11.47%
Artisan (global large cap growth)	11.52%	17.67%	9.10%	25.92%
Northern Trust ACWI (global)	11.53%	11.62%	10.54%	16.37%
Wellington (global small cap)	11.17%	12.37%	10.10%	7.66%
GQG (emerging markets)	5.33%	11.99%	5.17%	7.50%
FCI Advisors (fixed income)	1.45%	1.22%	1.07%	1.18%
PIMCO (fixed income)	2.22%	1.21%	1.98%	1.25%
White Oak (direct lending)*	0.17%	1.11%	7.69%	8.24%
Ares Pathfinder (direct lending)*	2.15%	1.11%		
Morgan Stanley (real estate)	0.30%	0.81%	0.30%	-2.27%
Prudential (real estate)	1.38%	0.81%	1.38%	-2.27%
Grosvenor (hedge fund)	4.65%	2.52%	3.51%	2.56%
*Performance as of 03/31/25				

Difference in manager performance vs. benchmark	Police 2nd Qtr 2025	Benchmark QTD	Civilian 2nd Qtr 2025	Benchmark YTD
LSV (global large cap value)	2.81%	-2.12%	3.11%	-2.09%
Artisan (global large cap growth)	-6.21%	-16.84%	-6.15%	-16.82%
Northern Trust ACWI (global)	-0.22%	-5.96%	-0.09%	-5.83%
Wellington (global small cap)	-1.20%	2.44%	-1.20%	2.44%
GQG (emerging markets)	-6.66%	-2.33%	-6.66%	-2.33%
FCI Advisors (fixed income)	0.22%	-0.11%	0.23%	-0.11%
PIMCO (fixed income)	1.01%	0.73%	1.01%	0.73%
White Oak (direct lending)*	-0.94%	-0.55%	-0.94%	-0.55%
Ares Pathfinder (direct lending)*	1.04%	0.00%	1.04%	0.00%
Morgan Stanley (real estate)	-0.51%	2.57%	-0.51%	2.57%
Prudential (real estate)	0.57%	-0.31%	0.57%	3.65%
Grosvenor (hedge fund)	2.13%	0.95%	2.13%	0.95%
*Performance as of 03/31/25				

Mr. Sullivan reviewed the performance and trends in capital markets from Q2 2025. He said that global markets rebounded strongly in the second quarter of 2025, driven by easing tariff concerns, supportive monetary policy, and economic stimulus abroad. The MSCI All Country World Index gained 11.6%, with international developed and emerging markets outperforming U.S. equities. U.S. growth stocks led the domestic recovery, particularly in the technology sector, while fixed income markets posted modest gains as Treasury yields fluctuated but remained stable. Alternative investments also delivered positive results, with hedge funds and diversified inflation strategies adding value, though publicly traded real estate lagged private markets.

The Police Plan posted a gain of 4.69% net of fees for the quarter, while the target benchmark posted a 5.01% gain. Compared to other retirement plans with assets below \$2 billion, the Police plan's investment performance was in the bottom 13% for the quarter, bottom 13% for the one-year period, and bottom 10% for the three-year period. Similarly, the Civilian Employees' plan posted a gain of 4.79% net of fees for the quarter, while the target benchmark gained 5.01%. Compared to other public retirement plans with assets below \$250 million, the Civilian Employees' plan's investment performance was in the bottom 15% for the quarter, bottom 15% for the one-year period, and bottom 10% for the three-year period.

The Police plan began the quarter with a market value of \$1.028 billion, a negative net cash flow, and a gain in investment assets of \$48.2 million, resulting in an ending market value of \$1.072 billion. Similarly, the Civilian Employees' plan started with a market value of \$183.7 million, had negative net cash flows and an investment gain of \$8.8 million, ending with a market value of \$192.2 million.

The quarter's gains and losses were attributed as follows: Asset allocation added 5.01% to both plans compared to the benchmark. However, the Police plan subtracted .33%, and the Civilian Employees' plan subtracted .22% due to the combination of tactical asset allocation, style selection, and manager skill. For the one-year period, asset allocation added 5.76% to both plans. The combination of tactical asset allocation, style selection, and manager skill subtracted .95% from the Police plan and .77% from the Civilian Employees' plan.

