

Employees' Retirement System

ANNUAL REPORT 2021





Human Resources Department

Retirement Division

The Employees' Retirement System

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Kansas City, Missouri 64106

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Honorable Mayor
City Council
Board of Trustees
Members of the System

I am pleased to submit, on behalf of your Board of Trustees and staff, the 2021 Annual Report of the Employees' Retirement System of the City of Kansas City, Missouri. The annual report covers the operations of the Retirement System for fiscal year ended April 30, 2021. The System's fiscal year 2021 operating results and financial position are presented in conformity with generally accepted accounting principles.

This report is a product of the combined efforts of the Retirement Division staff and advisors functioning under the Board's leadership. The annual report is designed to provide you with complete and reliable information on the management and operations of the System.

This report consists of five sections: The Introductory Section includes a summary of plan provisions, Board information, and System Advisors and Advisory Relationships. The Actuarial Section details the System's funded status, plan liabilities and membership. The Investment Section includes the investment overview, summary and results. The Financial Section includes the Independent Auditor's Report and historical financial highlights. The Membership Section details pensions awarded and member deaths during the fiscal year.

The Board of Trustees and staff remain focused on our mission of paying promised benefits and prudently investing trust assets. We are also committed to delivering a high level of customer service to active and retired members of the System. The reports, charts and schedules contained in this publication summarize the results of our efforts for the fiscal year 2021. We trust that you will find this annual report helpful in understanding your retirement system.

Very truly yours,

Barbara J. Davis
Executive Officer

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INTRODUCTORY SECTION

Board of Trustees

April 30, 2021

Councilman Billy G. Skaggs
Chairman
Retired Representative
Term Expires 10/27/2021

Allison L. Bergman
General Business
Term Expires 11/08/2022

Erika J. Brice
General Business
Term Expires 10/27/2021

Shannon McFee
IAFF Local 42 Representative
Term Expires 11/19/2022

Cecelia M. Carter
General Business
Term Expires 06/04/2022

Cassandra Y. Coffee
Active Employee Union Representative
Term Expires 03/28/2023

Charles A. Hull
Retired Employee Union Representative
Term Expires 11/02/2024
Non-Voting

Tammy Queen
Director of Finance
Ex-Officio

Teri Casey
Director of Human Resources
Ex-Officio

Robert A. Patrick
Vice Chairman
Active Employee Union Representative
Term Expires 01/05/2022

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
ADVISORY RELATIONSHIPS
April 30, 2021**

The Board of Trustees is a policy making body and is responsible for the System's proper operation. The System is administered under its guidance and direction, subject to such rules, regulations and directives as adopted.

The Board consists of two ex-officio members, the Directors of Finance and Human Resources and nine members appointed by the Mayor. The mayoral appointments consist of four recognized business leaders with a background in investments or employee benefits, one retired member, two active employees and one retiree who are members of the retirement system as recommended by the Union and one representative of the International Association of Firefighters' Local No. 42.

The Human Resources Department employs a full-time Executive Officer. The Executive Officer heads the Retirement Division of the City Human Resources Department, serves as Secretary to the Board and, with their approval, contracts for professional services. The City also provides office space and support services through the Human Resources Department and accounting services through the Finance Department. The Board of Trustees conducts monthly business meetings.

PROFESSIONAL CONSULTANTS

CUSTODY INSTITUTION
The Northern Trust Company
Chicago, IL

INVESTMENT CONSULTANT
RVK, Inc.
Chicago, IL

INDEPENDENT AUDITOR
Allen, Gibbs & Houlik, L.C.
Wichita, KS

GENERAL COUNSEL
Philip A. Klawuhn & Associates, P.C.
Kansas City, MO

ACTUARY
Cheiron
Washington, DC

INVESTMENT ADVISORS

DOMESTIC EQUITY ADVISORS
LSV Asset Management
Chicago, IL

Northern Trust Quantitative Advisors, Inc.
Chicago, IL

Riverbridge Partners
Minneapolis, MN

Smith, Graham & Company Investment
Advisors
New York, NY

Westfield Capital Management
Boston, MA

GLOBAL EQUITY ADVISORS
American Century Investments
Kansas City, MO

Grantham, Mayo, Van Otterloo &
Company
Boston, MA

INTERNATIONAL EQUITY ADVISORS
BlackRock
San Francisco, CA

Franklin Templeton
Fort Lauderdale, FL

Lazard Asset Management
New York, NY

FIXED INCOME ADVISORS
Amundi Pioneer
Boston, MA

Dodge & Cox
San Francisco, CA

Fidelity Institutional Asset Management
Smithfield, RI

RISK PARITY ADVISOR
BlackRock
San Francisco, CA

**TACTICAL ASSET ALLOCATION
ADVISOR**
Mellon Investments Corporation
Boston, MA

REAL ASSETS ADVISOR
Harrison Street
Chicago, IL

J.P. Morgan Asset Management
New York, NY

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF PLAN PROVISIONS
April 30, 2021**

The following summarizes provisions of the Employees' Retirement System of the City of Kansas City, Missouri Trust (System) as amended by City Ordinance through September 2015.

The System was established December 1, 1962. It is a contributory defined benefit plan as referenced in Section 414 of the IRS code. The System's mandate is to provide retirement and survivor benefits. Management of the System's investment portfolio facilitates this mandate, with a current market value of \$1.3 billion.

Eligibility:

Membership is required for all full-time, permanent employees of the City (except firefighters and police) on date of employment. Employees hired prior to April 20, 2014, are Tier 1 members. Additionally, employees who terminated employment prior to April 20, 2014, were vested and did not withdraw their contributions and are re-employed by the City after April 20, 2014, are members of Tier 1. Employees hired on or after April 20, 2014, are Tier 2 members.

Contributions

Effective May 1, 2014, all members contribute 5.0% of base salary. Contributions are excluded from Missouri and Federal income tax under Employer Pick-up Provisions of the IRS Code Section 414(h)(2). The City pays the remaining cost of the System.

The employer contribution rate paid by the City for fiscal year 2021 was 15.94% of covered payroll as of May 1, 2020.

City contributions are not identifiable by individual members and are only received by members as part of a monthly retirement benefit.

Normal Retirement:

Tier 1: Members are eligible for normal retirement upon attainment of age of 65 with at least five years of creditable service. Members may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension. The member's annual cost-of-living adjustment and the surviving spouse's annuity are not reduced by election of this option. If married, the member may choose the 2.22% option, forfeiting the surviving spouse's annuity. The spouse must consent to this in writing. If married, a

member may elect to receive an actuarially equivalent annuity, which provides an equal annuity for the surviving spouse upon the member's death.

Tier 2: Members are eligible for a normal retirement upon attainment of age 67 with at least 10 years of creditable service. Members may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension. The member's annual cost-of-living adjustment and the surviving spouse's annuity are not reduced by election of this option. If married, a member may elect to receive an actuarially equivalent annuity, which provides an equal annuity for the surviving spouse upon the member's death.

Optional Retirement:

Tier 1: Members are eligible for optional retirement when the total of a member's age and years of service equal or exceed 80 or at age 60 with at least 10 years creditable service.

Tier 2: Members are eligible for optional retirement when the total of a member's age and years of service equal or exceed 85 or at age 62 with at least 10 years of creditable service.

Annuities are not reduced due to age or service. Withdrawal and equivalent survivor annuity options are the same as those for a normal retirement.

Early Retirement:

Tier 1 members are eligible for early retirement upon:

a) Attainment of age 55 with at least 10 years of creditable service. The benefit is reduced by 0.5% per month prior to age 60; or

b) Attainment of age 60 with at least five, but less than 10 years of creditable service. The benefit is reduced by 0.5% per month prior to age 65.

c) Additionally, members may withdraw all or a portion of their accumulated contributions and interest and receive a further actuarially reduced lifetime pension.

Tier 2 members are eligible for early retirement upon:

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF PLAN PROVISIONS
April 30, 2021**

a) Attainment of age 57 with at least 10 years of creditable service. The benefit is reduced by 0.5% per month prior to age 62.

b) Additionally, members may withdraw all or a portion of their accumulated contributions and interest and receive a further actuarially reduced lifetime pension.

Disability Retirement:

Effective May 1, 1996, disability benefits were removed from the System and outsourced through an insurance carrier. Members are covered under the City-sponsored Long-Term Disability Plan and retain their accrued retirement benefit.

Creditable Service:

Creditable service is used in the calculation of the member's benefit and is the total years and full months of service the member has accumulated as a full-time, permanent employee.

At retirement, a member may elect to convert accrued sick leave or vacation leave to creditable service.

The conversion rate is 160 hours to one month of creditable service, except the conversion rate is 215 hours to one month of creditable service for all EMS personnel assigned to 24-hour static shifts. Hours converted to creditable service are not payable in cash to the member upon retirement.

Repurchase of Creditable Service:

Members who terminate service and later return to service may receive credit for such prior service after they have been reemployed for at least two, but not more than three, consecutive years, and have repaid withdrawn contributions plus interest at the rate then assumed for actuarial calculations.

Portability of Creditable Service:

Tier 1 members with at least five years creditable service and Tier 2 members with at least 10 years creditable service may transfer or purchase creditable service from a previous Missouri public employer.

A purchase of service may be requested for any portion of the previous service. The member must accept the valuation of service as determined by

the System's actuary. The valuation is based upon the member's current salary and age.

The member is responsible for depositing with the System (from previous Pension Plan or member savings) the total value of service credited, including employee and employer contributions. After the transfer is finalized, the member's creditable service with the transferring organization is eliminated.

The value of creditable service purchased will be added to the member's creditable service with this System.

Benefits:

Tier 1: The base benefit formula for married members of the System is 2.0% of final average compensation multiplied by creditable service. The base benefit formula for single members of the System is 2.22% of final average compensation multiplied by creditable service.

Final average compensation is calculated using the highest 24 months of base salary in the last 10 years prior to retirement. The maximum benefit payable is 70% of final average compensation.

Tier 2: The base benefit formula for all members of the System is 1.75% of final average compensation multiplied by creditable service.

Final average compensation is calculated using the highest 36 months of base salary in the 10 years prior to retirement. The maximum benefit payable is 70% of final average compensation.

Minimum Benefits:

Effective July 1, 1999, minimum monthly benefits were instituted for members and their surviving spouses if the member completed at least ten years of creditable service. The minimum benefit is \$400 for members, calculated prior to any reductions for either withdrawal of contributions or election of an actuarially equivalent surviving spouse annuity, and \$200 for surviving spouses. Any cost-of-living adjustments are calculated based on the original base benefit without regard to these minimums.

Cost-of-Living Adjustments:

An annual adjustment for retirement, disability and surviving spouse benefits is paid under these conditions:

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF PLAN PROVISIONS
April 30, 2021**

Tier 1: A 3% non-compounded cost-of-living adjustment is paid to all System beneficiaries.

Tier 2: A non-compounded, cost-of-living adjustment will be paid to all System beneficiaries following the Tier 2 member's 62nd birthday if the funding ratio of the pension fund, as shown by the System's most recent actuarial report, is equal to or greater than 80%.

The increase will be equal to the percentage increase in the prior 12 months of the final national Consumer Price Index for All-Urban Consumers published prior to December 31 in advance of the next year's adjustment but shall not exceed 2.5%.

a) The adjustment is applied to the annuity as calculated upon retirement date prior to any reduction for withdrawal and/or election of an actuarial equivalent annuity.

b) The adjustment is paid on all annuities effective on or before the preceding January 1. Effective for retirements after January 1, 2021, the adjustment is paid on all annuities effective on or before the preceding February 1.

c) The adjustment is made on annuity payments dated May 1, and the adjusted annuity remains unchanged until the next May 1.

Health Insurance Subsidy:

Effective November 1, 2000, a \$200 monthly health insurance subsidy is payable to all retired members. If a member dies in the line of duty, the subsidy is payable to the member's surviving spouse, if the surviving spouse receives an annuity.

Death Benefits:

The System provides the following benefits upon a member's death prior to retirement:

a) If the Tier 1 member had less than five years of creditable service or the Tier 2 member had less than 10 years of creditable service, the member's surviving spouse receives a refund of the member's accumulated contributions and interest. If no surviving spouse, payment is made to the member's designated beneficiary or executor of the member's estate.

b) If the Tier 1 member had at least five, but less than 20, years of creditable service or the Tier 2 member had at least 10, but less than 20, years of

creditable service, the member's surviving spouse may elect, in lieu of the refund above, an annuity. Such annuity is 50% of the member's accrued annuity at date of death. The effective date is the later of the first day of the month following the member's death or attainment of what would have been the member's early retirement date. The annuity is reduced for early retirement if paid at the member's early retirement date.

c) If the member had 20 or more years of creditable service, the member's surviving spouse may elect, in lieu of the refund above, the larger of the annuity computed above or an annuity determined on a joint and survivor's basis from the actuarial value of the member's accrued annuity at date of death.

d) Any death of a retired member occurring before the date of first payment of the retirement annuity is deemed a death before retirement.

The System provides the following benefits upon a member's death after retirement:

a) The member's surviving spouse, providing the marriage occurred on or before the date of retirement, receives an annuity equal to 50% of the member's accrued annuity.

b) If the member elected the actuarial equivalent annuity, the same base annuity is continued for the surviving spouse.

c) The City currently provides a \$2,000 group term life insurance benefit to the member's named beneficiary. This benefit applies to retirements on or after May 1, 1993. Beneficiaries of members with an effective retirement date between May 1, 1989, and April 30, 1993, are eligible for a \$1,000 benefit. There are no life insurance benefits for members retired prior to May 1, 1989.

Resignation from Service:

Upon termination of employment, Tier 1 members with less than five years of service or Tier 2 members with less than 10 years of service must withdraw their accumulated contributions and interest from the System.

Tier 1 members with five or more years of service or Tier 2 members with 10 or more years of service, may elect a deferred pension and waive the option to withdraw their contributions and interest at the time of separation.

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF PLAN PROVISIONS
April 30, 2021**

In situations of divorce, no Domestic Relations Order (DRO) distributions are paid to the ex-spouse until the member separates employment or retires. Payment is only made if there is an approved DRO on file with the Retirement Division.

Deferred Annuity:

Deferred annuities are calculated based upon the benefit formula described earlier. Deferred annuity benefits may begin at normal retirement age, Tier 1 age 65 or Tier 2 age 67, under optional retirement provisions, Tier 1 age 60 with 10 or more years of service or Tier 2 age 62 with 10 or more years of service, or at early retirement age, Tier 1 age 60 or 55, depending upon the member's years of creditable service or age 57 for Tier 2.

At the time the deferred annuity payment is scheduled to begin members may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension.

Members may withdraw their contributions and interest and forfeit the deferred annuity at any time before benefit payments commence.

Members also may accumulate additional creditable service if re-employed by the City before benefit payments commence.

JUDGES AND ELECTED OFFICIALS PROVISIONS

The Employees' Retirement System includes the Retirement System for Elected Officials (EO).

Eligibility:

All elected officials and municipal judges assuming office prior to May 1, 2011, are members of the EO System. No elected officials or municipal judges assuming office on or after May 1, 2011, shall participate in this plan, but instead are members of the Kansas City Elected Officials Money Purchase Plan.

Contributions:

Effective May 1, 2014, all members contribute 5.0% of their base rate of compensation. Contributions are excluded from Missouri and Federal income tax under employer pick-up Provisions of the IRS Code Section 414(h)(2). The City pays the remaining cost of the System.

The employer contribution rate paid by the City for fiscal year 2021 was 15.94% of covered payroll as of May 1, 2020.

City contributions are not identifiable by individual members and only are received by members as part of their monthly retirement benefit.

Normal Retirement:

Elected officials who complete one or more elective terms are eligible to receive an annuity beginning the first day of the month following attainment of age 60 or the expiration of their last term of office, whichever occurs later.

Municipal judges are eligible for normal retirement upon attainment of age 60 with at least 10 years of creditable service.

Early Retirement:

Members may elect early retirement beginning at the later of age 55 or completion of 10 years creditable service. The benefit is reduced by 0.5% per month prior to age 60.

Rule of 80:

Members may elect to retire when the total of a member's age and years of creditable service equal or exceed 80. Annuities are not reduced due to age or service.

Benefits:

Beginning November 1, 2000, the base benefit formula is 2.22% of final average compensation multiplied by creditable service.

Final average compensation for elected officials is the average monthly compensation received by the then serving elected official of the same office during the 24 months preceding the beginning of the annuity.

Final average compensation for municipal judges is calculated using the highest 24 months of base salary in the 10 years prior to retirement. The maximum base benefit is 70% of final average compensation.

Members may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension. The member's annual cost-of-living adjustment and

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF PLAN PROVISIONS
April 30, 2021**

surviving spouse's annuity are not reduced by election of this option.

Disability Retirement:

Effective May 1, 1996, disability benefits were removed from the EO System and outsourced through an insurance carrier. Members are covered under the City-sponsored Long-Term Disability Plan and retain their accrued retirement benefit.

Cost-of-Living Adjustments:

An annual adjustment for retirement, disability and surviving spouse benefits is paid under these conditions:

A 3% non-compounded cost-of-living adjustment is paid to all System beneficiaries.

- a) The adjustment is applied to the annuity as calculated upon retirement date prior to any reduction for withdrawal.
- b) The adjustment is paid on all annuities effective on or before the preceding January 1.
- c) The adjustment is made on annuity payments dated May 1, and the adjusted annuity remains unchanged until the next May 1.

Health Insurance Subsidy:

Effective November 1, 2000, a \$200 monthly health insurance subsidy is payable to all retired members.

Removal from Office:

Any elected official who vacates office as defined in Section 6 of the Charter, or is expelled pursuant to Section 9, is recalled Pursuant to Article XVII or resigns pursuant to Section 440 of the Charter receives only a refund of accumulated member contributions and interest.

Death Benefits:

The EO System provides the following benefits upon a member's death prior to retirement:

- a) If the member had less than four years of creditable service, the member's surviving spouse receives a refund of the member's accumulated contributions and interest. If no surviving spouse,

payment is made to the member's designated beneficiary or executor of the member's estate.

