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CITY OF FOUNTAINS
HEART OF THE NATION



KANSAS CITY
MISSOURI

Human Resources Department

Retirement Division

The Employees' Retirement System

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

(816) 513-1928
Fax: (816) 513-1280

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 2018 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, 2018. The System's fiscal year 2018 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 four 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 Financial Section includes the investment overview, Independent Auditor's Report and historical financial highlights. The Membership Section details pensions awarded and member deaths during the fiscal year. Also included in this section are forms to request information for active and retired members of the System.

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 2018. We trust that you will find this annual report helpful in understanding your retirement system.

Very truly yours,

Barbara J. Davis
Executive Officer

INTRODUCTORY SECTION

Board of Trustees

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

Allison L. Bergman
General Business
Term Expires 07/25/2018

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

Michael A. Cambiano
IAFF Local 42 Representative
Term Expires 07/20/2015

Cecelia M. Carter
General Business
Term Expires 06/04/2018

Cassandra Y. Coffee
Active Employee Union Representative
Term Expires 03/28/2021

Charles A. Hull
Retired Employee Union Representative
Term Expires 11/02/2020
Non - Voting

Randall J. Landes
Director of Finance
Ex - Officio

Gary M. O'Bannon
Director of Human Resources
Ex - Officio

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

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
April 30, 2018

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 eight members appointed by the Mayor. The mayoral appointments consist of four recognized business leaders with a background in investments or employee benefits, one retiree, two active employees who are members of the retirement system and one representative of the International Association of Firefighters' Local No. 42.

The law firm of Philip A. Klawuhn & Associates, P. C. serves as the System's legal advisor. 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 of Trustees and, with Board 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.

ADVISORY RELATIONSHIPS

Custodian & Disbursing Agent
The Northern Trust Company
Chicago, IL

Independent Auditor
BKD, LLP
Kansas City, MO

Actuarial Consultant
Cheiron
Washington, DC

General Counsel
Philip A. Klawuhn & Associates, P. C.
Kansas City, MO

Investment Consultant
RVK, Inc.
Chicago, IL

Hedge Fund Advisor
AQR Capital Management
Greenwich, CT

Tactical Asset Allocation Advisor
Mellon Investments Corporation
Boston, MA

Real Estate Advisor
J. P. Morgan Asset Management
New York, NY

International Equity Advisors
BlackRock
San Francisco, CA
LSV Asset Management
Chicago, IL
Franklin Templeton
Fort Lauderdale, FL

Domestic Equity Advisors
Smith, Graham & Company Investment Advisors
New York, NY

Northern Trust Quantitative Advisors, Inc
Chicago, IL

LSV Asset Management
Chicago, IL

Riverbridge Partners
Minneapolis, MN

Westfield Capital Management
Boston, MA

Global Equity Advisors
Graham, Mayo, Van Otterloo & Company
Boston, MA

American Century Investments
Kansas City, MO

Fixed Income Advisors
Dodge & Cox
San Francisco, CA

PGIM Fixed Income
Newark, NJ

Risk Parity Advisor
BlackRock
San Francisco, CA

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

The following summarizes provisions of the System as amended by City Ordinance through September 2015.

The Kansas City, Missouri Employees' Retirement System (System) was established December 1, 1962. The System 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. The management of the Fund's investment portfolio facilitates the mandate of the Employees' Retirement System, with a market value totaling \$1.15 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 2018 was 14.85% of covered payroll as of May 1, 2017.

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

Optional Retirement:

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

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

There is no reduction of annuity due to age or service. Withdrawal and equivalent survivor annuity options are the same as those for a normal retirement.

Normal Retirement:

Tier 1: A member is eligible for normal retirement upon attainment of age of 65 with at least five years of

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

creditable service. The member may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension. The surviving spouse's pension benefit and annual cost-of-living adjustment is not reduced by election of this option. If married, the member may choose the 2.22% option, forfeiting the surviving spouse's pension. The spouse must consent to this in writing. If married, a member may elect to receive an actuarially equivalent annuity, which provides equal pension benefits for the surviving spouse upon the member's death.

