



## MINUTES

POLICE RETIREMENT SYSTEM OF KANSAS CITY and CIVILIAN EMPLOYEES' RETIREMENT SYSTEM OF  
THE POLICE DEPARTMENT OF KANSAS CITY  
INVESTMENT COMMITTEE MEETING  
Thursday, November 14, 2024

Wayne Stewart called the meeting to order.

**PRESENT:**

Robert Jones, Member  
Wayne Stewart, Member  
James Manley, Member  
John Mueller, Member  
Nate Simecek, Member

Jason Hoy, Staff  
Ryan Sullivan, RVK  
Marcia Beard, RVK  
Rob Woodard, Mariner

**SEPTEMBER & 3<sup>RD</sup> QUARTER PERFORMANCE REPORT - RVK**

Mr. Sullivan and Ms. Beard presented the September and third-quarter performance report. They provided a detailed analysis of the portfolio's performance. RVK also reviewed the current asset allocation, highlighting any deviations from target allocations and discussing their implications. A market overview followed, providing context for the performance results and identifying factors influencing the portfolio during the reporting period.

The Police Plan posted a gain of 3.96% net of fees for the quarter, while the target benchmark gained 4.40%. Similarly, the Civilian Employees' plan posted a gain of 4.02% net of fees for the quarter, while the target benchmark gained 4.40%. The Police plan began the quarter with a market value of \$1.008 billion and saw a gain of \$40.0 million in investment assets but had cash flows of -\$4.5 million, resulting in an ending market value of \$1.043 billion. Similarly, the Civilian Employees' plan started with a market value of \$178.6 million and had an investment gain of \$7.2 million, ending with a market value of \$185.5 million.

**ASSET / LIABILITY STUDY EDUCATION**

Mr. Sullivan offered an introduction to Asset/Liability Studies, explaining their importance to a retirement plan. The studies serve as a tool to examine how various asset allocation mixes address the plans' objectives, specifically their "liabilities." Additionally, they act as a "guidepost" for reviewing and potentially adjusting the target asset allocation of the plans. While the nature of the liabilities informs the asset allocation chosen by the Board, other considerations, such as risk preferences, liquidity needs, and implementation constraints, are also considered.

Ms. Beard clarified what Asset/Liability Studies are not—they are not actuarial studies, prescriptions for the plans' benefits, assessments of contribution affordability, or the sole determinant of the asset

allocation ultimately adopted. Instead, these studies are designed to help determine the appropriate risk and return levels the plans should target when setting asset allocation targets.

The committee discussed scenarios in which an Asset/Liability Study would be beneficial, including periods of sustained lower returns in capital markets, material changes to contribution policies or benefit levels, and liquidity or cash flow challenges. Objectives of the study include presenting projected valuation results for each plan, assessing the funded status and required contributions under different portfolio mixes, and projecting benefit payments in the context of expected long-term returns. Additionally, the study aims to estimate liquidity demands and investigate asset allocation mixes to protect or increase funding levels, provide adequate liquidity for benefit payments, and minimize associated risks.

### **COMMITTEE MEMBER COMMENTS**

There were no additional board member comments.

### **PUBLIC COMMENTS**

Time was made for public comments.

### **ADJOURNMENT**

The next regularly scheduled IC meeting is December 3, 2024, at the KCPERS offices in the Multipurpose Room.