- b) If the member had four, but less than 20, years of creditable service, the surviving spouse may elect in lieu of the refund above, an annuity. Such annuity is 50% of the member's accrued annuity at date of death. The effective date is the later of the first day of the month following the member's death or attainment of what would have been the member's early retirement date. The annuity is reduced for early retirement if paid at the member's early retirement date.

- c) If the member had 20 or more years of creditable service, the surviving spouse may elect, in lieu of the refund above, the larger of the annuity computed above or an annuity determined on a joint and survivor's basis from the actuarial value of the member's accrued annuity at date of death.

The EO System provides the following benefits upon a member's death after retirement:

- a) The member's surviving spouse, providing the marriage occurred on or before date of retirement, receives an annuity equal to 50% of the member's accrued annuity.
- b) If the total amount paid to a member and surviving spouse is less than the member's accumulated contributions and interest, the remainder is paid to the beneficiary as final payment of all claims for benefits under the EO System. If no beneficiary is designated, payment is made according to the law of descent or to the executor of the member's estate.

Deferred Annuity:

Upon termination of office for any lawful reason other than death, elected officials who complete one or more elective terms may elect to receive a deferred annuity payable at normal retirement age, age 60, or at early retirement age, age 55. At the time the deferred annuity is scheduled to begin, members may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension.

Members may withdraw their contributions and interest and forfeit the deferred annuity at any time before benefit payments commence.

ACTUARIAL SECTION

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL OVERVIEW
April 30, 2021**

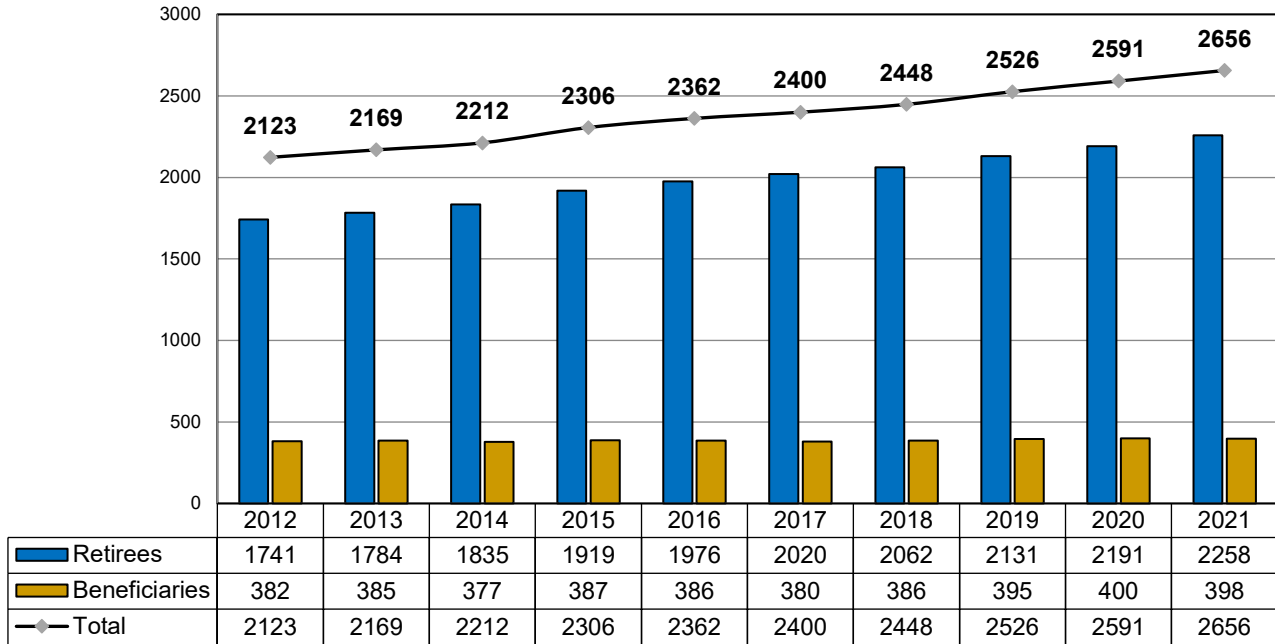
This section summarizes the results of the actuarial valuation of the Employees' Retirement System of the City of Kansas City, Missouri Trust as of May 1, 2021. The purpose of the valuation is to determine the System's financial condition and the City's required contributions.

The experience over the past year is summarized as follows:

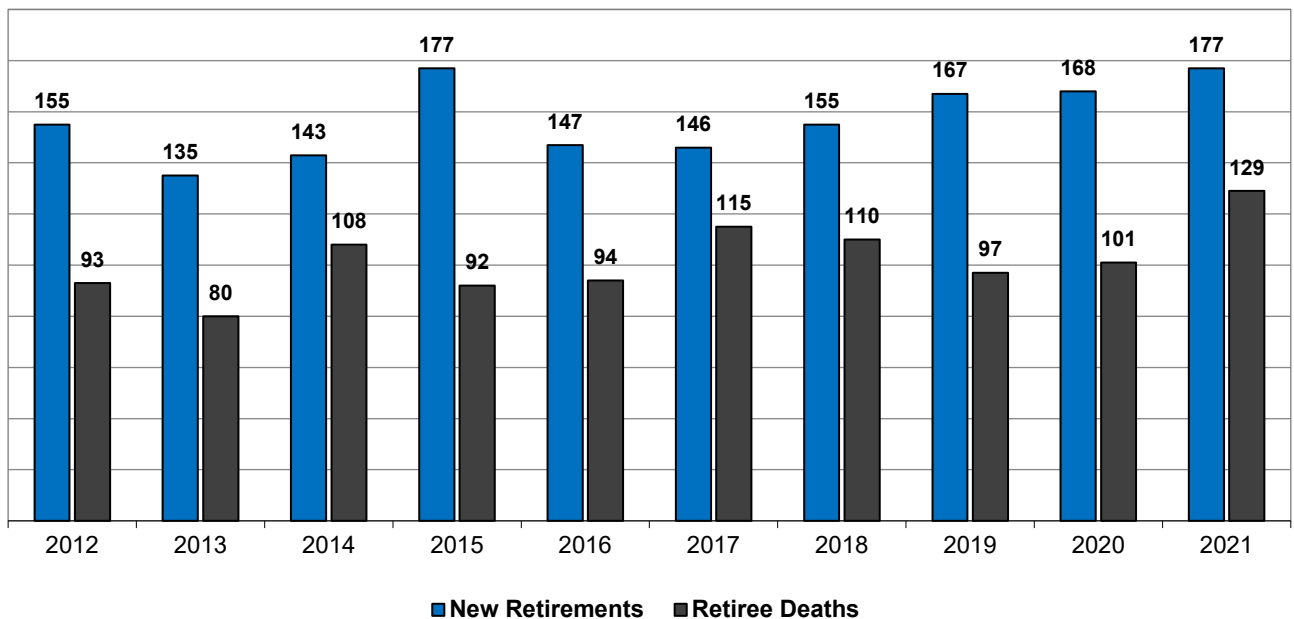
- The number of active members as of May 1, 2021, decreased from 3,146 to 3,006. The average age of active members increased from 47.17 years to 47.31, the average service increased from 11.74 years to 11.83 years, and the average annual salaries increased from \$54,302 to \$54,990.
- On February 25, 2021, the City offered a limited retirement incentive to active members of the system that were eligible to retire under normal or optional retirement provisions as of May 1, 2021. The City paid incentive was a choice of either a payment of 100% of the member's accrued sick leave or a lump sum payment of the greater of 25% of final salary or \$15,000. Active members that participated had to elect to retire between May 1, 2021, and August 1, 2021. 44 active members elected to retire on 5/1/2021.
- During the past year, 177 new pensions were awarded to 10 early pensions, 34 normal pensions, 86 optional pensions, 12 deferred pensions, 3 Qualified Domestic Relations Orders (QDROs) and 32 widows. As of May 1, 2021, average pensions of \$6,538,909 per month were paid to 2,258 retired members and 398 widows and QDROs. The previous year, average pensions of \$6,282,277 per month were paid to 2,191 retired members and 400 widows and QDROs.
- City contributions for the fiscal year 2021 totaled \$27.5 million and employee contributions totaled \$8.5 million. Benefit payments totaled \$78.4 million, and refunds of employee contributions totaled \$5.7 million.
- The actuarial value of assets increased by \$66.9 million to \$1.26 billion. The market value of assets increased by \$242.8 million to \$1.3 billion.
- The Fund achieved a rate of return on the actuarial value of assets of 9.91% for fiscal year 2021. On a market value basis, the rate of return was 27.15%. The Fund's actuarial assumed rate of return was 7%.
- The System's funded ratio is 85.9% on an actuarial basis.

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**

Pensions in Force

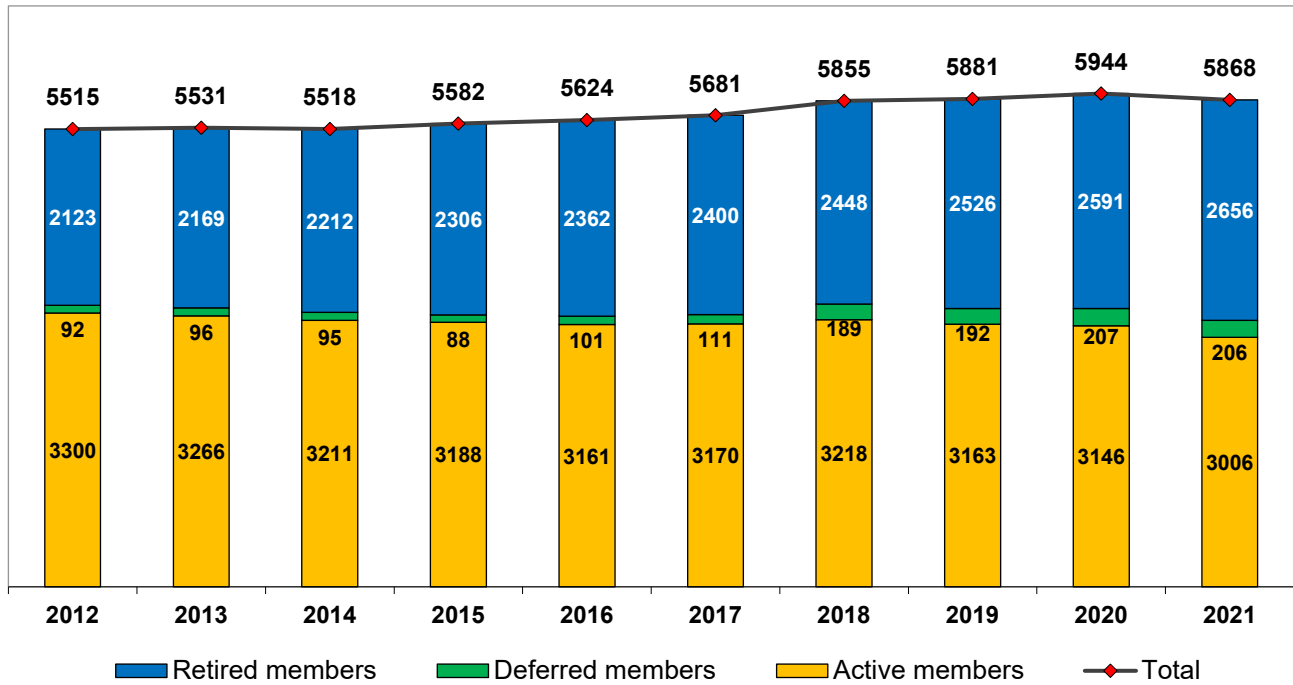


New Retirements vs. Retiree Deaths

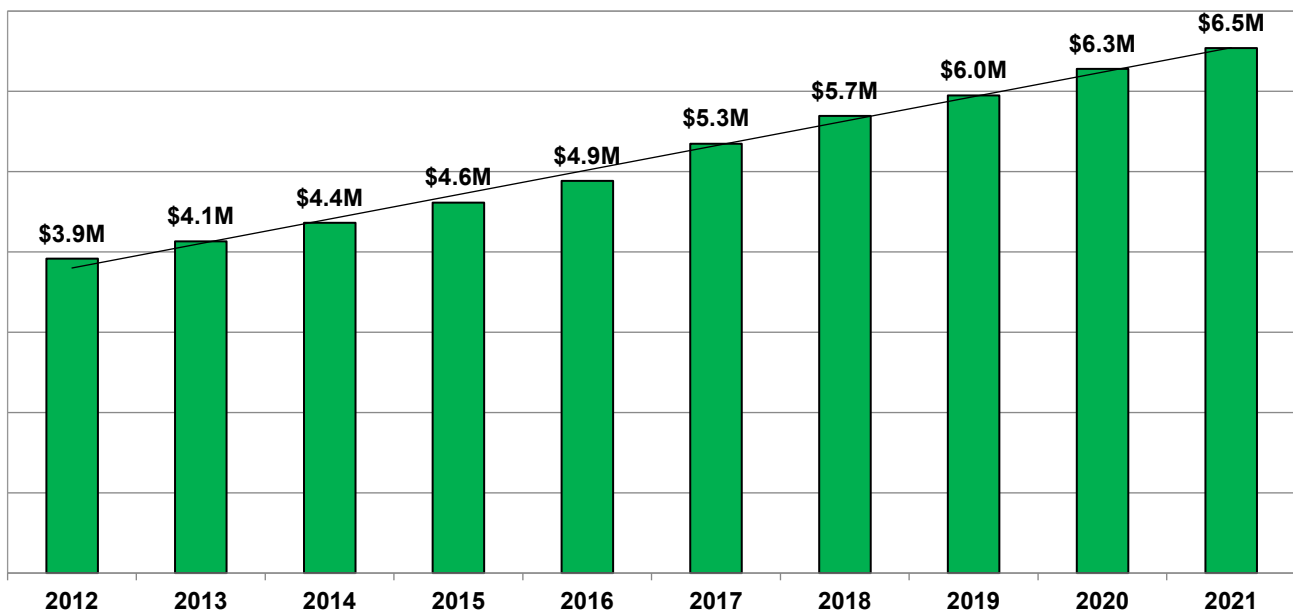


**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**

Plan Membership



Average Total Monthly Benefits

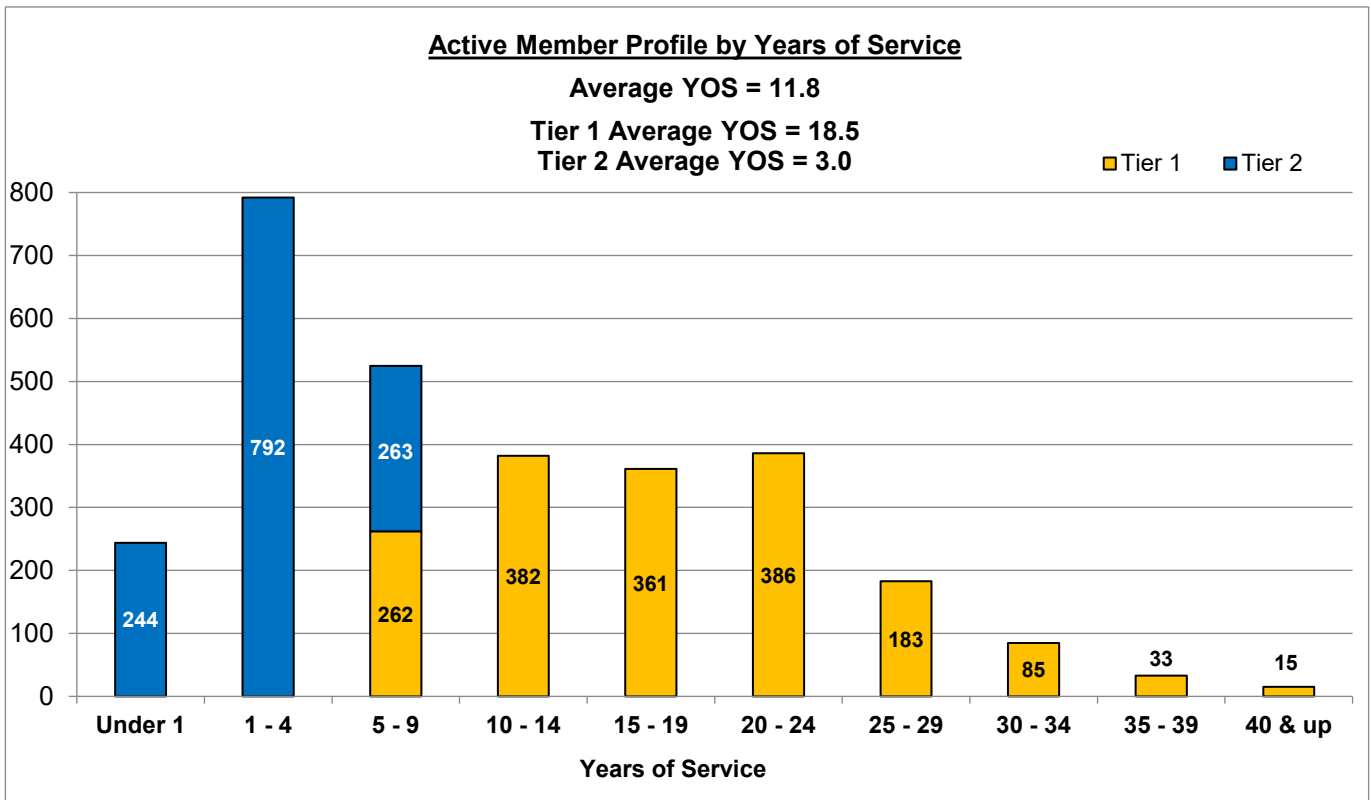
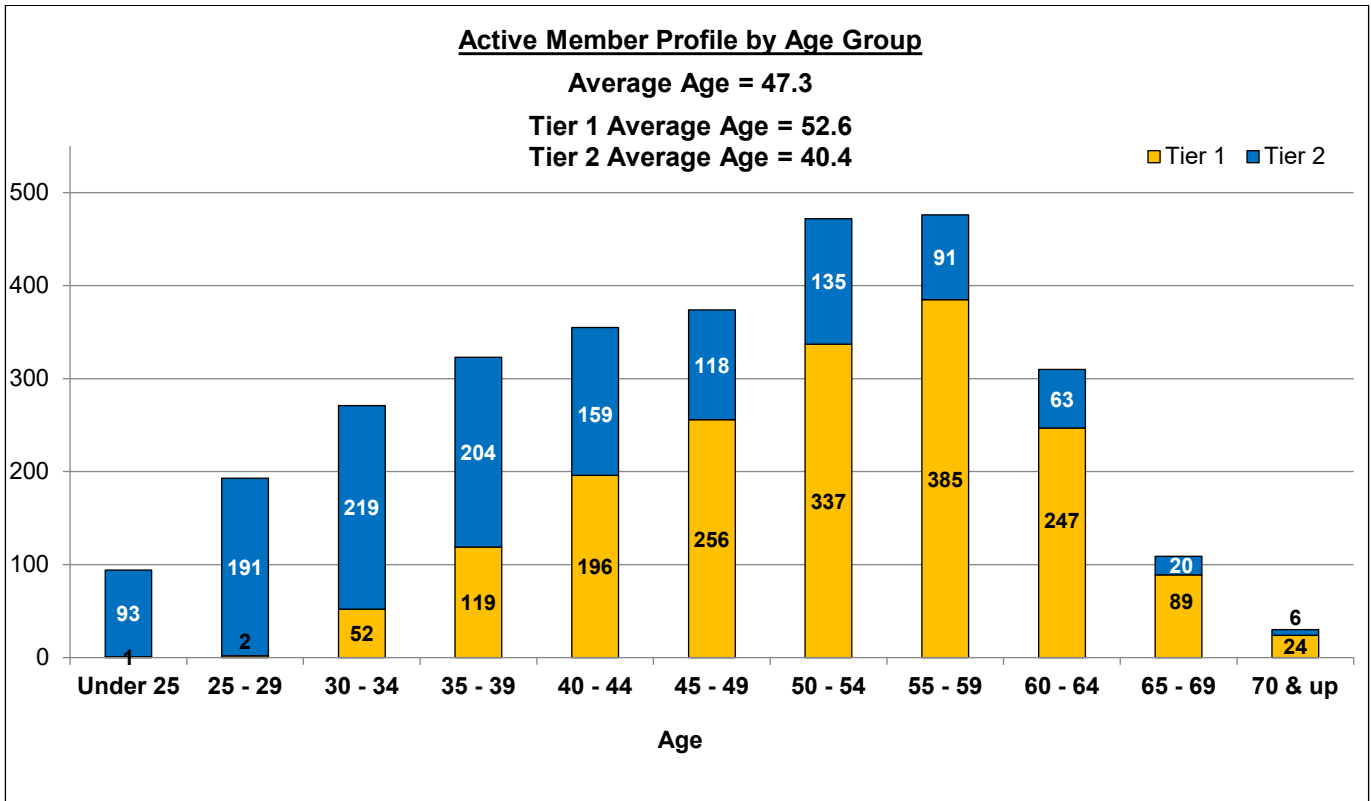