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

Early Retirement:

A Tier 1 member is eligible for an early retirement upon:

- a) Attainment of age 55 with at least 10 years of creditable service. The benefit is reduced by 1/2% 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 1/2% per month prior to age 65.
- c) Additionally, a member may withdraw all or a portion of their accumulated contributions and interest, and receive a further actuarially reduced lifetime pension.

A Tier 2 member is eligible for early retirement upon:

- a) Attainment of age 57 with at least 10 years of creditable service. The benefit is reduced by 1/2% per month prior to age 62.
- b) Additionally, a member 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 Employees' Retirement System and outsourced through an insurance carrier. Members are covered under the City sponsored Long-Term

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

Disability Plan and retain their accrued retirement benefit.

Creditable Service:

Creditable service is used in the calculation of the member's benefit.

Creditable service 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 employee 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 amount of 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

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

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 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 shall be paid under these conditions:

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 shall be applied to the annuity as calculated upon retirement date prior to any reduction for withdrawal and/or election of an actuarial equivalent annuity.

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

b) The adjustment shall be paid on all annuities effective on or before the preceding January 1.

c) The adjustment shall be made on annuity payments dated May 1 and the adjusted annuity shall remain 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 shall receive a refund of the member's accumulated contributions and interest. If there is no surviving spouse, payment shall be 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 shall be 50% of the member's accrued annuity at date of death. The effective date shall be the latter 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 shall be 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 date of retirement, shall

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

receive an annuity equal to 50% the member's accrued annuity.

b) If the member elected the actuarial equivalent annuity, the same base annuity shall be continued to 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, a Tier 1 member with less than five years of service or a Tier 2 with less than 10 years of service must withdraw the member's accumulated contributions and interest from the System.

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

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 standard benefit formula described earlier.

Deferred annuity benefits may begin at normal retirement age, Tier 1 age 65 or Tier 2 age 67, 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, the member may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension.

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

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

**JUDGES AND ELECTED OFFICIALS
PROVISIONS**

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

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.

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 2018 was 14.85% of covered payroll as of May 1, 2017.

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

Normal Retirement:

Elected officials who serve one or more 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:

A member may elect early retirement beginning at the latter of age 55 or completion of 10 years creditable service. The benefit is reduced by 1/2% per month prior to age 60.

Rule of 80:

A member may elect to retire when the total of the member's age and years of creditable service equal or exceed 80. There is no reduction of annuity 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 is the average monthly compensation received by the then serving member of the same office during the 24 months preceding the beginning of the annuity.

The maximum base benefit is 70% of final average compensation.

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

The member may withdraw all or a portion of the member's accumulated contributions and interest and receive an actuarially reduced lifetime pension. The surviving spouse's pension benefit and annual cost-of-living adjustment is not reduced by election of this option.

Disability Retirement:

Effective May 1, 1996, the disability benefits were removed from the Elected Officials' Retirement 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 shall be paid under these conditions:

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

The adjustment shall be applied to the annuity as calculated upon retirement date prior to any reduction for withdrawal.

The adjustment shall be paid on all annuities effective on or before the preceding January 1.

The adjustment shall be made on annuity payments dated May 1 and the adjusted annuity shall remain 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 shall receive 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 surviving spouse receives a refund of the member's accumulated contributions and interest. If there is no surviving spouse, payment shall be made to the member's designated beneficiary or executor of the member's estate.

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
SUMMARY of PLAN PROVISIONS
April 30, 2018

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 shall be 50% of the member's accrued annuity at the date of death. The effective date shall be the latter 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, shall receive 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 any and all claims for benefits under the EO System. If no beneficiary is designated, payment shall be 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, a member who has completed 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, the member may withdraw all or a portion of their accumulated contributions and interest and receive an actuarially reduced lifetime pension.