INVESTMENT COMMITTEE REPORT

Mr. Stewart and Mr. Hoy provided the Investment Committee report. Mr. Stewart said John Mueller, who has served faithfully as the retiree representative on the Investment Committee, has requested to step down from the role due to increasing scheduling conflicts. John's thoughtful engagement and commitment to protecting the long-term financial health of the System have been greatly appreciated. In anticipation of this change, staff engaged Cheryl Rose, a current retiree, about stepping into the role. Cheryl has expressed her willingness to serve on the Investment Committee and brings with her extensive experience. Mr. Wayne moved to appoint Ms. Rose as the Retiree Representative on the Investment Committee, and Mr. Manley seconded the motion. The motion passed unanimously.

Mr. Hoy noted the Investment Committee will resume its work in August and advance to the next stage of its 2025 Work Plan. This includes initiating a search process for a new manager within the System's Direct Lending allocation and beginning preliminary discussions around the Public Equity Structure Review. In addition, the Committee will begin working with RVK to fulfill the new requirements established under House Bill 147, ensuring compliance with the legislation while maintaining alignment with the System's long-term investment objectives.

SECRETARY'S REPORT:

Civilian Plan 60th Anniversary

Mr. Hoy said this year marks the 60th anniversary of the creation of the Civilian Employees' Retirement Plan. Since its inception in 1965, the plan has provided stable, secure retirement benefits to generations of non-sworn personnel within the Kansas City Police Department. We are preparing a communication campaign to recognize this milestone, including a commemorative logo and spotlights in upcoming member outreach. The anniversary offers an opportunity to reinforce the importance of the civilian plan's role in supporting the broader mission of the Department and the long-term financial security of its employees.

Legislative Update

House Bill 147 was signed into law, establishing statutory requirements related to fiduciary responsibilities, proxy voting, and exposure to certain foreign investments. The legislation applies to all public retirement systems in the state and carries significant operational, investment, and compliance implications for KCPERS. Staff is reviewing the statute with legal counsel and consulting with our legislative liaison to determine any recommended policy updates or member communication needs.

Litigation Update

Mr. Hoy reported that the System is currently involved in one active piece of litigation. The trial, which was initially scheduled for the week of July 29th, has been rescheduled to the week of November 24th. We will continue to monitor developments closely and keep the Board informed of any further changes to the timeline or status. General Counsel remains actively engaged, and staff will ensure that any relevant updates are communicated promptly.

Pre-Retirement Seminars

Mr. Hoy reported that the annual Pre-Retirement Seminars were held on August 5th and 12th at Police Headquarters. These sessions are designed for both sworn and non-sworn members who are within two years of retirement eligibility. The program includes presentations from KCPERS staff and representatives from the Department, as well as Nationwide, focusing on retirement benefit calculations, payout options, PLOPs, and important timelines.

RFP for Pension Administration Software

Mr. Hoy reported that the staff are preparing to release a Request for Proposals (RFP) for a new Pension Administration Software system by the end of August or early September. The RFP outlines the functional, security, and integration requirements necessary to replace the aging ALERT platform and modernize our member service delivery and internal workflows. This project represents a significant step forward in operational efficiency and long-term sustainability. This upgrade is a major operational initiative and will position the System for enhanced member services, better data reporting, and long-term administrative efficiency.

OMNIBUS MOTION

Mr. Miller made the following motion, seconded by Mr. Manley. The motion passed unanimously.

RESOLVED, that the Retirement Board hereby unanimously approves:

The minutes of the previous meetings of June 2025

The monthly financial statements for May & June 2025;

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

There were no additional comments from the board members.

PUBLIC COMMENTS

A time was set aside for public comments.

CLOSED SESSION

Mr. Smith motioned to close this part of the meeting to discuss employment matters pursuant to Sections 610.021(3) RSMo. Mr. Trysla seconded the motion.

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

Mr. Bixby	Mr. Manley	Mr. Smith
Mr. Hummel	Mr. Miller	Mr. Stewart
Ms. Lewis	Mr. Simecek	Mr. Trysla

Following the closed session, the Board reconvened in an open session. Mr. Hummel reported that the Board reviewed employment matters with the Executive Director and legal counsel.

ADJOURNMENT

The next regularly scheduled board meeting is September 11th, 2025, at the Public Safety Credit Union, 2800 E. 14th Street.

BOARD SECRETARY

CHAIRMAN