**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**

Pensions in Payment Status by Type and Monthly Amount as of May 1, 2021								
Monthly Amount	Total	Normal	Early	Optional	Deferred	Disability	QDROs	Widows
Under \$500	201	20	41	0	47	0	16	77
\$500-\$1,000	406	67	77	58	99	0	6	99
\$1,000-\$1,500	339	51	46	114	62	4	2	60
\$1,500-\$2,000	322	42	28	176	30	2	4	40
\$2,000-\$2,500	309	46	10	205	19	0	3	26
\$2,500-\$3,000	280	28	6	216	6	0	2	22
\$3,000-\$3,500	241	16	2	199	5	0	0	19
\$3,500-\$4,000	143	12	1	121	1	0	0	8
\$4,000-\$4,500	111	15	2	89	1	0	1	3
\$4,500-\$5,000	97	15	1	78	0	0	0	3
\$5,000-\$5,500	60	10	0	50	0	0	0	0
\$5,500-\$6,000	41	5	0	35	0	0	0	1
\$6,000-\$6,500	25	2	0	21	0	0	0	2
\$6,500-\$7,000	19	2	0	15	0	0	0	2
\$7,000 & over	62	5	0	55	0	0	0	2
Total	2,656	336	214	1,432	270	6	34	364

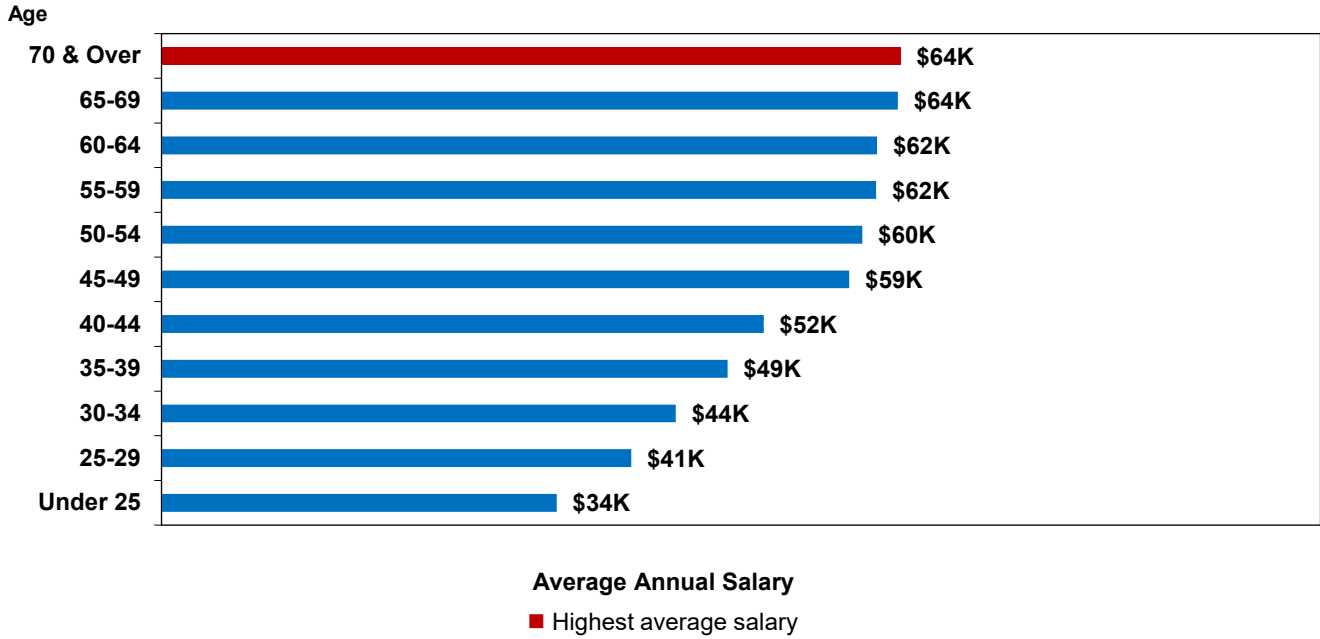
During the year ended April 30, 2021 there were 177 new pensions awarded (34 Normal, 10 Early, 86 Optional, 12 Vested, 3 QDROs, and 32 Widows)

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**

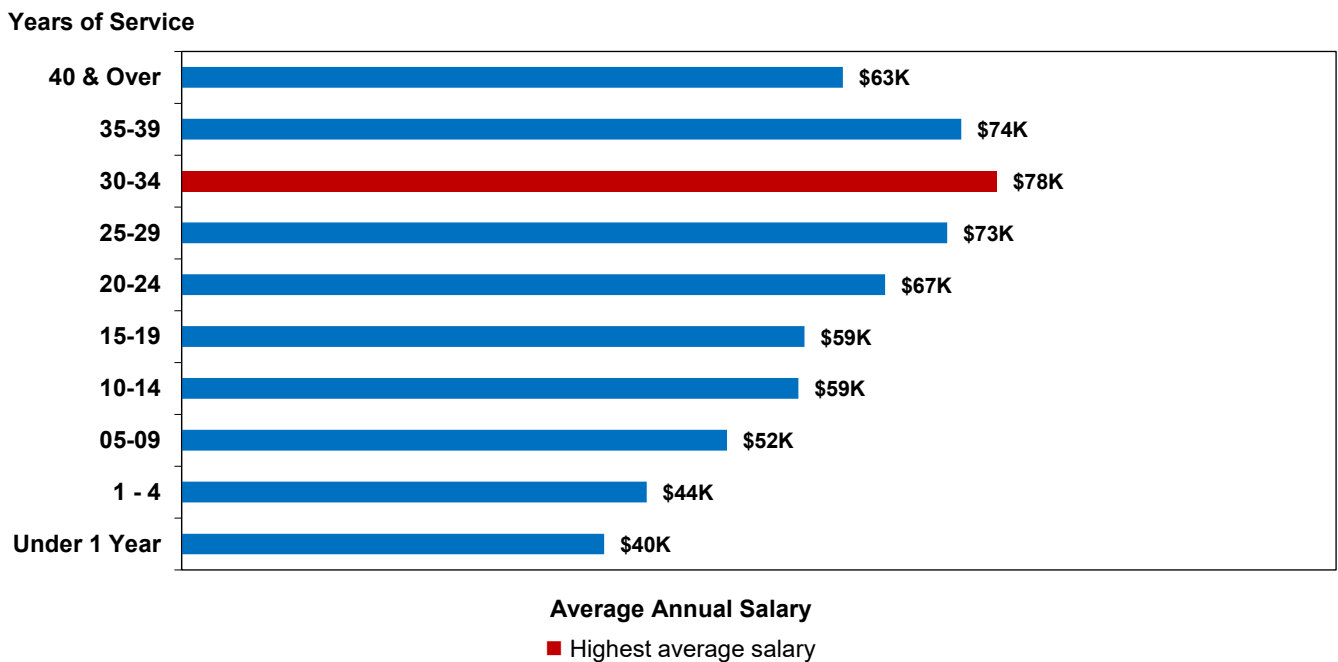


**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**

**Active Member Profile - Average Annual Salary
by Age Group**



**Active Member Profile - Average Annual Salary
by Years of Service**



INVESTMENT SECTION

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT OVERVIEW
April 30, 2021**

The investments of the System are based primarily on an investment authority known as the "prudent person rule". The prudent person rule establishes a standard to all fiduciaries which includes anyone that has authority with respect to the System. This standard states that fiduciaries will discharge their duties solely in the interest of fund participants and beneficiaries with the degree of diligence, care and skill which prudent men and women would ordinarily exercise under similar circumstances in a like position.

The prudent person rule permits the fund to establish an investment policy based upon certain investment criteria and allows for the delegation of investment authority to professional investment advisors. The Board's adopted Investment Policy outlines the responsibility for the investment of the fund and the degree of risk that is deemed appropriate for the System. Investment advisors are retained to execute the investment strategy in accordance with Board policy.

The Board of Trustees, with input from staff and consultants, evaluates risk and return factors of potential investment strategies and opportunities and approves appropriate alternatives.

Proper funding and healthy investment returns are very important to the financial soundness of the System. The ratio of investment earnings to total revenue is evidence of the System's solid financial management.

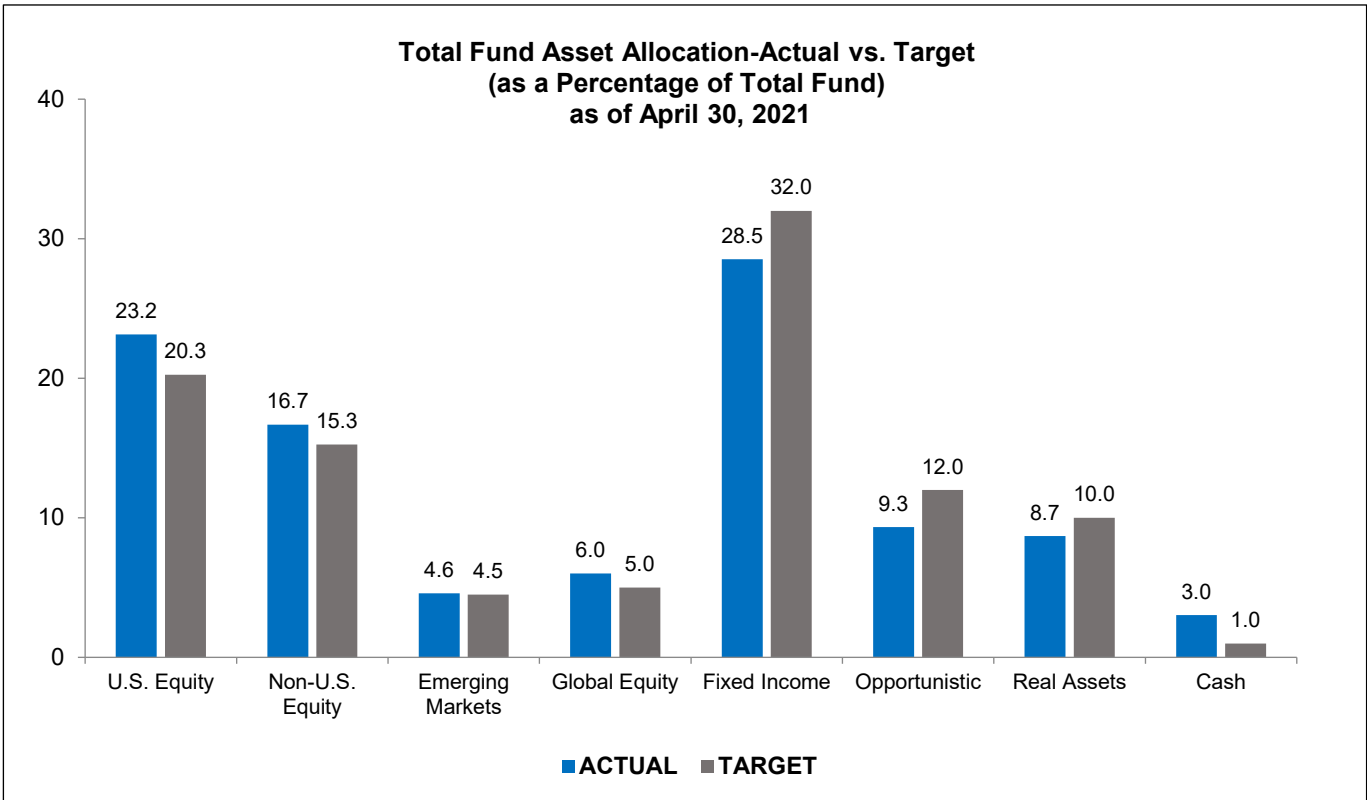
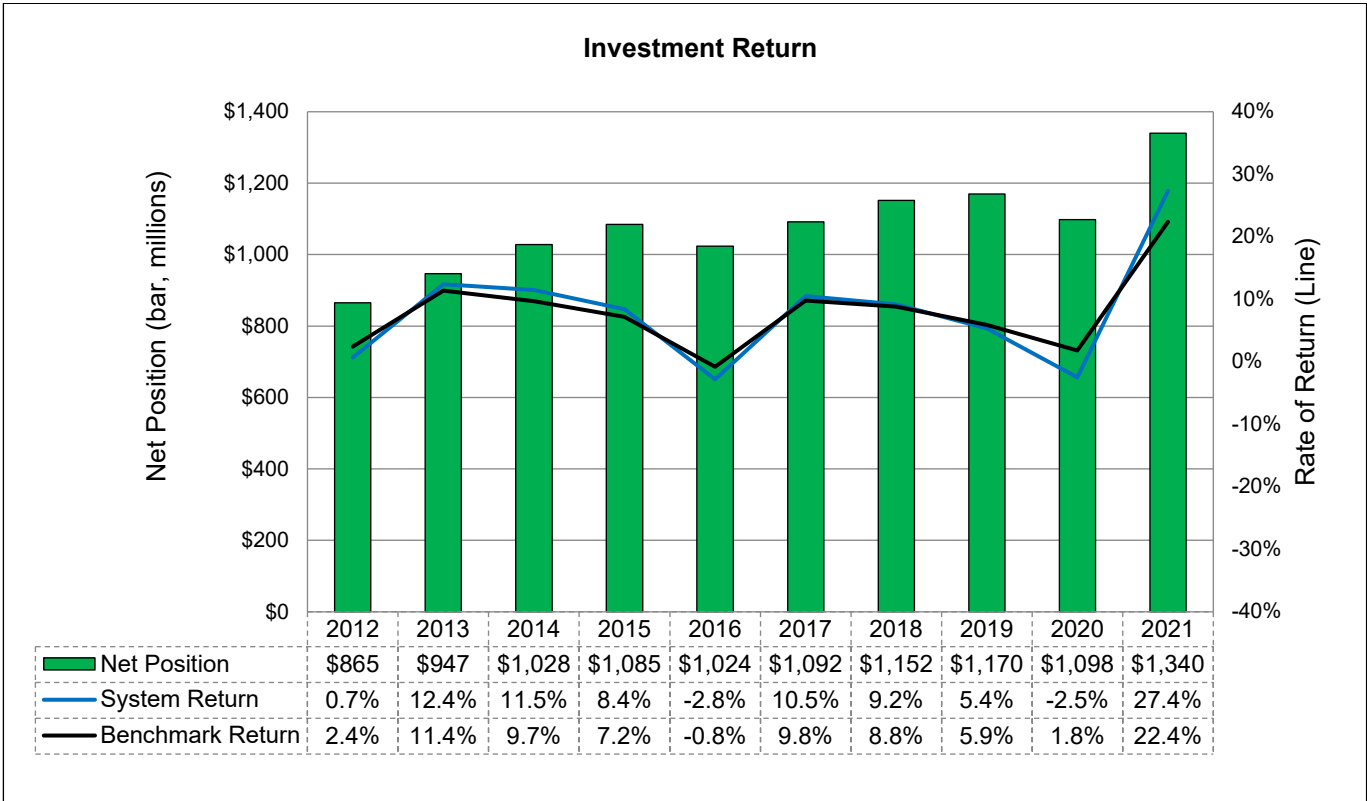
An integral part of the overall investment policy is the strategic asset allocation policy. This allocation mix is designed to provide an optimal mix of asset categories. This emphasizes a maximum diversification of the portfolio that protects the System from declines that a particular asset class may experience in a given period.