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

ACTUARIAL SECTION

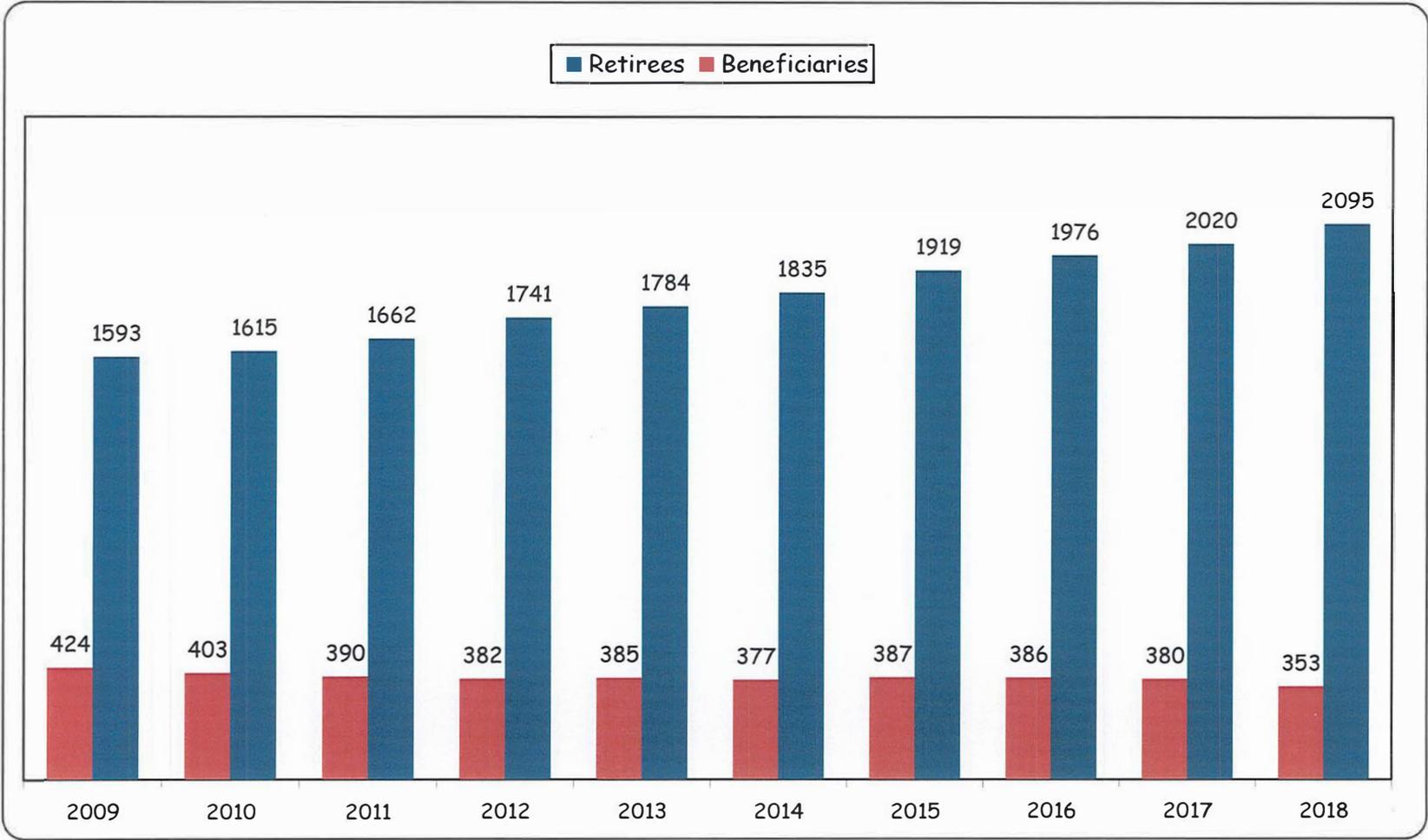
**CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
ACTUARIAL OVERVIEW
April 30, 2018**

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, 2018. The purpose of the valuation is to determine the System's financial condition and the City's required contributions.

