

MINUTES

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

Thursday, June 10, 2021

Richard Smith called the meeting to order.

PRESENT:

Richard Smith, Member
Scott Hummel, Member
Robert Jones, Member
Walter Bixby, Member
Leslie Lewis, Member
Thomas Mills, Member

DeJ'on Slaughter, Member
Jonathan Dilly, Attorney
Jennifer Best, Staff
Lisa Colclasure, Staff
Jason Hoy, Staff
James Pyle, Staff

SECRETARY REPORT:

RECOGNITION OF TOM MILLS

Mr. Smith recognized Tom Mills for his contributions and service to the Retirement Board and to the members of the Police and Civilian Employees' Retirement Systems. Mr. Mills served on the board from 2018 to 2021.

INVESTMENT COMMITTEE REPORT

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

White Oak Fixed Income Fund Review (via conference call) – Paul Ahrens and Will Pierce from White Oak provided a portfolio review of the Fixed Income (Direct Lending) Fund. Mr. Ahrens provided an overview of White Oak's loan characteristics which include working capital loans, equipment leasing loans, and corporate term loans. Working capital (asset based) loans, which make up the largest portion of the Fixed Income fund, represent a line of credit with cash and receivables inventory serving as the loan collateral. Asset backed equipment/leasing loans are made with hard assets serving as the collateral. Corporate term loans are generally 3 years or less in duration, include very tight covenants, and have receivables or hard assets serving as collateral. Mr. Pierce said the Fixed Income fund has a net asset value of \$450 million with the Police plan investment totaling \$52 million and the Civilian Employees' plan investment totaling \$8 million. The Fixed Income fund has made loans to 40 unique borrowers but several borrowers have multiple loans. Mr. Ahrens said White Oak is increasing their exposure to healthcare and working to exit the energy sector.

April 2021 Investment Portfolio Analysis - Ms. Beard and Mr. Sullivan reviewed the April 2021 Investment Performance Analysis. Mr. Sullivan reviewed the April capital markets flash report which showed positive returns for equities, fixed income, and alternatives. Ms. Beard said the Police plan gained 2.13% net of fees in April and had an ending market value of \$1.034 billion. The Civilian Employees' plan gained 2.15% net of fees and had an ending market value of \$174.1 million. The target benchmark for both plans

gained 1.94%. For the one year period ending in April, the Police plan gained 22.2% net of fees and the Civilian Employees' plan gained 22.5% net of fees. The target benchmark for the same time period gained 17.2%.

SECRETARYS UPDATE

MAPERS Conference – Mr. Pyle said the annual MAPERS Education Conference would be held virtually this year on July 14 and 15. Board members interested in attending sessions on cybersecurity, investments, fiduciary responsibility, or actuarial concepts should contact Mr. Pyle.

Retirement Board Election Update – Mr. Pyle said the ballots for the Retirement Board election were mailed to all active and retired members, and eligible surviving spouses on June 7. Voting can be completed by mail, phone, or website and will end on June 21.

Audit Update – Mr. Pyle said staff from AGH has completed their on-site work for the FY2021 annual audit. AGH will present the audited financial statements at the September 9 Retirement Board meeting.

BOARD MEMBER COMMENTS

There were no additional Board member comments.

PUBLIC COMMENTS

A time was set aside for public comments.

OMNIBUS MOTION

Ms. Lewis made the following motion, seconded by Mr. Hummel. Motion passed unanimously.

RESOLVED, that the Retirement Board hereby unanimously approves:
The minutes of the previous meeting of May 13, 2021;
The monthly financial statements for April 2021;
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. Smith made the motion to close this part of the meeting pursuant to Sections 610.021(1) and (13) RSMo, for purposes of discussing litigation and performance appraisal. The motion was seconded by Mr. Bixby.

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

| | | | |
|------------|-----|---------------|-----|
| Mr. Bixby | Yes | Ms. Lewis | Yes |
| Mr. Hummel | Yes | Mr. Slaughter | Yes |
| Mr. Mills | Yes | Mr. Smith | Yes |
| Mr. Jones | Yes | | |

ADJOURNMENT

The next regularly scheduled board meeting will be August 12 at the Retirement Systems office.

BOARD SECRETARY

CHAIRMAN