Investment decisions are made based on expected return for a given level of risk. The goal is to optimize the return of the portfolio, as opposed to maximizing the rate of return. The optimal portfolio mix is one that carefully equates expected rate of return, with expected risk of all investment categories utilized by the System. In setting the optimal mix of assets for the portfolio, the Board has developed a strategic (long-term) asset allocation policy, which incorporates a diversified mix.

The System invests in traditional assets (domestic stocks, government and corporate bonds, mortgages, and cash) and non-traditional assets (global and international stocks and international bonds). A modest amount of System assets have also been diversified into real estate, global tactical asset allocation, and risk parity funds.

During the fiscal year 2021, the System remained well diversified.

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**



**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**

Investment Summary				
Year Ending April 30, 2021				
Investment Manager	Date Hired	Asset Class	Portfolio Fair Value	% of Total Fair Value
Cash			\$ 40,587,040	3.0%
LSV Asset Management	October 1998	U.S. Equity	\$ 54,469,386	4.0%
Northern Trust Company	April 2016	U.S. Equity	\$ 63,086,853	4.7%
Westfield Capital Management	June 2011	U.S. Equity	\$ 48,603,085	3.6%
Riverbridge Partners	April 2013	U.S. Equity	\$ 39,239,850	2.9%
Smith, Graham & Company Investment Advisors	October 1998	U.S. Equity	\$ 46,087,273	3.4%
Northern Trust Company Emerging Manager Program	April 2005	U.S. Equity	\$ 59,540,092	4.4%
BlackRock	October 2007	Non-U.S. Equity	\$ 91,583,604	6.8%
Lazard Asset Management	November 2018	Non-U.S. Equity	\$ 84,522,890	6.3%
Franklin Templeton	April 2012	Non-U.S. Equity	\$ 45,767,792	3.4%
LSV Asset Management	March 2006	Emerging Markets Equity	\$ 61,653,504	4.6%
American Century Investments	April 2013	Global Equity	\$ 40,281,796	3.0%
Grantham, Mayo, Van Otterloo & Company	November 2004	Global Equity	\$ 40,619,418	3.0%
Dodge & Cox	October 2014	Fixed Income	\$ 121,340,416	9.0%
Prudential	May 2018	Fixed Income	\$ 116,119,208	8.6%
Fidelity Institutional Asset Management	October 2018	Fixed Income	\$ 74,010,356	5.5%
Amundi Pioneer	September 2019	Fixed Income	\$ 74,676,981	5.5%
Western Asset Management	October 2015	Fixed Income	\$ 1,515	0.0%
BlackRock	June 2013	Opportunistic	\$ 37,863,485	2.8%
Mellon Investments Corporation	January 2011	Opportunistic	\$ 87,535,462	6.5%
Harrison Street	February 2021	Real Assets	\$ 40,254,689	3.0%
J.P. Morgan Asset Management	August 2000	Real Assets	\$ 49,624,482	3.7%
J.P. Morgan Asset Management	January 2007	Real Assets	\$ 7,406,989	0.5%
J.P. Morgan Asset Management	December 2015	Real Assets	\$ 23,135,631	1.7%
Total			\$ 1,348,011,794	100.0%

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2021**

Schedule of Investment Results (Net of Fees)						
Annualized Manager Returns as of April 30, 2021						
Investment Manager	Asset Class	One Year	Three Years	Five Years	Ten Years	Since Inception
U.S. EQUITY						
LSV Asset Management	Large Cap Value Equity	57.9%	9.9%	12.2%	11.5%	9.3%
<i>Russell 1000 Value Index</i>		45.9%	12.3%	12.2%	11.1%	8.1%
Northern Trust Company	Large Cap Core Equity	49.5%	19.3%	17.8%	--	17.6%
<i>Russell 1000 Index</i>		49.5%	19.2%	17.8%	14.2%	17.6%
Westfield Capital Management	Large Cap Growth Equity	51.9%	24.7%	22.8%	--	16.3%
<i>Russell 1000 Growth Index</i>		51.4%	25.4%	22.9%	17.0%	17.3%
Riverbridge Partners	Small Cap Growth Equity	53.3%	25.3%	22.4%	--	16.0%
<i>Russell 2500 Growth Index</i>		67.3%	21.6%	20.5%	14.2%	16.1%
Smith Graham & Company Investment Advisors	Small Cap Value Equity	93.9%	15.4%	13.8%	12.5%	12.4%
<i>Russell 2000 Value Index</i>		79.0%	11.7%	13.5%	10.1%	9.9%
Northern Trust Emerging Manager Program	Emerging Manager of Managers Equity	45.9%	16.2%	16.0%	12.2%	9.5%
<i>Russell 3000 Index</i>		50.9%	19.0%	17.7%	14.0%	10.6%
NON-U.S. EQUITY						
BlackRock	Non-U.S. Equity	41.4%	5.6%	9.4%	6.5%	3.7%
<i>MSCI EAFE Index (Net)</i>		39.9%	6.3%	8.9%	5.2%	2.7%
Lazard International Equity	Non-U.S. Equity	40.3%	--	--	--	11.7%
<i>MSCI EAFE Index (Net)</i>		39.9%	6.3%	8.9%	5.2%	12.2%
Franklin Templeton	Non-U.S. Small Cap Equity	55.9%	5.7%	9.9%	--	8.3%
<i>MSCI AC World ex USA Small Cap Index (Net)</i>		58.4%	7.8%	10.8%	6.3%	8.6%
LSV Asset Management	Emerging Markets Equity	44.9%	2.7%	9.5%	2.0%	6.7%
<i>MSCI Emerging Markets Index (Net)</i>		48.7%	7.5%	12.5%	3.6%	6.1%
GLOBAL EQUITY						
American Century Investments	Global Equity	48.1%	18.5%	17.6%	--	13.6%
<i>MSCI AC World Index (Net)</i>		45.8%	13.3%	13.9%	9.2%	10.7%
Grantham, Mayo, Van Otterloo & Company	Global Equity	47.5%	10.6%	12.2%	7.8%	7.8%
<i>MSCI AC World Index (Net)</i>		45.8%	13.3%	13.9%	9.2%	8.4%
FIXED INCOME						
Dodge & Cox	Core Fixed Income	5.8%	6.5%	4.9%	--	4.4%
<i>Bloomberg U.S. Aggregate Index</i>		-0.3%	5.2%	3.2%	3.4%	3.3%
Prudential	Core Plus Fixed Income	5.3%	6.2%	--	--	6.2%
<i>Bloomberg U.S. Aggregate Index</i>		-0.3%	5.2%	3.2%	3.4%	5.2%
Fidelity Institutional Asset Management	Non-Core Fixed Income	10.7%	--	--	--	7.6%
<i>Bloomberg U.S. Aggregate Index</i>		-0.3%	5.2%	3.2%	3.4%	5.8%
Amundi Pioneer	Non-Core Fixed Income	14.3%	--	--	--	6.2%
<i>Bloomberg U.S. Aggregate Index</i>		-0.3%	5.2%	3.2%	3.4%	2.6%
OPPORTUNISTIC						
BlackRock	Risk Parity	16.7%	6.8%	7.7%	--	5.7%
<i>3 month T-Bill Index plus 5%</i>		5.1%	6.5%	6.2%	5.6%	5.8%
<i>60% MSCI Wrlld USD Hedged/40% Bbrg U.S. Agg</i>		23.9%	11.3%	10.3%	8.4%	8.7%
Mellon Investments Corporation	Global Tactical Asset Allocation	22.5%	8.3%	6.8%	5.7%	6.3%
<i>Mellon GTAA Custom Index</i>		28.4%	9.7%	9.4%	6.5%	6.9%
REAL ASSETS						
Harrison Street	Core Real Estate	--	--	--	--	1.4%
<i>NCREIF Property Index</i>		1.5%	4.0%	5.3%	8.7%	1.9%
J.P. Morgan Asset Management	Core Real Estate	0.8%	3.4%	4.8%	8.5%	7.1%
<i>NCREIF Property Index</i>		2.6%	4.9%	5.8%	8.8%	8.3%
J.P. Morgan Asset Management	Core Plus Real Estate	-2.9%	1.4%	3.6%	9.2%	2.2%
<i>NCREIF Property Index</i>		2.6%	4.9%	5.8%	8.8%	6.5%
J.P. Morgan Asset Management	Infrastructure	6.5%	6.4%	7.0%	--	6.9%
<i>Consumer Price Index (Seasonly Adj)+4%</i>		7.1%	5.9%	6.1%	--	6.0%
Total Fund		27.4%	9.4%	9.6%	7.7%	8.1%
<i>Policy Index</i>		22.4%	9.7%	9.5%	7.8%	8.1%

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of Kansas City, Missouri
The Employees' Retirement System
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Kansas City, Missouri The Employees' Retirement System (Plan), which comprise the statements of fiduciary net position as of April 30, 2021 and 2020, the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which comprise the Plan's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of April 30, 2021 and 2020, and the changes in its fiduciary net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information included in the required supplementary information section listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Allen, Gibbs & Houlik, L.C
CERTIFIED PUBLIC ACCOUNTANTS

October 12, 2021
Overland Park, KS

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Employees' Retirement System of the City of Kansas City, Missouri (ERS or the Plan) is a single-employer defined benefit plan covering general municipal employees and elected officials of the City of Kansas City, Missouri (the City). ERS was established by City ordinance in 1962 and is administered by the Retirement System's Board of Trustees (the Board) to provide retirement, survivor and death benefits to members and beneficiaries. This discussion and analysis of the Plan's financial statements provides an overview of the Plan's operations and investment performance for the fiscal years ended April 30, 2021 and 2020, with selected comparative information for the fiscal year ended April 30, 2019, and should be read in conjunction with the financial statements and notes to the financial statements.

Overview of the Financial Statements and Accompanying Information

- The financial statements presented by ERS consist of the: (1) statements of fiduciary net position, which reflect resources available for the payment of benefits as of year-end, and (2) statements of changes in fiduciary net position, which reflect the sources and uses of those funds during the year.
- The notes to the financial statements are an integral part of the financial statements and include information not necessarily discernible in the statements themselves. Following the notes are required supplementary information and other schedules that may be helpful in evaluating the financial condition of the Plan.
- Required supplementary information presents schedules related to employer contributions and the funding of the Plan.

2021 and 2020 Comparative Summary of Fiduciary Net Position

	April 30, 2021	April 30, 2020	Amount Change	Percentage Change
Receivables	\$ 32,878,430	\$ 7,156,153	\$ 25,722,277	359.44%
Investments at fair value	1,348,011,794	1,097,030,850	250,980,944	22.88%
Securities lending collateral	<u>53,183,754</u>	<u>56,099,306</u>	<u>(2,915,552)</u>	-5.20%
Total assets	<u>1,434,073,978</u>	<u>1,160,286,309</u>	<u>273,787,669</u>	23.60%
Due to broker for purchases of investments	38,981,552	5,213,529	33,768,023	647.70%
Administrative and investment expenses payable	1,246,262	1,139,988	106,274	9.32%
Securities lending collateral	<u>53,183,754</u>	<u>56,099,306</u>	<u>(2,915,552)</u>	-5.20%
Total liabilities	<u>93,411,568</u>	<u>62,452,823</u>	<u>30,958,745</u>	49.57%
Net position	<u>\$1,340,662,410</u>	<u>\$1,097,833,486</u>	<u>\$ 242,828,924</u>	22.12%

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

MANAGEMENT'S DISCUSSION AND ANALYSIS

2021 and 2020 Comparative Summary of Changes in Fiduciary Net Position

	<u>April 30, 2021</u>	<u>April 30, 2020</u>	<u>Amount Change</u>	<u>Percentage Change</u>
Member contributions	\$ 8,500,926	\$ 8,552,954	\$ (52,028)	-0.61%
City contributions	27,524,702	27,256,034	268,668	0.99%
Net investment income (loss)	291,460,205	(25,371,609)	316,831,814	1248.77%
Total additions	<u>327,485,833</u>	<u>10,437,379</u>	<u>317,048,454</u>	3038%
Benefits paid to members	78,466,913	75,387,320	3,079,593	4.09%
Refunds of contributions	5,693,126	5,999,576	(306,450)	-5.11%
Administrative expenses	496,870	488,582	8,288	1.70%
Total deductions	<u>84,656,909</u>	<u>81,875,478</u>	<u>2,781,431</u>	3.40%
Net change	242,828,924	(71,438,099)	314,267,023	439.92%
Net position, Beginning of Year	<u>1,097,833,486</u>	<u>1,169,271,585</u>	<u>(71,438,099)</u>	-6.11%
Net position, End of Year	<u>\$ 1,340,662,410</u>	<u>\$ 1,097,833,486</u>	<u>\$ 242,828,924</u>	22.12%

2021 Financial Highlights

The Plan's net position increased by 22.1%, as seen in the statement of fiduciary net position. Global markets continued their remarkable recovery from the swiftest market correction in history that occurred in March 2020, due to the spread of COVID-19. Amid periodic market volatility, this tremendous recovery was aided by the development and distribution of three vaccines, the reopening of economies around the world and the vast amount of monetary and fiscal stimulus that was funneled into the markets through stimulus payments and the Federal Reserve's actions to keep interest rates low and continue their quantitative easing program. The Plan's investment portfolio returned 27.2% for the year, which outperformed the return of the Policy Portfolio benchmark. All segments of the Plan posted positive returns and most performed extremely well on a relative basis. U.S. equity was the best performing asset class, while real assets had the lowest returns on an absolute basis.

Total additions, as shown on the statement of changes in fiduciary net position, were positive \$317 million, a 3,037.6% increase from the prior year. Employer contributions grew \$269 thousand, mainly due to an increase in the actuarial required contribution rate, and net investment income increased by \$316.8 million, due to strong performance. Benefits paid to members increased 4.1%, due in large part to new retirements and cost-of-living adjustments, while refunds of contributions decreased -5.1%, due to a decrease in refund elections made by retiring employees. The 1.7% increase in administrative expenses was mainly due to an increase in salaries and printing costs.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

MANAGEMENT'S DISCUSSION AND ANALYSIS

2021 Operational Highlights

A real estate manager was terminated due to performance issues. A search was conducted, and a new real estate manager was hired. On-going cash needs were met primarily through rebalancing and the sale of appreciating equity securities.

2020 and 2019 Comparative Summary of Fiduciary Net Position

	April 30, 2020	April 30, 2019	Amount Change	Percentage Change
Receivables	\$ 7,156,153	\$ 4,283,448	\$ 2,872,705	67.07%
Investments at fair value	1,097,030,850	1,168,503,016	(71,472,166)	-6.12%
Securities lending collateral	56,099,306	60,724,175	(4,624,869)	-7.62%
Total assets	<u>1,160,286,309</u>	<u>1,233,510,639</u>	<u>(73,224,330)</u>	-5.94%
Due to broker for purchases of investments	5,213,529	2,570,730	2,642,799	102.80%
Administrative and investment expenses payable	1,139,988	944,149	195,839	20.74%
Securities lending collateral	56,099,306	60,724,175	(4,624,869)	-7.62%
Total liabilities	<u>62,452,823</u>	<u>64,239,054</u>	<u>(1,786,231)</u>	-2.78%
Net position	<u>\$ 1,097,833,486</u>	<u>\$ 1,169,271,585</u>	<u>\$ (71,438,099)</u>	-6.11%

2020 and 2019 Comparative Summary of Changes in Fiduciary Net Position

	April 30, 2020	April 30, 2019	Amount Change	Percentage Change
Member contributions	\$ 8,552,954	\$ 8,514,325	\$ 38,629	0.45%
City contributions	27,256,034	26,032,072	1,223,962	4.70%
Net investment income	(25,371,609)	59,453,267	(84,824,876)	-142.67%
Total additions	<u>10,437,379</u>	<u>93,999,664</u>	<u>(83,562,285)</u>	-88.90%
Benefits paid to members	75,387,320	71,410,862	3,976,458	5.57%
Refunds of contributions	5,999,576	4,393,283	1,606,293	36.56%
Administrative expenses	488,582	584,912	(96,330)	-16.47%
Total deductions	<u>81,875,478</u>	<u>76,389,057</u>	<u>5,486,421</u>	7.18%
Net increase	(71,438,099)	17,610,607	(89,048,706)	-505.65%
Net position, Beginning of Year	<u>1,169,271,585</u>	<u>1,151,660,978</u>	<u>17,610,607</u>	1.53%
Net position, End of Year	<u>\$ 1,097,833,486</u>	<u>\$ 1,169,271,585</u>	<u>\$ (71,438,099)</u>	-6.11%

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

MANAGEMENT'S DISCUSSION AND ANALYSIS

2020 Financial Highlights

The Plan's net position contracted by 6.1%, as seen in the statement of fiduciary net position. Global financial markets posted strong positive returns during the first three quarters despite volatility caused by headwinds from a weak global economy, trade disputes between the U.S. and China and geopolitical tensions. The Federal Reserve also cut rates for the first time since 2008. Then, in the fourth quarter, global equity markets experienced the swiftest market correction in history as the spread of COVID-19 halted economies around the world, and the longest bull market in history officially came to an end in mid-March. In response, the Federal Reserve took several emergency actions which included cutting rates twice and began a new round of quantitative easing to stabilize financial markets and support the flow of credit. Additionally, in the U.S., a \$2.2 trillion stimulus plan was announced. These measures led to a reduction in volatility and a strong comeback in the markets, with U.S. equities leading the way. The Plan's investment portfolio returned -2.5% for the year, which underperformed the return of the Policy Portfolio benchmark. All equity segments of the Plan, including U.S., Non-U.S. and global, along with the opportunistic segment of the Plan, posted negative returns. Fixed income was the best performing asset class on an absolute basis, followed by real assets.