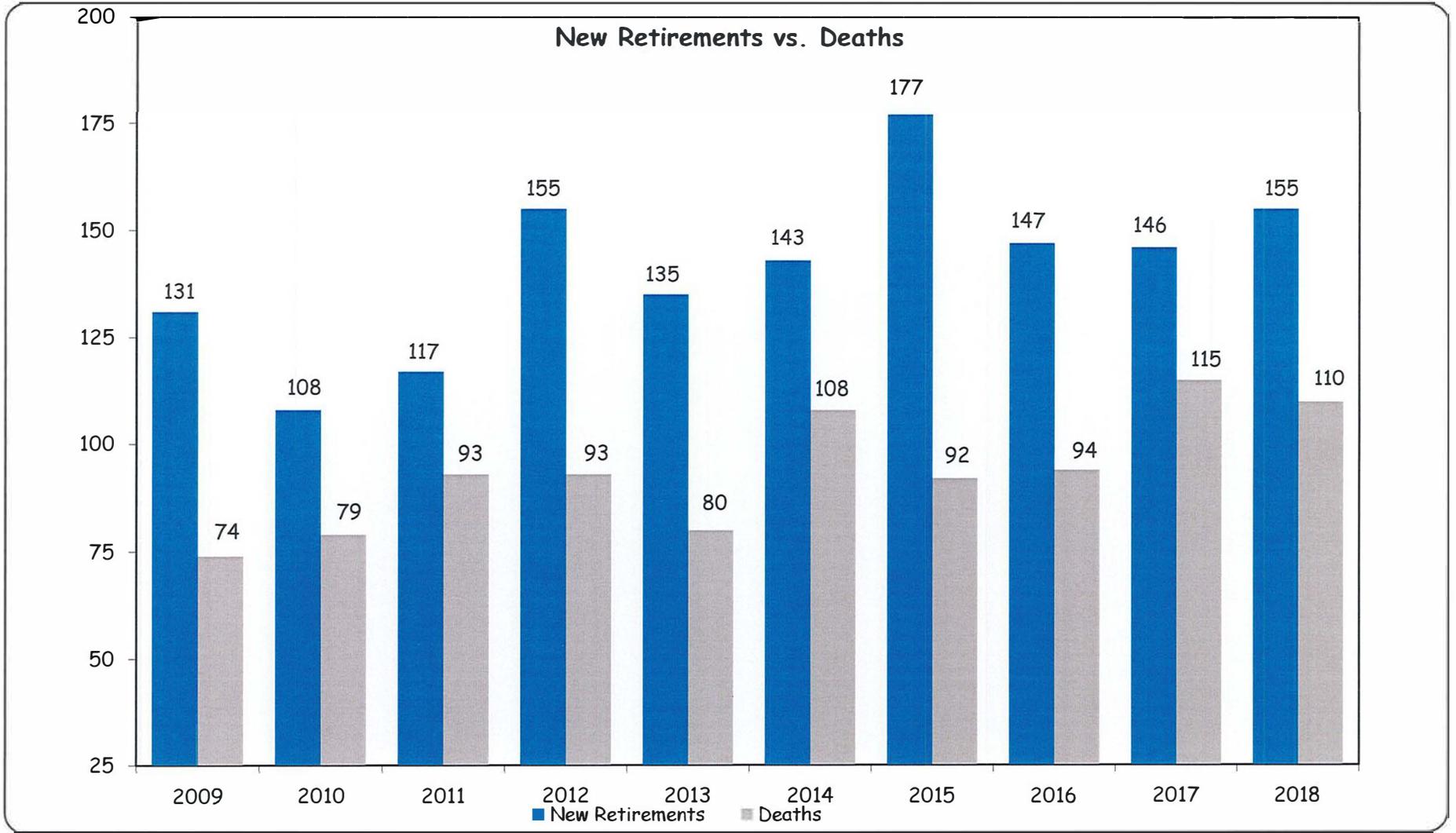
The experience over the past year is summarized as follows:

- * The number of active members as of May 1, 2018, increased from 3,170 to 3,218. The average age of active members decreased from 47.12 years to 46.93, the average service decreased from 12.08 years to 11.85 years, and the average annual salaries increased from \$52,937 to \$53,352.
- * During the past year, 155 new pensions were awarded to 10 Early pensions, 27 Normal pensions, 62 Optional pensions, 22 Deferred annuities and 34 widows and QDRO's. As of May 1, 2018, pensions totaling \$5,694,038 per month were being paid to 2,095 retired members and 353 beneficiaries. The previous year, pensions totaling \$5,349,783 were being paid to 2,020 retired members and 380 beneficiaries.
- * City contributions for the fiscal year 2018 totaled \$24.5 million and employee contributions totals \$8.6 million. Benefit payments totaled \$68.3 million and refunds of employee contributions totaled \$3.7 million.
- * The actuarial value of assets increased by \$44.9 million to \$1.14 billion. The market value of assets increased by \$59.4 million to \$1.15 billion.
- * The Fund achieved a rate of return on the actuarial value of assets of 7.84% for fiscal year 2018. On a market value basis the rate of return was 9.21%.
- * The System's funded ratio is 84.4% on an actuarial basis.

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
PROGRESS of PENSIONS IN FORCE
April 30, 2018

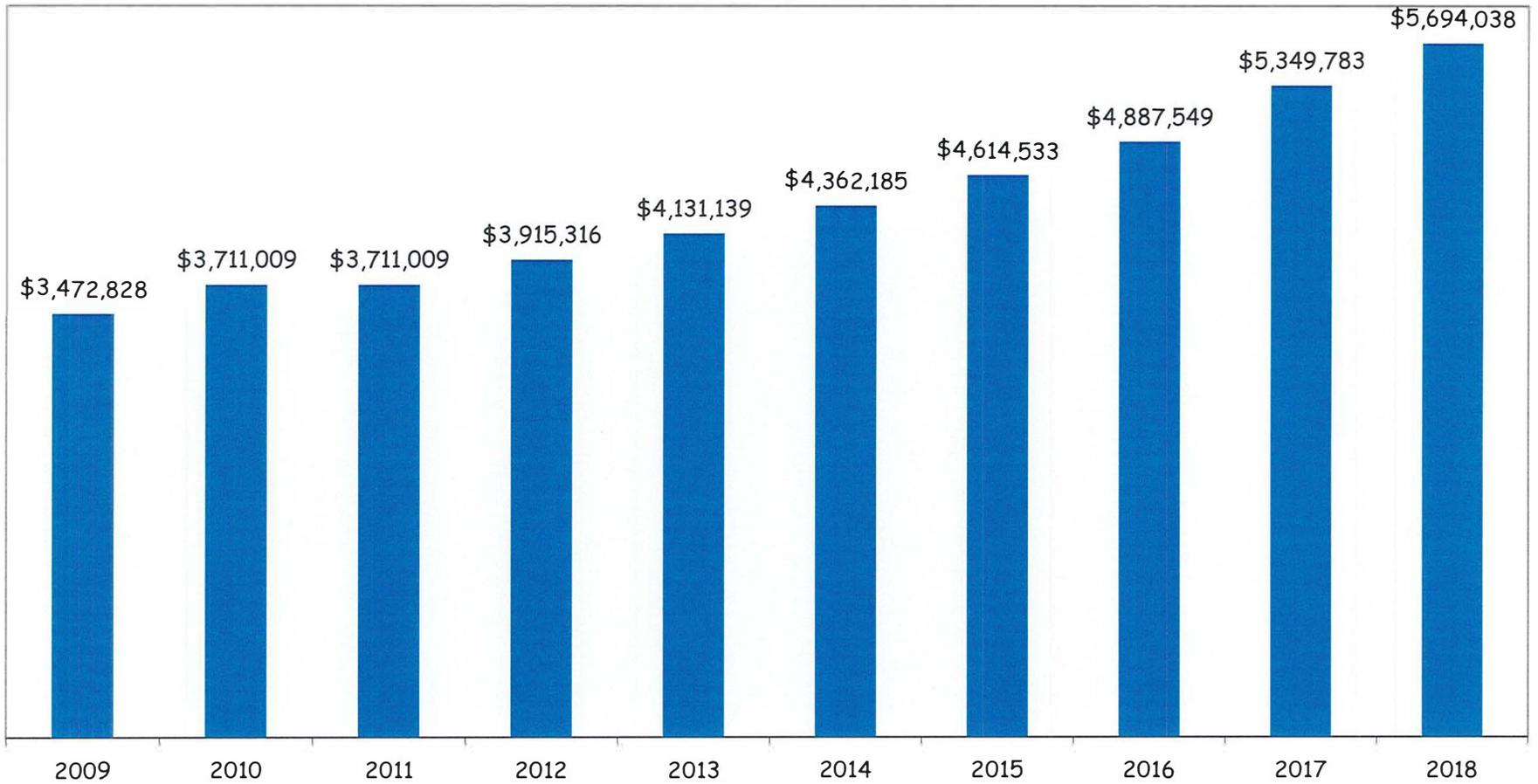


CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
PROGRESS of PENSION ROLLS
April 30, 2018