Total additions, as shown on the statement of changes in fiduciary net position, were negative \$83.6 million, an 88.9% decline from the prior year. Although contributions grew \$1.3 million, mainly due to an increase in the actuarial required contribution rate, net investment income dropped by \$84.8 million. Benefits paid to members increased by 5.6%, due in large part to new retirements and cost-of-living adjustments, while refunds of contributions increased 36.6%, with much of the increase attributable to refund elections made by retiring employees. The 16.5% reduction in administrative expenses was mainly due to a reclassification of certain administrative expenses to investment expenses.

2020 Operational Highlights

No investment manager or other service provider changes occurred in the period, although a decision was made to terminate the Plan's alternative beta manager. The manager termination was effective at the end of the first calendar quarter; however proceeds from the investment will not be available until the second quarter of 2020. On-going cash needs were met primarily through rebalancing and the sale of appreciating equity and fixed income securities.

Requests for Information

This financial report is designed to provide members of the City of Kansas City, Missouri The Employees' Retirement System, citizens, investors and creditors of the City of Kansas City, Missouri with a general overview of the Employees' Retirement System's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Kansas City, Missouri The Employees' Retirement System, City Hall, 414 East 12th Street, 10th Floor, Kansas City, Missouri 64106-2705.

There are no other currently known facts, conditions or decisions that are expected to have a significant effect on the financial position or results of operations of the Plan.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

STATEMENTS OF FIDUCIARY NET POSITION

April 30, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Investments, at Fair Value		
Short-term investment funds	\$ 54,512,080	\$ 27,322,204
U.S. Treasuries	16,183,692	4,397,184
U.S. government-backed mortgages	45,216,472	37,510,489
Municipal bonds	2,368,385	2,985,527
Asset-backed securities	6,478,846	6,379,342
Foreign debt obligations	2,422,715	2,204,988
Corporate bonds - domestic	21,649,304	31,412,801
Corporate bonds - foreign	19,988,837	20,660,958
Domestic preferred equities	1,236,015	1,219,116
Domestic common equities	232,986,023	168,496,067
Foreign equities	6,826,288	4,085,703
Partnerships	61,653,504	42,522,256
Hedge funds	--	16,163,660
Collective trusts - equities	565,938,279	440,189,739
Collective trusts - fixed income	190,129,563	176,584,877
Collective trusts - real estate	120,421,791	114,895,939
	<u>1,348,011,794</u>	<u>1,097,030,850</u>
Securities Lending Collateral	<u>53,183,754</u>	<u>56,099,306</u>
Receivables		
Contributions	747,416	1,906,815
Investment income	1,993,065	797,543
Due from broker for sales of investments	30,137,949	4,451,795
	<u>32,878,430</u>	<u>7,156,153</u>
Total assets	<u>1,434,073,978</u>	<u>1,160,286,309</u>
Liabilities		
Due to broker for purchases of investments	38,981,552	5,213,529
Administrative and investment expenses payable	1,246,262	1,139,988
Securities lending collateral	53,183,754	56,099,306
	<u>93,411,568</u>	<u>62,452,823</u>
Net Position Restricted for Pensions	<u>\$ 1,340,662,410</u>	<u>\$ 1,097,833,486</u>

The accompanying notes are an
integral part of these financial statements.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

Years Ended April 30, 2021 and 2020

	2021	2020
Additions		
Investment Income		
Interest income	\$ 11,879,217	\$ 17,684,309
Dividend income	6,436,030	5,954,536
Net change in fair value of investments	277,864,439	(44,297,187)
Less investment expense	(4,849,036)	(4,856,164)
	291,330,650	(25,514,506)
Securities Lending Income		
Securities lending gross income	181,980	1,205,332
Securities lending expenses		
Borrower rebates (fees)	3,006	(1,001,402)
Management fees	(55,431)	(61,033)
Total securities lending expenses	(52,425)	(1,062,435)
Net securities lending income	129,555	142,897
Total net investment income (loss)	291,460,205	(25,371,609)
Contributions		
Contributions from the City of Kansas City, Missouri	27,524,702	27,256,034
Contributions from members	8,500,926	8,552,954
Total contributions	36,025,628	35,808,988
Total additions	327,485,833	10,437,379
Deductions		
Benefits Paid to Members	78,466,913	75,387,320
Refunds		
Termination	1,649,175	1,502,400
Retirement	4,043,951	4,497,176
Administrative Expenses	496,870	488,582
Total deductions	84,656,909	81,875,478
Net Change in Net Position	242,828,924	(71,438,099)
Net Position Restricted for Pensions, Beginning of Year	1,097,833,486	1,169,271,585
Net Position Restricted for Pensions, End of Year	\$ 1,340,662,410	\$ 1,097,833,486

The accompanying notes are an integral part of these financial statements.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The City of Kansas City, Missouri The Employees' Retirement System (ERS or Plan) is a contributory, single-employer, defined benefit pension plan, covering employees and elected officials of the City of Kansas City, Missouri (City). Members of the Police and Fire Departments' pension systems are excluded. The Plan is considered part of the City's financial reporting entity and is included in the City's comprehensive annual financial report as a pension trust fund. Employees should refer to the Plan agreement for more complete information.

Basis of Accounting - The financial statements are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when they are due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when paid in accordance with the terms of the Plan.

Valuation of Investments - Government securities, asset-backed securities, and corporate bonds are valued at fair value based on prices quoted by a major dealer in such securities.

Common stock, preferred stock, foreign common stock, and indexed notes and bonds are listed at fair value based on either listed prices (closing prices as reported on the composite summary of national securities exchanges) or on over-the-counter or bid prices.

Collective trusts, partnerships, short-term investment funds, and hedge funds consist primarily of non-marketable investments in various venture capital, corporate finance funds, and private partnerships (collectively, Portfolio Funds). These funds are primarily invested in a diversified portfolio of equities, real estate, U.S. fixed income instruments, and alternative or non-traditional investments. These investments are recorded at fair value based on financial data, which is generally at an amount equal to the net asset value per share or the Plan's proportionate interest in the net assets or net equity of the Portfolio Funds as determined by each Portfolio Fund's general partner or investment manager. The estimated value of such investments is subject to uncertainty and, therefore, may differ from the value that would have been used had a market for such investments existed.

The Plan is obligated to pay certain capital commitments to the partnerships. There were no outstanding commitments as of April 30, 2021 or 2020.

Investment transactions are accounted for on a trade-date basis, and dividend income is recognized on the ex-dividend date. Interest income is recognized on an accrual basis. Realized gains and losses from investments are determined on an average-cost basis.

Tax Status - The Board of Trustees (Board) believes that the Plan is designed in accordance with section 401(a) of the Internal Revenue Code (Code) and is currently being operated in compliance with the applicable requirements of the Code.

Administrative Expenses - Plan administrative salaries, duplicating, telecommunications, and travel expenses are included in the Plan's administrative expenses when incurred. The City provides office space, a portion of administrative and clerical services of the Human Resources Department, and accounting services of the Finance Department without any direct charge to the Plan.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Subsequent Events - These financial statements considered subsequent events through October 12, 2021, the date the financial statements were available to be issued.

2. PLAN DESCRIPTION

The Plan is established by City ordinances enacted by the City Council. The Plan is administered by the Board of Trustees of the City of Kansas City, Missouri The Employees' Retirement System. The Board is composed of ten members, two of whom are the Director of Human Resources and the Director of Finance of the City, two are active employees and members of the retirement system, one is a retired member of ERS and one is designated by Firefighters' IAFF Local 42. The remaining members are prominent Kansas City business or civic leaders appointed by the mayor.

Eligibility - All full-time, permanent employees in the classified and unclassified services shall become members of the Plan as a condition of their employment. Employees of any administrative board or board of control as organized and existing under the general laws of the State of Missouri and as defined in RSMo § 95.540, whose governing body has elected membership, shall also be members. Members of the police, firemen's, or municipal judges' (or any other pension system involving City funds) receiving or entitled to receive a future pension from those systems, are ineligible for membership.

Tier I Member - Those employees hired before April 20, 2014.

Tier II Member - Those employees hired on or after April 20, 2014.

At April 30, 2021 and 2020, the Plan's membership consisted of the following:

	2021		
	Tier I	Tier II	Total
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	2,862	--	2,862
Current employees			
Vested	1,707	--	1,707
Nonvested	--	1,299	1,299
Inactive	68	576	644
	<u>4,637</u>	<u>1,875</u>	<u>6,512</u>

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

2. PLAN DESCRIPTION (CONTINUED)

	2020		Total
	Tier I	Tier II	
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	2,798	--	2,798
Current employees			
Vested	1,884	--	1,884
Nonvested	--	1,262	1,262
Inactive	62	399	461
Total	4,744	1,661	6,405

Contributions - Funding is provided by contributions from Plan members and the City, and earnings on investments. Members contribute 5 percent of their base salary. The City's contribution is set by the City Council in conjunction with its approval of the annual budget, based on the actuarially determined contribution rate set by the Plan's consulting actuary. For the years ended April 30, 2021 and 2020, the City contributed at rates of 16.11 percent and 15.89 percent, respectively, of annual covered payroll.

Retirement Benefits - Benefit terms for the Plan are established in the City administrative code and can only be amended by the City Council. The Plan provides retirement benefits as well as pre-retirement death benefits as noted below:

Tier I Members - Employees become vested for retirement benefits after five years of service. Members who retire with total age and creditable service equal to 80, or the later of age 60 and 10 years of creditable service, are entitled to an annual pension based on a percentage of final average compensation multiplied by years and months of creditable service. If married at the time of retirement, the percentages is 2.0 percent for general employees and 2.2 percent for elected officials, and if unmarried at the date of retirement, the percentage is 2.22 percent up to a maximum of 70 percent of final average compensation as defined in the Plan. If the employee has at least 10 years of creditable service, the minimum benefit is \$400 per month.

If members terminate prior to retirement and before rendering five years of service, they forfeit the right to receive the portion of their accumulated Plan benefits attributable to City contributions and are refunded their member contributions with interest. Such refunds result in the forfeiture of all other benefits under the Plan. Members terminating prior to retirement with five or more years of service may elect to receive a refund of their member contributions with interest as a lump-sum distribution, or they may elect to receive a deferred pension. An automatic cost-of-living adjustment of 3 percent, non-compounded, is provided annually.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

2. PLAN DESCRIPTION (CONTINUED)

Tier II Members - Employees become vested for retirement benefits after ten years of service. Members who retire with total age and creditable service equal to 85, or the later of age 62 and 10 years of creditable service are entitled to an annual pension of 1.75 percent of final average compensation multiplied by the number of years of creditable service, subject to a maximum limit of 70 percent of final average compensation as defined in the Plan. If the employee has at least 10 years of creditable service, the minimum benefit is \$400 per month.

If employees terminate prior to retirement and before rendering ten years of service, they forfeit the right to receive the portion of their accumulated Plan benefits attributable to City contributions and are refunded their member contributions with interest.

An automatic cost-of-living adjustment, not to exceed 2.5 percent, non-compounded, is provided annually to pensioners age 62 and older if the prior year funding ratio is equal to or greater than 80 percent and will be equal to the percentage increase in the prior 12 months of the final national consumer price index.

Health Insurance Subsidy - All retirees are eligible to receive a \$200 monthly health insurance subsidy. If a member dies as a direct result of an accident sustained in the performance of their assigned duties, their surviving spouse is eligible to receive the health insurance subsidy.

Death Benefits - If a retired member dies, the following benefits shall be paid:

To the member's spouse until death, a retirement benefit equal to one-half of the member's normal retirement benefit.

To the member's designated beneficiary or estate, if there is no surviving spouse, any remaining member contributions and interest.

If an active member dies, the member's contributions and interest are distributed to the surviving spouse or, if none, to the designated beneficiary. The surviving spouse, however, may elect to receive monthly benefit payments instead of the lump-sum distribution if the member had five or more years of creditable service.

3. DEPOSITS AND INVESTMENTS

The City administrative code and ordinances passed by the City Council provide that Plan investments may include, but are not limited to, obligations of the U.S. government, state of Missouri and municipal corporations, including school districts, corporate bonds, real estate mortgages, common and preferred stocks, partnerships, collective trusts and derivatives. The Plan purchases investments from Securities and Exchange Commission registered securities broker-dealers and banks through its investment managers. Investments in U.S. Treasury obligations are held at the Federal Reserve Bank through the customer account of a financial institution.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Policy - The asset type and classes, target allocation and ranges that have been approved by the Board are shown below. All percentages are based on fair values. The Board has authorized Plan staff, with the guidance from the investment consultant, to rebalance the portfolio in accordance with the current strategy guidelines below:

Asset Type and Class	Range	Target
Global Equity		
U.S. Equity	11.25% - 21.25%	16.25%
Emerging Manager of Managers	2% - 7%	4.0%
Non-U.S. Equity	10.25% - 20.25%	15.25%
Emerging Markets Equity	3% - 6%	4.5%
Global Equity	2% - 8%	5.0%
Global Fixed Income		
Core Fixed Income	15% - 25%	20.0%
Non-Core Fixed Income	7% - 17%	12.0%
Real Assets		
Real Estate	2.5% - 12.5%	7.5%
Infrastructure	1% - 4%	2.5%
Opportunistic	7% - 17%	12.0%
Cash	0% - 5%	1.0%

Securities Lending Transactions - City ordinances and the Plan's Board policies permit the Plan to use investments of the Plan to enter into securities lending transactions, which are loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future.

The Plan has contracted with The Northern Trust Company as its third-party lending agent to lend domestic equity and debt securities for cash collateral of not less than 102 percent of the fair value and international debt and equity securities of not less than 105 percent of the fair value. At April 30, 2021 and 2020, management believes the Plan has no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. Contracts with the lending agent require it to indemnify the Plan if borrowers fail to return the securities, if the collateral is inadequate to replace the securities lent or if the borrowers fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan; therefore, non-cash collateral is not recorded as an asset or liability on the financial statements.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

	<u>2021</u>	<u>2020</u>
Fair value of securities loaned	\$ 51,592,017	\$ 50,051,627
Fair value of cash collateral received from borrowers	\$ 53,183,754	\$ 56,099,306

All security loans can be terminated on demand by either the Plan or the borrower. The cash collateral received on each security loan was invested, in accordance with the Plan investment guidelines, in short-term funds. The maturities of the resulting investments generally match the maturities of the securities lending arrangements themselves. The Plan is not permitted to pledge or sell collateral received unless the borrower defaults.

At April 30, 2021, the Plan had the following investments and maturities:

Type	Fair Value	Maturities in Years				Loaned Under Securities Lending Agreements
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasuries	\$ 16,183,692	\$ --	\$ 6,495,521	\$ 9,008,073	\$ 680,098	\$15,334,721
U.S. government-backed mortgages	45,216,472	--	--	535,358	44,681,114	--
Municipal bonds	2,368,385	--	--	--	2,368,385	--
Asset-backed securities	6,478,846	--	--	74,444	6,404,402	--
Foreign debt obligations	2,422,715	--	727,825	256,875	1,438,015	--
Corporate bonds - domestic	21,649,304	768,017	6,559,344	4,857,970	9,463,973	1,663,617
Corporate bonds - foreign	19,988,837	--	8,185,991	4,195,148	7,607,698	3,741,248
Short-term investment funds	54,512,080	54,512,080	--	--	--	--
	<u>168,820,331</u>	<u>\$ 55,280,097</u>	<u>\$ 21,968,681</u>	<u>\$18,927,868</u>	<u>\$ 72,643,685</u>	
Domestic preferred equities	1,236,015					1,235,956
Domestic common equities	232,986,023					26,579,161
Foreign equities	6,826,288					2,124,462
Partnerships	61,653,504					--
Collective trusts - equities	565,938,279					--
Collective trusts - fixed income	190,129,563					--
Collective trusts - real estate	120,421,791					912,852
	<u>\$ 1,348,011,794</u>					<u>\$ 51,592,017</u>

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

At April 30, 2020, the Plan had the following investments and maturities:

Type	Fair Value	Maturities in Years				Loaned Under Securities Lending Agreements
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasuries	\$ 4,397,184	\$ --	\$ 4,397,184	\$ --	\$ --	\$ 2,390,668
U.S. government-backed mortgages	37,510,489	--	53,752	484,306	36,972,431	--
Municipal bonds	2,985,527	--	--	--	2,985,527	--
Asset-backed securities	6,379,342	--	--	118,050	6,261,292	--
Foreign debt obligations	2,204,988	--	--	875,663	1,329,325	137,906
Corporate bonds - domestic	31,412,801	328,314	10,356,750	3,925,220	16,802,517	2,142,024
Corporate bonds - foreign	20,660,958	--	9,125,008	4,412,268	7,123,682	1,337,557
Short-term investment funds	27,322,204	27,322,204	--	--	--	--
	<u>132,873,493</u>	<u>\$ 27,650,518</u>	<u>\$ 23,932,694</u>	<u>\$ 9,815,507</u>	<u>\$ 71,474,774</u>	
Domestic preferred equities	1,219,116					88,903
Domestic common equities	168,496,067					40,698,191
Foreign equities	4,085,703					1,860,956
Partnerships	42,522,256					--
Hedge funds	16,163,660					--
Collective trusts - equities	440,189,739					--
Collective trusts - fixed income	176,584,877					--
Collective trusts - real estate	114,895,939					1,395,422
	<u>\$ 1,097,030,850</u>					<u>\$ 50,051,627</u>

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's securities lending policy, \$51,592,017 and \$50,051,627 was held by the counterparty that was acting as the Plan's agent in securities lending transactions at April 30, 2021 and 2020, respectively.

Investment Concentrations - The following presents investments that represent 5 percent or more of the fiduciary net position of the Plan as of April 30, 2021:

Investment	
Prudential Core Plus Bond Fund	\$ 116,119,208
Blackrock Alpha Advantage International Fund	91,583,602
Mellon EB DV Global Exp Alpha I Fund	87,535,462
Lazard Wilmington International Equity Portfolio	84,522,890
Pioneer Multi Sector Fixed Income Portfolio	74,676,981
FIAM Tactical Bond Pool	74,010,356

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following presents investments that represent 5 percent or more of the fiduciary net position of the Plan as of April 30, 2020:

Investment	
Prudential Core Plus Bond Fund	\$ 109,985,308
Mellon EB DV Global Exp Alpha I Fund	71,487,893
FIAM Tactical Bond Pool	66,599,569
Lazard Wilmington International Equity Portfolio	65,559,440
Pioneer Multi Sector Fixed Income Portfolio	65,152,312
Blackrock Alpha Advantage International Fund	64,753,058

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan's policy is that fixed income securities must have a minimum investment quality of "B" at the time of purchase. The weighted average credit rating of the portfolio must have a minimum investment quality of "A." As of April 30, 2021 and 2020, the Plan's fixed income assets that are not explicitly government guaranteed represented 82.9 percent and 86.5 percent of the fixed income portfolio, respectively. The following tables summarize the Plan's fixed income portfolio exposure levels and credit qualities at April 30, 2021 and 2020:

Fixed Income Security Type	Fair Value April 30, 2021	Percentage of all Fixed Income Assets	S&P Weighted Average Credit Quality
Municipal bonds	\$ 2,368,385	0.7%	AAA
Asset-backed securities	6,478,846	1.8%	AA-
Foreign debt obligations	2,422,715	0.7%	BB
Corporate bonds - domestic	21,649,304	6.0%	BBB
Corporate bonds - foreign	19,988,837	5.6%	BBB
Short-term investment funds	54,512,080	15.2%	Not rated
Collective trusts - fixed income	190,129,563	52.9%	A
	\$ 297,549,730	82.9%	

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fixed Income Security Type	Fair Value April 30, 2020	Percentage of all Fixed Income Assets	S&P Weighted Average Credit Quality
Municipal bonds	\$ 2,985,527	1.0%	A+
Asset-backed securities	6,379,342	2.1%	AA-
Foreign debt obligations	2,204,988	0.7%	BB
Corporate bonds - domestic	31,412,801	10.1%	A+
Corporate bonds - foreign	20,660,958	6.7%	BB-
Short-term investment funds	27,322,204	8.8%	Not rated
Collective trusts - fixed income	176,584,877	57.1%	Not rated
	<u>\$ 267,550,697</u>	<u>86.5%</u>	

Each portfolio is managed in accordance with operational guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers and the average credit quality of the overall portfolios.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the effective duration of option-adjusted methodology. The Plan's policy is to manage duration to a maximum 25 percent of underweighting/overweighting relative to the Barclays Aggregate Bond Index.

Effective Duration of Fixed Income Assets by Security Type

Fixed Income Security Type	Fair Value April 30, 2021	Percentage of all Fixed Income Assets	Weighted Average Effective Duration (Years)
U.S. Treasuries	\$ 16,183,692	4.5%	6.69
U.S. government-backed mortgages	45,216,472	12.6%	3.74
Municipal bonds	2,368,385	0.7%	9.68
Asset-backed securities	6,478,846	1.8%	0.56
Foreign debt obligations	2,422,715	0.7%	8.95
Corporate bonds - domestic	21,649,304	6.0%	6.77
Corporate bonds - foreign	19,988,837	5.6%	6.77
Short-term investment funds**	54,512,080	15.2%	**
Collective trusts - fixed income	190,129,563	52.9%	6.10
	<u>\$ 358,949,894</u>	<u>100.0%</u>	

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fixed Income Security Type	Fair Value April 30, 2020	Percentage of all Fixed Income Assets	Weighted Average Effective Duration (Years)
U.S. Treasuries	\$ 4,397,184	1.4%	1.76
U.S. government-backed mortgages	37,510,489	12.1%	1.34
Municipal bonds	2,985,527	1.0%	10.59
Asset-backed securities	6,379,342	2.1%	1.13
Foreign debt obligations	2,204,988	0.7%	8.02
Corporate bonds - domestic	31,412,801	10.1%	9.28
Corporate bonds - foreign	20,660,958	6.7%	5.33
Short-term investment funds**	27,322,204	8.8%	**
Collective trusts - fixed income	176,584,877	57.1%	5.73
	\$ 309,458,370	100.0%	

**The Plan actually owns an interest in the underlying assets of these money market funds, and the unit values are based on the fair value of their underlying assets. The money market funds do not have a maturity date, even though their underlying assets do have maturity dates of less than one year.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Plan's currency risk exposure, or exchange rate risk, primarily resides within the Plan's foreign debt obligations and foreign equity holdings through the Plan's various asset managers. The Plan's policy for each specific portfolio does not place limits on the amount of foreign exposure that can be held by the individual asset managers.

Annual Money-Weighted Rate of Return - For the years ended April 30, 2021 and 2020, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 27.14 percent and -2.16 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. NET PENSION LIABILITY

The components of the net pension liability of the City at April 30, 2021 and 2020 were as follows:

	2021	2020
Total pension liability	\$ 1,467,005,680	\$ 1,421,396,198
Plan fiduciary net position	(1,340,662,410)	(1,097,833,486)
City's net pension liability	\$ 126,343,270	\$ 323,562,712
Fiduciary net position as a % of total pension liability	91.39%	77.24%

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

5. ACTUARIAL METHODS AND ASSUMPTIONS

An actuary from Cheiron determines the total pension liability. The total pension liability as of April 30, 2021 and 2020 was determined based on actuarial valuations prepared as of May 1, 2020 and 2019, respectively, rolled forward one year, using the following actuarial assumptions:

Price inflation	2.50% for April 30, 2021 measurement date 3.00% for April 30, 2020 measurement date
Salary increases, including wage inflation	2.75% to 5.00% for April 30, 2021 measurement date 3.75% to 5.00% for April 30, 2020 measurement date
Long-term investment rate of return, net of plan investment expense, including inflation	7.00% for April 30, 2021 measurement date 7.50% for April 30, 2020 measurement date
Mortality tables:	
Healthy	For 2021: 2010 Public General Amount-Weighted Below-Median Mortality Table for Health Retirees (multiplied by 1.051 for males and 1.131 for females), projected using Scale MP-2020 on a generational basis For 2020: RP-2000 Combined Healthy Annuitant Mortality Table (multiplied by 1.078 for males and 1.065 for females), projected using a modified Scale MP-2015 on a generational basis
Disabled	For 2021: 2010 Public General Amount-Weighted Mortality Table for Disabled Retirees, projected using Scale MP-2020 on a generational basis For 2020: RP-2000 Combined Healthy Mortality Table (multiplied by 1.300 for males and 1.500 for females), projected using a modified Scale MP-2015 on a generational basis

The actuarial assumptions used in the May 1, 2020 valuation was based on the results of the actuarial experience study for the period May 1, 2015 through April 30, 2020. The actuarial experience study is dated March 23, 2021. The actuarial assumptions used in the May 1, 2019 valuation was based on the results of the actuarial experience study for the period May 1, 2010 through April 30, 2015. The actuarial experience study is dated February 23, 2016.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

5. ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)

For purposes of calculating the total pension liability, future ad hoc cost of living adjustments (COLAs) of 3.0 percent (simple COLA) were assumed to be granted in all future years for Tier I employees. Tier II employees' COLA will only be payable if the prior year's funding ratio is greater than or equal to 80 percent and will be equal to the percentage increase in the consumer price index, up to a maximum of 2.50 percent, payable at age 62.

Long-Term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimates arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of April 30, 2021 and 2020 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	16.25%	5.3%
Emerging Manager of Managers	4.0%	5.3%
Non-U.S. Equity	15.25%	7.7%
Emerging Markets Equity	4.5%	9.3%
Global Equity	5.0%	6.4%
Core Fixed Income	20.0%	0.5%
Non-Core Fixed Income	12.0%	3.3%
Real Estate	7.5%	3.8%
Infrastructure	2.5%	5.8%
Opportunistic	12.0%	5.0%
Cash	1.0%	-0.5%

Discount Rate - The discount rate used to measure the total pension liability was 7.0 percent for the April 30, 2021 measurement date, and 7.5 percent for the April 30, 2020 measurement date. In the professional judgment of the Plan's actuary, the funding policy of the Plan will result in the Plan's projected fiduciary net position being greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

5. ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)

Sensitivity Analysis - The following sensitivity analysis presents the net pension liability of the City, calculated using the discount rate of 7.00 percent and 7.50 percent for the April 30, 2021 and 2020 measurement dates, respectively, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%/6.50%) or one percentage point higher (8.00%/8.50%) than the current rates as of April 30, 2021 and 2020:

	2021		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Total pension liability	\$ 1,636,824,269	\$ 1,467,005,680	\$ 1,324,083,364
Fiduciary net position	(1,340,662,410)	(1,340,662,410)	(1,340,662,410)
Net pension liability (asset)	\$ 296,161,859	\$ 126,343,270	\$ (16,579,046)
	2020		
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total pension liability	\$ 1,586,570,408	\$ 1,421,396,198	\$ 1,282,483,818
Fiduciary net position	(1,097,833,486)	(1,097,833,486)	(1,097,833,486)
Net pension liability	\$ 488,736,922	\$ 323,562,712	\$ 184,650,332

6. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

Plan contributions are made and the total pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements - The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at April 30, 2021 and 2020:

	April 30, 2021			
	Total			
	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level				
Short-term investment funds	\$ 54,512,080	\$ 54,512,080	\$ --	\$ --
U.S. Treasuries	16,183,692	--	16,183,692	--
U.S. government-backed mortgages	45,216,472	--	43,074,413	2,142,059
Municipal bonds	2,368,385	--	2,368,385	--
Asset-backed securities	6,478,846	--	6,478,846	--
Foreign debt obligations	2,422,715	--	2,422,715	--
Corporate bonds - domestic	21,649,304	--	21,649,304	--
Corporate bonds - foreign	19,988,837	--	19,988,837	--
Domestic preferred equities	1,236,015	1,236,015	--	--
Domestic common equities	232,986,023	232,986,023	--	--
Foreign equities	6,826,288	6,826,288	--	--
Collective trusts - equities	63,086,853	--	63,086,853	--
Total investments	472,955,510	\$ 295,560,406	\$ 175,253,045	\$ 2,142,059
Investments measured at the net asset value (NAV) (A)				
Partnerships	61,653,504			
Collective trusts - equities	502,851,426			
Collective trusts - fixed income	190,129,563			
Collective trusts - real estate	120,421,791			
Total investments measured at the NAV	875,056,284			
Total investments	\$ 1,348,011,794			

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS (CONTINUED)

	April 30, 2020			
	Total			
	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level				
Short-term investment funds	\$ 27,322,204	\$ 27,322,204	\$ --	\$ --
U.S. Treasuries	4,397,184	--	4,397,184	--
U.S. government-backed mortgages	37,510,489	--	30,461,007	7,049,482
Municipal bonds	2,985,527	--	2,985,527	--
Asset-backed securities	6,379,342	--	6,379,342	--
Foreign debt obligations	2,204,988	--	2,204,988	--
Corporate bonds - domestic	31,412,801	--	31,412,801	--
Corporate bonds - foreign	20,660,958	--	20,660,958	--
Domestic preferred equities	1,219,116	1,219,116	--	--
Domestic common equities	168,496,067	168,496,067	--	--
Foreign equities	4,085,703	4,085,703	--	--
Collective trusts - equities	49,799,708	--	49,799,708	--
Total investments	356,474,087	\$ 201,123,090	\$ 148,301,515	\$ 7,049,482
Investments measured at the net asset value (NAV) (A)				
Partnerships	42,522,256			
Hedge funds	16,163,660			
Collective trusts - equities	390,390,031			
Collective trusts - fixed income	176,584,877			
Collective trusts - real estate	114,895,939			
Total investments measured at the NAV	740,556,763			
Total investments	\$ 1,097,030,850			

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of fiduciary net position.

Equity and short-term investment funds classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate and governmental debt securities as well as certain collective trusts classified as Level 2 of the fair value hierarchy are valued using third-party pricing services based on market observable information such as market quotes for similar assets, as well as normal market pricing considerations such as duration, interest rates and prepayment assumptions.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value estimates presented herein are based on pertinent information available to management as of April 30, 2021. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Fair value determinations for Level 3 measurements of securities are the responsibility of the Pension Administrator's office. The Pension Administrator's office contracts with the respective money manager to engage a pricing specialist to generate fair value estimates on a monthly or quarterly basis. The Pension Administrator's office challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented below.

	April 30, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Notice Period
Partnerships (A)	\$ 61,653,504	\$ --	Semi-Annual	2 Months
Collective trusts - equities (C)	502,851,426	--	Daily/Monthly	1-7 Days
Collective trusts - fixed income (D)	190,129,563	--	Daily	1 Day
Collective trusts - real estate (E)	120,421,791	--	Quarterly	45 Days
Total investments measured at NAV	\$ 875,056,284	\$ --		

	April 30, 2020			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Notice Period
Partnerships (A)	\$ 42,522,256	\$ --	Semi-Annual	2 Months
Hedge funds (B)	16,163,660	--	Bi-Monthly	75 Days
Collective trusts - equities (C)	390,390,031	--	Daily/Monthly	1-7 Days
Collective trusts - fixed income (D)	176,584,877	--	Daily	1 Day
Collective trusts - real estate (E)	114,895,939	--	Quarterly	45 Days
Total investments measured at NAV	\$ 740,556,763	\$ --		

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO THE FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENTS (CONTINUED)

- (A) This category is a limited partnership. Investments are open-ended Global Core/Core Plus infrastructure investments.
- (B) This category is a limited partnership domiciled in the Cayman Islands. Investments provide exposure to more than sixty "hedge fund risk premiums" across nine broad strategy groups (event driven, convertible arbitrage, equity market neutral, dedicated short bias, long/short equity, emerging markets, global macro, managed futures and fixed income relative value) with a dynamic and disciplined investment process that aims to provide risk-balanced, long-term exposure to the underlying strategies. The result is a high risk-adjusted expected return stream with low correlation to traditional asset classes.
- (C) This category includes collective trust funds. Each invests in equity securities both on the national and international markets listed on public market exchanges.
- (D) This category is a fixed income fund. The fund includes U.S. and Non-U.S. government, securitized and corporate bonds, and currencies across the entire quality spectrum.
- (E) This category is a common collective trust redeemable quarterly with a 45 day notice period. Investments are open-ended U.S. Commercial real estate.

8. RELATED PARTY TRANSACTIONS

The Plan reimburses the City for the cost of providing certain financial and other services. Amounts charged are expensed during the period incurred.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 19,599,485	\$ 19,922,994	\$ 20,312,736	\$ 20,085,682	\$ 20,048,780	\$ 19,485,402	\$ 19,694,295
Interest on total pension liability	104,889,664	102,057,580	100,099,386	97,267,046	94,116,208	87,902,877	85,393,038
Difference between expected and actual experience	(1,147,543)	(15,368,078)	(5,950,247)	(2,291,715)	(431,574)	(6,077,385)	-
Change of assumptions	6,427,915	-	-	-	-	43,062,525	-
Benefit payments, including member refunds	(84,160,039)	(81,386,896)	(75,804,145)	(71,994,704)	(67,877,732)	(67,603,613)	(63,149,987)
Net change in total pension liability	45,609,482	25,225,600	38,657,730	43,066,309	45,855,682	76,769,806	41,937,346
Total pension liability - beginning	1,421,396,198	1,396,170,598	1,357,512,868	1,314,446,559	1,268,590,877	1,191,821,071	1,149,883,725
Total pension liability - ending	1,467,005,680	1,421,396,198	1,396,170,598	1,357,512,868	1,314,446,559	1,268,590,877	1,191,821,071
Plan fiduciary net position							
Net investment income	291,460,205	(25,371,609)	59,453,267	98,766,580	105,285,874	(26,366,931)	84,827,952
Contributions - employer	27,524,702	27,256,034	26,032,072	24,530,445	23,701,217	24,577,647	27,569,434
Contributions - member	8,500,926	8,552,954	8,514,325	8,622,835	7,966,105	8,235,363	8,610,268
Benefits paid	(78,466,913)	(75,387,320)	(71,410,862)	(71,994,704)	(67,877,732)	(67,603,613)	(63,149,987)
Refunds of contributions	(5,693,126)	(5,999,576)	(4,393,283)	-	-	-	-
Administrative expenses	(496,870)	(488,582)	(584,912)	(563,030)	(386,784)	(365,571)	(379,424)
Net change in fiduciary net position	242,828,924	(71,438,099)	17,610,607	59,362,126	68,688,680	(61,523,105)	57,478,243
Plan fiduciary net position - beginning	1,097,833,486	1,169,271,585	1,151,660,978	1,092,298,852	1,023,610,172	1,085,133,277	1,027,655,034
Plan fiduciary net position - ending	1,340,662,410	1,097,833,486	1,169,271,585	1,151,660,978	1,092,298,852	1,023,610,172	1,085,133,277
Net pension liability, ending	\$ 126,343,270	\$ 323,562,712	\$ 226,899,013	\$ 205,851,890	\$ 222,147,707	\$ 244,980,705	\$ 106,687,794
Fiduciary net position as a percentage of total pension liability	91.39%	77.24%	83.75%	84.84%	83.10%	80.69%	91.05%
Covered-employee payroll	\$ 170,834,611	\$ 171,476,103	\$ 171,688,301	\$ 167,811,028	\$ 164,248,048	\$ 166,853,097	\$ 167,629,048
Net pension liability as a percentage of covered-employee payroll	73.96%	188.69%	132.16%	122.67%	135.25%	146.82%	63.65%

Note to Schedule: This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Note to Schedule: This schedule is intended to show a ten-year trend. Additional years will be reported as they become available.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

SCHEDULE OF CITY CONTRIBUTIONS

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined employer contribution	\$ 27,333,291	\$ 26,920,726	\$ 25,842,898	\$ 24,390,835	\$ 23,042,413	\$ 24,540,893	\$ 27,568,194	\$ 27,568,194	\$ 27,682,872	\$ 26,326,555
Actual City contributions	<u>27,524,702</u>	<u>27,256,034</u>	<u>26,032,072</u>	<u>24,530,445</u>	<u>23,701,217</u>	<u>24,577,647</u>	<u>27,569,434</u>	<u>25,987,662</u>	<u>23,744,372</u>	<u>20,543,487</u>
Annual contribution deficiency (excess)	<u>\$ (191,411)</u>	<u>\$ (335,308)</u>	<u>\$ (189,174)</u>	<u>\$ (139,610)</u>	<u>\$ (658,804)</u>	<u>\$ (36,754)</u>	<u>\$ (1,240)</u>	<u>\$ 1,580,532</u>	<u>\$ 3,938,500</u>	<u>\$ 5,783,068</u>
Covered payroll	\$ 170,834,611	\$ 171,476,103	\$ 171,688,301	\$ 167,811,028	\$ 164,248,048	\$ 166,853,097	\$ 167,629,048	\$ 167,629,049	\$ 166,877,689	\$ 161,134,295
Actual contributions as a percentage of covered payroll	16.11%	15.89%	15.16%	14.62%	14.43%	14.73%	16.45%	15.50%	14.23%	12.75%

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

Fiscal Year Ending April 30	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	27.14%	-2.16%	5.32%	9.28%	10.46%	-2.50%	8.36%	11.50%

Note to Schedule: This schedule is intended to show a ten-year trend. Additional years will be reported as they become available.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of benefit and funding terms - The following changes to the Plan provisions were reflected in the valuations as listed below:

5/01/2020 Valuation

- No changes in benefit or funding terms.

5/01/2019 Valuation

- No changes in benefit or funding terms.

5/01/2018 Valuation

- No changes in benefit or funding terms.

5/01/2017 Valuation

- No changes in benefit or funding terms.

5/01/2016 Valuation

- No changes to benefit or funding terms.

5/01/2015 Valuation

- No changes to benefit or funding terms.

5/01/2014 Valuation

- Effective April 20, 2014, Tier I member contribution rates increased by 1.00 percent and the interest credited to employee account balances decreased to 5.00 percent.
- Tier II members were added.

5/01/2013 Valuation

- The City contribution rate changed from 9.50 percent of payroll for General Employees and 19.50 percent of payroll for Judges and Elected Officials to the prior year's actuarially determined contribution rate.

5/01/2012 Valuation

- The Plan was amended to provide MAST employees with service prior to April 25, 2010 and to implement a special benefit schedule for these employees.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in actuarial assumptions and methods - The following changes were reflected in the valuations as listed below:

5/01/2020 Valuation

- All assumptions have been revised based on the results of the experience study conducted for the period May 1, 2015 to April 30, 2020. These assumptions were incorporated into the GASB 67 disclosures and net pension liability for the Plan's 2021 fiscal year-end. Changes included changes to inflation rate, salary increases including wage growth, mortality tables, discount rate, and expected rate of return.

5/01/2019 Valuation

- No changes in actuarial assumptions or methods.

5/01/2018 Valuation

- No changes in actuarial assumptions or methods.

5/01/2017 Valuation

- No changes in actuarial assumptions or methods.

5/01/2016 Valuation

- No changes in actuarial assumptions or methods.

5/01/2015 Valuation

- No changes in actuarial assumptions or methods.

5/01/2014 Valuation

- All assumptions have been revised based on the results of the experience study conducted for the period May 1, 2010 to April 30, 2015. These assumptions were incorporated into the GASB 67 disclosures and net pension liability calculation for the Plan's 2016 fiscal year-end which is based on the 4/30/2014 Valuation.

5/01/2011 Valuation

- Actuarial assumptions were changed based on recommendations from the May 1, 2006 through April 30, 2010 actuarial experience study that was adopted by the Board. The changes affected withdrawal rates, retirement rates, age of spouse assumptions, salary increases and J&S election assumptions.

**CITY OF KANSAS CITY, MISSOURI
THE EMPLOYEES' RETIREMENT SYSTEM**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The following actuarial methods and assumptions were used to determine the actuarially determined employer contribution reported in the most recent fiscal year, which was based on the May 1, 2019 actuarial valuation:

Valuation Date	May 1, 2019
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the Plan year.

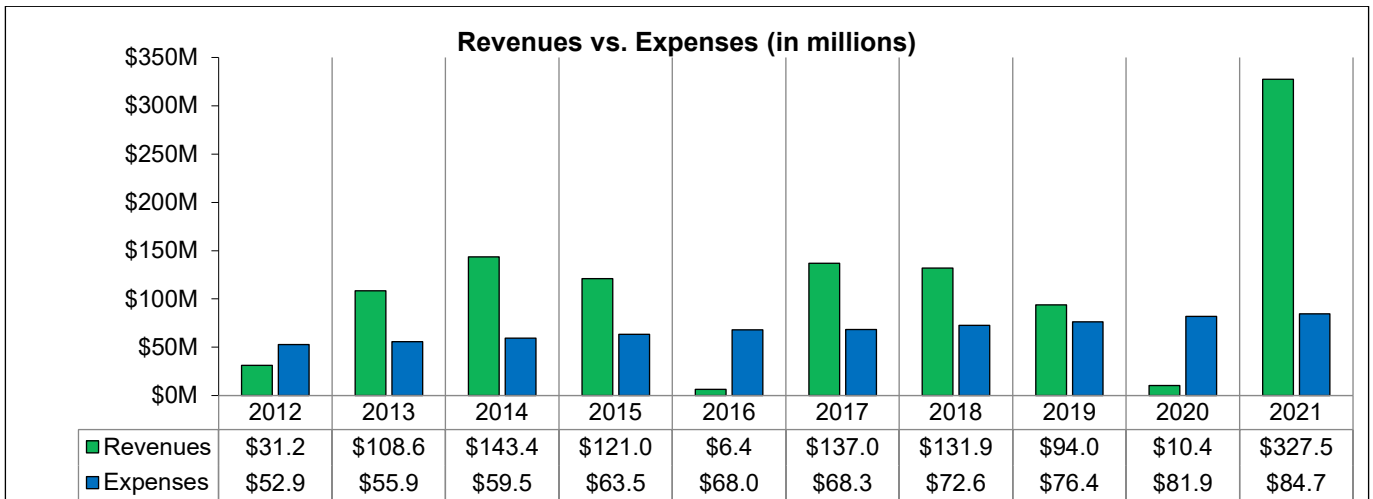
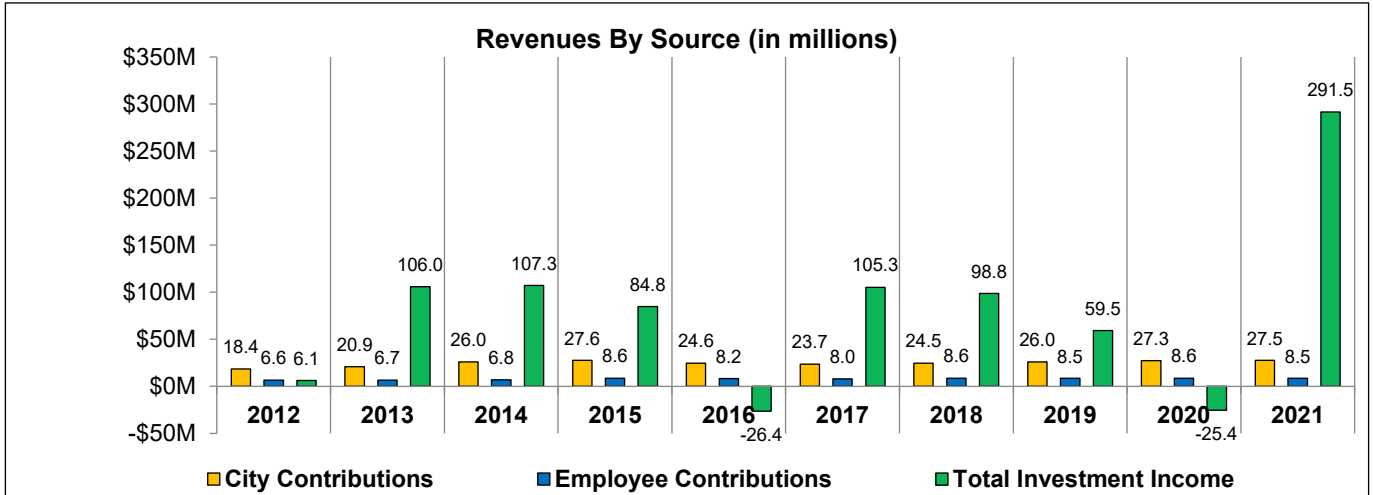
Key Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age
Asset valuation method	4-year smoothing using Expected Value Method
Amortization method	20-year layered amortization as a level percent of pay. Changes to the 5/1/2009 unfunded actuarial liability were amortized over 30 years.
Discount rate	7.50%
Amortization growth rate	3.75%
Price inflation	3.00%
Salary increases	Ranges from 5.0% to 3.75%
Cost-of-living adjustments	3.00% simple for Tier 1 Members; 2.50% simple payable at 27th anniversary of date at hire if the prior year's funding ratio is greater than or equal to 80% for Tier II Members.
Mortality	<p>Non-Annuitants: RP-2000 Combined Healthy Non-Annuitant Mortality Table (multiplied by 0.956 for males and 0.960 for females), projected using a modified Scale MP-2015 on a generational basis.</p> <p>Healthy Annuitants: RP-2000 Combined Healthy Annuitant Mortality Table (multiplied by 1.078 for males and 1.065 for females), projected using a modified Scale MP-2015 on a generational basis.</p> <p>Disabled: RP-2000 Combined Healthy Mortality Table (multiplied by 1.300 for males and 1.500 for females) projected using a modified Scale MP-2015 on a generational basis.</p>

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
HISTORICAL REVIEW
April 30, 2021**

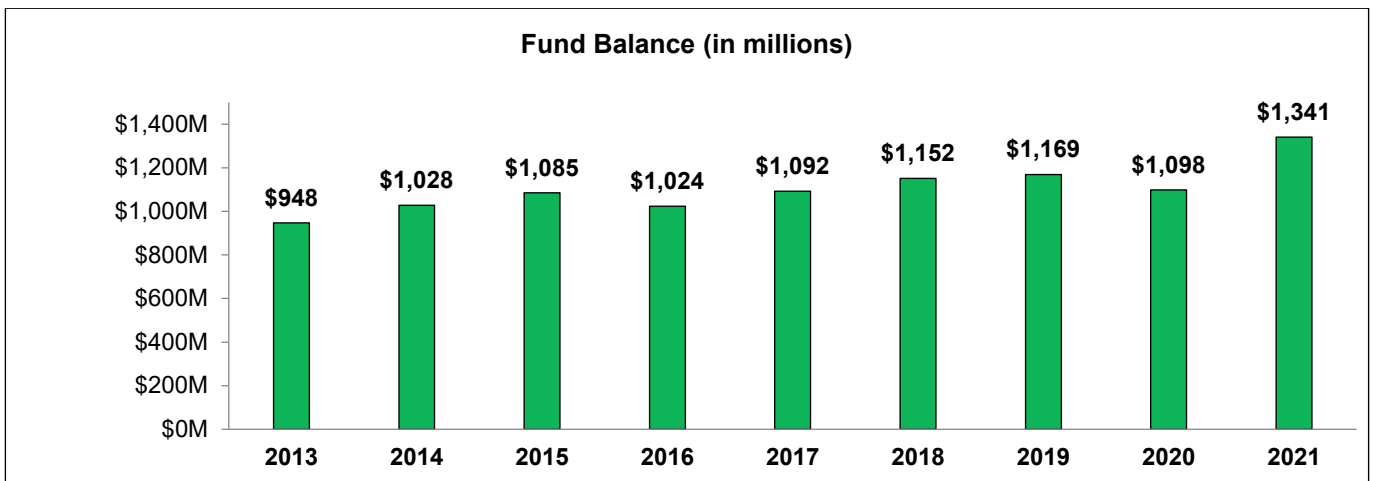
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Additions										
Contributions										
Employer Contributions	\$27,524,702	\$27,256,034	\$26,032,072	\$24,530,445	\$23,701,217	\$24,577,647	\$27,569,434	\$25,987,662	\$20,919,438	\$18,421,668
Member Contributions	8,500,926	8,552,954	8,514,325	8,622,835	7,966,105	8,235,363	8,610,268	6,849,988	11,407,725	6,612,397
Total Contributions	36,025,628	35,808,988	34,546,397	33,153,280	31,667,322	32,813,010	36,179,702	32,837,650	32,327,163	25,034,065
Investment Income										
Realized Gain (Loss)	296,309,241	(20,515,445)	63,306,180	102,920,686	109,056,496	(22,009,888)	89,027,653	110,769,191	108,841,737	9,139,469
Less Investment Expense	(4,849,036)	(4,856,164)	(3,852,913)	(4,154,106)	(3,770,622)	(4,357,043)	(4,199,701)	(3,501,332)	(2,845,027)	(3,017,196)
Total Net Investment Income	291,460,205	(25,371,609)	59,453,267	98,766,580	105,285,874	(26,366,931)	84,827,952	107,267,859	105,996,710	6,122,273
Total Additions	327,485,833	10,437,379	93,999,664	131,919,860	136,953,196	6,446,079	121,007,654	140,105,509	138,323,873	31,156,338
Deductions										
Benefit Payments										
Annuities	78,466,913	75,387,320	71,410,862	68,328,453	64,197,401	63,007,354	58,650,593	55,374,392	52,346,221	49,573,667
Refunds										
Termination	1,649,175	1,502,400	1,762,170	1,428,989	1,441,455	1,467,712	1,057,184	1,315,059	1,318,251	1,242,438
Retirement	4,043,951	4,497,176	2,631,113	2,237,262	2,238,876	3,128,547	3,442,210	2,428,948	2,029,952	1,895,151
Total Benefit Payments	84,160,039	81,386,896	75,804,145	71,994,704	67,877,732	67,603,613	63,149,987	59,118,399	55,694,424	52,711,256
Administrative Expenses	496,870	488,582	584,912	563,030	386,784	365,571	379,424	401,702	166,153	166,888
Total Deductions	84,656,909	81,875,478	76,389,057	72,557,734	68,264,516	67,969,184	63,529,411	59,520,101	55,860,577	52,878,144
Net Increase (Decrease) in Net Position	242,828,924	(71,438,099)	17,610,607	59,362,126	68,688,680	(61,523,105)	57,478,243	80,585,408	82,463,296	(21,721,806)
Net Position - Beginning of Year	1,097,833,486	1,169,271,585	1,151,660,978	1,092,298,852	1,023,610,172	1,085,133,277	1,027,655,034	947,069,626	864,606,330	886,328,136
Net Position - End of Year	\$1,340,662,410	\$1,097,833,486	\$1,169,271,585	\$1,151,660,978	\$1,092,298,852	\$1,023,610,172	\$1,085,133,277	\$1,027,655,034	\$947,069,626	\$864,606,330
Contributions - % of Payroll										
Employer	15.94%	15.68%	15.40%	14.85%	13.81%	14.64%	16.52%	17.18%	12.03%	12.03%
Member	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.00%	4.00%	4.00%

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
FINANCIAL REVIEW
April 30, 2021**



Allocation of Expenses

Expenses by type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrative Expenses	\$166,888	\$166,153	\$401,702	\$379,424	\$365,571	\$386,784	\$563,030	\$584,912	\$488,582	\$496,870
Refund of Employee Contributions	\$3,137,589	\$3,348,203	\$3,744,007	\$4,499,394	\$4,596,259	\$3,680,331	\$3,666,251	\$4,393,283	\$5,999,576	\$5,693,126
Retirement Benefits	\$49,573,667	\$52,346,221	\$55,374,392	\$58,650,593	\$63,007,354	\$64,197,401	\$68,328,453	\$71,410,862	\$75,387,320	\$78,466,913
Total	\$52,878,144	\$55,860,577	\$59,520,101	\$63,529,411	\$67,969,184	\$68,264,516	\$72,557,734	\$76,389,057	\$81,875,478	\$84,656,909



MEMBERSHIP SECTION

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
MEMBERSHIP ACTIVITY
April 30, 2021**

OPTIONAL RETIREMENTS

NAME	RETIREMENT DATE	NAME	RETIREMENT DATE
ALLEN, ANTONIO D.	05/01/2021	LIBERTY, JEANIE L.	05/01/2021
ANDREWS, DWAYNE	08/01/2020	LONG, DAVID G.	05/01/2021
ARNOLD, KATHRYN J.	08/01/2020	MARSHALL, SHONDA Y.	05/01/2021
BARNARD, SR., STEVEN L.	01/01/2021	MARTIN, MICHAEL W.	10/01/2020
BELL, JAQULYNE D.	05/01/2021	MARTIN, SHARON J.	11/01/2020
BERGMAN, CARLA E.	05/01/2021	MCCLAIN, DEIRDRE C.	11/01/2020
BOHLMAN, BEVERLY J.	05/01/2021	MCDANIEL, TIMOTHY V.	10/01/2020
BOLON, GREG M.	12/01/2020	MCMAHAN, VICTOR B.	01/01/2021
BONNER, JAMES K.	11/01/2020	MILLER, SHARON K.	05/01/2021
BRIGGS, THOMAS E.	05/01/2021	MITCHELL-HUGHES, DEBRA A.	06/01/2020
BUEHLER, DOUGLAS J.	07/01/2020	MOORE, JOHNNY	12/01/2020
BUTLER, PHILIP C.	09/01/2020	MUJAHID, MAGGIE J.	02/01/2021
CAMERON, BRYAN S.	07/01/2020	MYNATT, MARY K.	05/01/2021
CARTER, STEPHEN R.	05/01/2021	NASET, DALE L.	01/01/2021
COE, TERRI L.	05/01/2021	NOLL, PARTICIA A.	01/01/2021
COLEMAN, JIMMIE L.	01/01/2021	NOORSBAKSHSH, SIROOS	01/01/2021
COLEMAN, LOLA M.	05/01/2021	O'KELLEY, SHAUN T.	04/01/2021
COONS, CHERYL D.	01/01/2021	PARRIS, HARVEY D.	11/01/2020
COOPER, ANDREW	05/01/2021	PECINA, ALEXANDER	02/01/2021
DAVIS, MICHAEL M.	05/01/2021	POWELL, PAMELA	05/01/2021
DAVIS, RALPH S.	05/01/2021	PUTHUMANA, JOMY J.	01/01/2021
DAVIS, WILLIAM P.	05/01/2021	REDMOND, KAREN D.	11/01/2020
DENNIS, BRIAN K.	11/01/2020	RICHEY, TIMOTHY M.	08/01/2020
DENNIS, SR., WAYNE R.	01/01/2021	RILEY, KEVIN L.	08/01/2020
DUPREE, FLOYD L.	01/01/2021	ROBINETTE, JOSEPH E.	05/01/2021
ELBERT, TINA M.	01/01/2021	ROBINSON, RHONDA Y.	08/01/2020
GANT, SR., LYNN E.	05/01/2021	ROGERS, VERNON E.	07/01/2020
GARCIA, JESSE G.	05/01/2021	RUSSELL, ALICIA F.	01/01/2021
GODARD, TERRY J.	05/01/2021	SCOTT, MARTHA L.	11/01/2020
GONZALEZ, BENITA	01/01/2021	SIMMONS, SARAH A.	05/01/2021
HANDLEY, LESTER D.	05/01/2021	SMITH, JAMES	01/01/2021
HARDIMAN, MICHELLE L.	05/01/2021	SNUFFER, PATIRCK D.	05/01/2021
HARDIN, CARLA L.	05/01/2021	STEPHENSON, DEBORAH D.	01/01/2021
HENNESSY, SEAN P.	01/01/2021	THOMPSON, BRIAN G.	05/01/2021
HUGHES, SAMANTHA	01/01/2021	THURMAN, JOHN M.	05/01/2021
INGRAM, CONSTANCE M.	03/01/2021	VARNON, II, DAVID G.	05/01/2021
JACKSON, ROBERTA D.	01/01/2021	WATSON, WILLIAM C.	01/01/2021
JOHNSON, DIANA L.	07/01/2020	WHITE, OLGA A.	10/01/2020
JONES, LAPONDZIA	05/01/2021	WILLIAMS, ERIC D.	05/01/2021
KALANTAR-HORMOZY, SYRUS	02/01/2021	WILLIAMS, FRANKIE S.	10/01/2020
KELSEY, KIM L.	05/01/2021	WILLIAMS, TINA L.	05/01/2021
LENOX, DENISE A.	11/01/2020	WOLVEN, DOUGLAS W.	05/01/2021
LEWIS, JR., JAMES A.	05/01/2021	WRIGHT, SR., MICHAEL A.	05/01/2021

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
MEMBERSHIP ACTIVITY
April 30, 2021**

NORMAL RETIREMENTS

NAME	RETIREMENT DATE	NAME	RETIREMENT DATE
BERRY, DWAYNE A.	01/01/2021	MCGASKEY, OSCAR C.	01/01/2021
BUCHLINGER, GARY W.	11/01/2020	NELSEN, DAVID P.	08/01/2020
CAMPBELL, DOROTHY L.	12/01/2020	NIXON, GEORGIA	05/01/2021
CHUON, NEOU L.	10/01/2020	PEGUE, KENNETH R.	05/01/2021
COOPER, BRENDA L.	07/01/2020	PRICE, KRISANNE	06/01/2020
DAVIS, ROBERT A.	01/01/2021	REED, BONNIE J.	11/01/2020
DUNHAM, MARK C.	12/01/2020	ROBERTS, EDWARD W.	05/01/2021
FERRELL, SUSAN G.	08/01/2020	ROBINSON, GRETA Y.	01/01/2021
FORBISH, JR., JAMES	11/01/2020	ROGERS, BERNITA L.	03/01/2021
GONZALEZ, FRANK J.	07/01/2000	SEELY, SUSAN A.	03/01/2021
HAGEN, ERNEST J.	01/01/2021	SLADISH, CHARLES P.	08/01/2020
HORSMAN-ALLMAN, MARY J.	05/01/2021	SLADISH, ROSEMARIE	01/01/2021
HUNT, NANCY N.	07/01/2020	SMIDT, CHESTER L.	07/01/2020
KERR, MICHAEL D.	07/01/2020	SMITH, JR., SETH W.	08/01/2020
KILBY, DARELL W.	01/01/2021	TANNER, CHERLYN G.	05/01/2021
KREITZER, RICHARD J.	09/01/2020	TATUM, CARLA S.	05/01/2021
MCCLAIN, COLEMAN D.	02/01/2021	TAYLOR, GLORIA A.	05/01/2021

EARLY RETIREMENTS

NAME	RETIREMENT DATE	NAME	RETIREMENT DATE
ADAMS, ISSAC M.	11/01/2020	HAYNES, RICHARD V.	02/01/2021
BARKSDALE, ANTHONY W.	01/01/2021	MOORE, THOMAS E.	05/01/2021
BURTON, JACQUELINE R.	06/01/2020	RIETVELD, JAMES W.	10/01/2020
CHRISTNER, STEVEN A.	11/01/2020	SCHNEIDER, FRED J.	11/01/2020
CONGER, MEHGAN B.	10/01/2020	WILLIS, JAMES P.	06/01/2020

DEFERRED RETIREMENTS

NAME	RETIREMENT DATE	NAME	RETIREMENT DATE
ARNEILL, BRUCE P.	02/01/2021	MOHR, PAUL F.	09/01/2020
BANJO, TUNDE A.	05/01/2021	RAY, GREGORY C.	09/01/2020
CULVER, DALE L.	09/01/2020	THOMAS PATTON, LATANYA	04/01/2020
GOOSEMAN, CHARLES R.	09/01/2019	THORNBURG, PHILLIP G.	03/01/2021
HALL, SUSAN K.	12/01/2020	TIMMERMAN, SUSAN E.	08/01/2020
HARTMAN, JONI L.	06/01/2020	VANLOH, MARK D.	07/01/2020
MICHAELIS, JAY A.	01/01/2021	WALKER, MARVIN L.	09/01/2017
MITCHELL, PAMELA A.	05/01/2021		

ELECTED OFFICIALS' RETIREMENTS

NAME	RETIREMENT DATE
SANDERS-BROOKS, SHARON L.	08/01/2018

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
MEMBERSHIP ACTIVITY
April 30, 2021**

IN MEMORIAM

MEMBER DEATHS – ACTIVE EMPLOYEES

NAME	DATE OF DEATH	NAME	DATE OF DEATH
BELL, STEVEN	02/04/2021	NELSON, GEORGE	10/28/2020
GAINES, GARRY E.	01/16/2021	PRICE, SAMUEL	03/08/2021
GIBBS, CECIL E.	08/12/2020	SCHEER, THOMAS M.	05/06/2020
HELMICK, JERRY L.	04/01/2021	SESSION, RAMONA	09/26/2020
MORALES, T-JAY	09/28/2020		

IN MEMORIAM

MEMBER DEATHS – TERMINATED VESTED

NAME	DATE OF DEATH	NAME	DATE OF DEATH
ADAMS, THOMAS	03/10/2020	LAMONT, ANTHONY	12/25/2000
JONSON, SANDY T.	08/11/2020		

IN MEMORIAM

MEMBER DEATHS – RETIREES

NAME	DATE OF DEATH	NAME	DATE OF DEATH
ADKERSON, CARL E.	07/07/2020	DWIGHT, MARY P.	11/05/2020
AMBRIZ, MARTIN D.	06/28/2020	EIKEN, WILLIAM J.	07/14/2020
ARNOLD, WILLIAM T.	10/23/2020	EWBANK, DON K.	10/05/2020
ASKREN, KENNETH A.	12/01/2020	FULLER, RICHARD	11/13/2020
BADALUCCO, CARMELA	04/08/2021	GARRETT, EDWARD R.	01/08/2021
BASTIN, HAROLD E.	09/30/2020	GLEASON, JIMMY W.	02/06/2021
BOGLIN, KENNETH	07/28/2020	GRIFFITH, EDWARD	11/04/2020
BRESHEARS, MARY F.	07/03/2020	HONEYCUTT, DENNIS R.	12/02/2020
BROUSE, JANET M.	08/31/2020	HOOKE-BERRY, JOSEPHINE A.	11/24/2020
BRUCKS, THERESA M.	09/15/2020	HOWARD, CLIFTON R.	08/23/2020
CAPPER, WILLIAM F.	08/31/2020	HUMMEL, SR., ROBERT L.	01/08/2021
CARTER, CHESTER L.	09/06/2020	JOHN, JERRY D.	10/30/2020
CHAMBERS, CORNELIUS J.	11/02/2020	JOHNSON, LEANNE	06/13/2020
CHARRIERE, RICHARD E.	02/28/2021	KAPADIA, HORMASJI F.	07/06/2020
CLARK, JR., EARNEST	09/28/2020	KELLY, JAMES J.	11/17/2020
COX, GEORGE W.	01/11/2021	KILGORE, LARRY R.	11/19/2020
COX, I. JOAN	07/08/2020	LOPEZ, EDWARD J.	03/28/2021
DAVIDSON, MARJORIE	10/22/2020	LOYD, ELLEN E.	04/28/2020
DAVIS, ROSALIND E.	11/23/2020	MADDOX, SHARON M.	12/17/2020
DEFEO, JR., CHARLES J.	07/20/2020	MANKER, ALAN D.	06/15/2020
DEVENNEY, WILLIAM A.	02/21/2021	MANNING, LUCY	07/13/2020
DINWIDDIE, VERNON D.	08/16/2020	MASON, FRED	04/01/2021
DUFFETT, DARYL R.	04/28/2021	MAYS, ROBERT F.	02/12/2021
DUNAGAN, JUDY K.	01/17/2021	MCCALL, RICHARD R.	03/25/2021
DUNLAP, BLANCHE J.	10/17/2020	MERCER, BEN E.	07/28/2020

**CITY OF KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
MEMBERSHIP ACTIVITY
April 30, 2021**

IN MEMORIAM

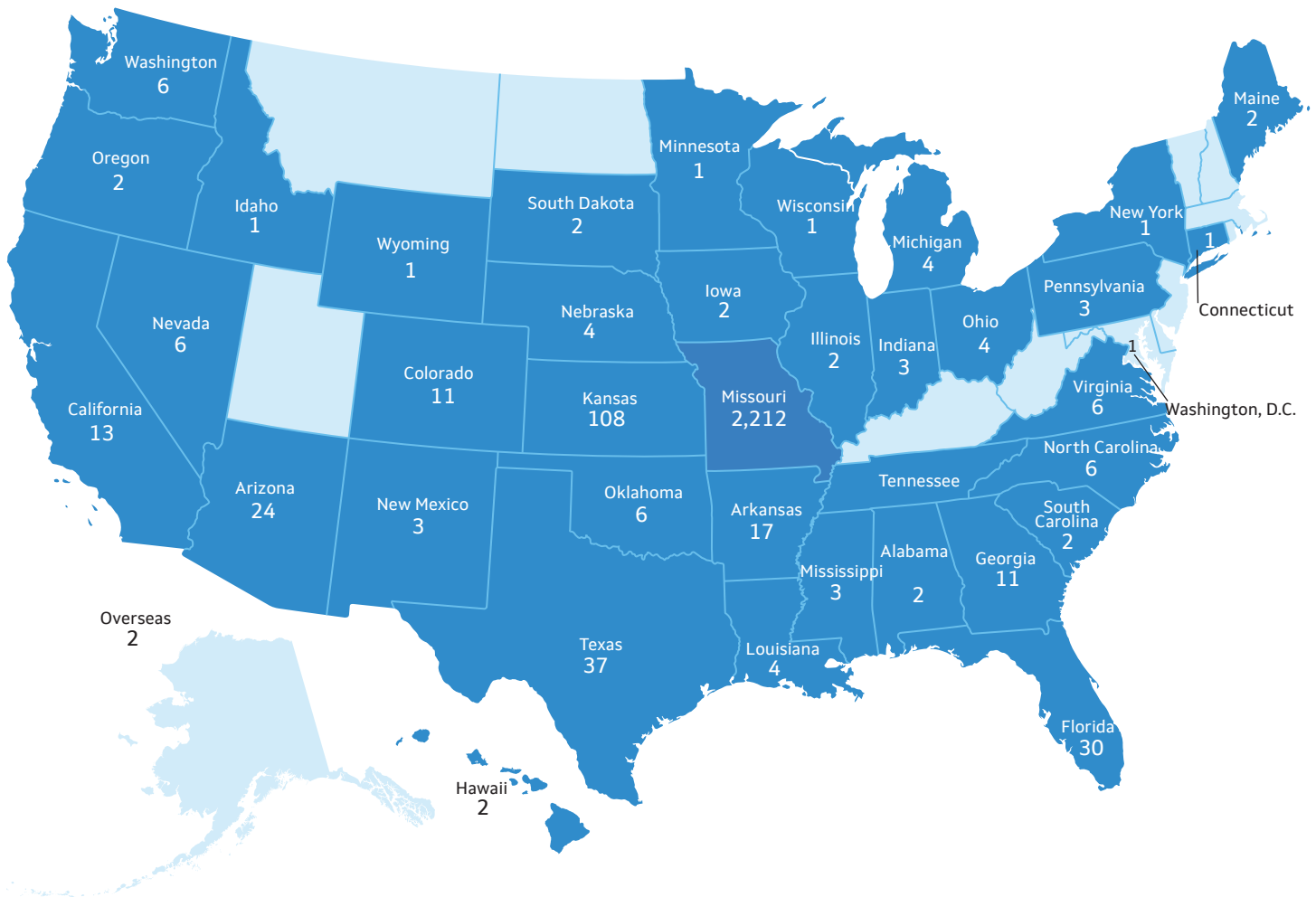
MEMBER DEATHS – RETIREES CONT.

NAME	DATE OF DEATH	NAME	DATE OF DEATH
MURPHEY, DENNIS R.	10/28/2020	STURDEVANT, DONNA C.	05/31/2020
MUSGRAVE, CHARLES A.	12/17/2020	TANKSLEY, RICHARD B.	12/11/2020
NOAH, LAWRENCE B.	12/18/2020	TAYLOR, MELVIN R.	01/12/2021
PAINTER, ROBERT L.	05/27/2020	THERMAN, DONALD	07/05/2020
PALERMO, VIVIAN E.	08/02/2020	TRICE, HUTSON K.	05/07/2020
PERROTTA, VIRGINIA E.	11/18/2020	VEDDER, LINDA S.	04/03/2021
PIEPER, KATHRYN E.	08/10/2020	WAITE, IVAN L.	08/25/2020
REED, CLARENCE	01/22/2021	WALKER, BILLY M.	04/23/2020
ROGERS, NATHANIEL L.	09/04/2020	WATERS, JR., CALVIN	08/14/2020
SAGE, DAVID E.	11/30/2021	WEST, LEO	09/26/2020
SCOTT, ROBERT H.	12/31/2020	WHITE, JOSEPH L.	07/26/2020
SHEPHERD, GERALDINE J.	05/09/2020	WILLIAMS, ERNEST	06/28/2020
SIEVERIN, ALLEN K.	01/19/2021	WILLIAMS, FRANK H.	06/06/2020
SIMS, THOMAS E.	03/07/2021	WRIGHT, ALICE J.	12/25/2020
SMITH, FRANCES L.	02/17/2021	WRIGHT, LARRY E.	12/08/2020
STEVENSON, LESLIE E.	10/27/2020		

SURVIVING SPOUSE ANNUITIES

NAME	RETIREMENT DATE	NAME	RETIREMENT DATE
AMBRIZ, DARLENE M.	07/01/2020	JONSON, BEVERLY A.	09/01/2020
ARNOLD, GOLDIE M.	11/01/2020	LOGAN, VICTORIA M.	02/01/2021
BASTIN, MARGARET E.	10/01/2020	MASON, THERESA J.	05/01/2021
CARTER, IRENE B.	10/01/2020	MAYS, EVELYN I.	03/01/2021
CEDERSTROM, VERNA J.	03/01/2020	MURPHEY, MARGO L.	11/01/2020
COX, ROBERT L.	08/01/2020	MUSGRAVE, ROBBIN G.	01/01/2021
DEFEO, KELLY L.	08/01/2020	NELSON, BRENDA J.	11/01/2020
DUNAGAN, TOMMY L.	02/01/2021	SCHEER, CORRIE L.	06/01/2020
EIKEN, LINDA K.	08/01/2020	SCOTT, SARAH L.	01/01/2021
EWBANK, NAIDA A.	11/01/2020	SIEVERIN, GENEVIEVE J.	02/01/2021
GAINES, JANET E.	02/01/2021	SIMS, BEVERLY J.	04/01/2021
GARRETT, CHERYL D.	02/01/2021	TANKSLEY, ROSE MARIE	01/01/2021
GLEASON, DELORIS M.	03/01/2021	WALKER, VERA MAE	05/01/2020
GRIFFITH, PATTI A.	12/01/2020	WILLIAMS-ROGERS, MOLLY V.	10/01/2020
HELMICK, LORENDA E.	05/01/2021	WRIGHT, BERNITA F.	01/01/2021
JOHN, BARBARA A.	11/01/2020		

WHERE ERS RETIREES AND BENEFICIARIES LIVE 2021



*88% OF RETIREES AND BENEFICIARIES RECEIVING PENSIONS LIVE IN MISSOURI.



City of Kansas City, Missouri
Employees' Retirement System

City Hall, 10th Floor
 414 East 12th Street
 Kansas City, Missouri 64106

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