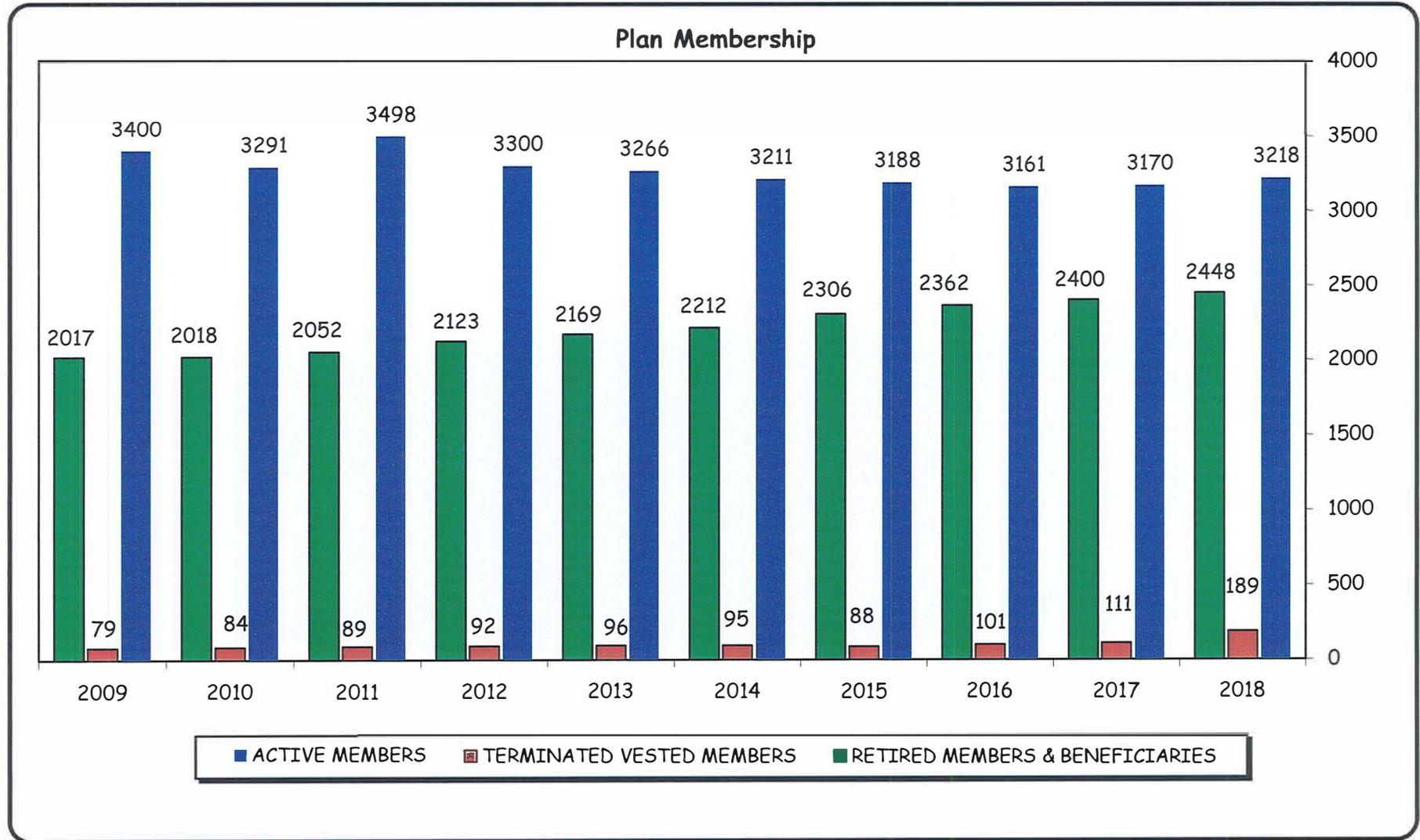


CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
PROGRESS of PENSION ROLLS
April 30, 2018

Average Total Monthly Benefits



CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 PROGRESS of PLAN MEMBERSHIP
 April 30, 2018

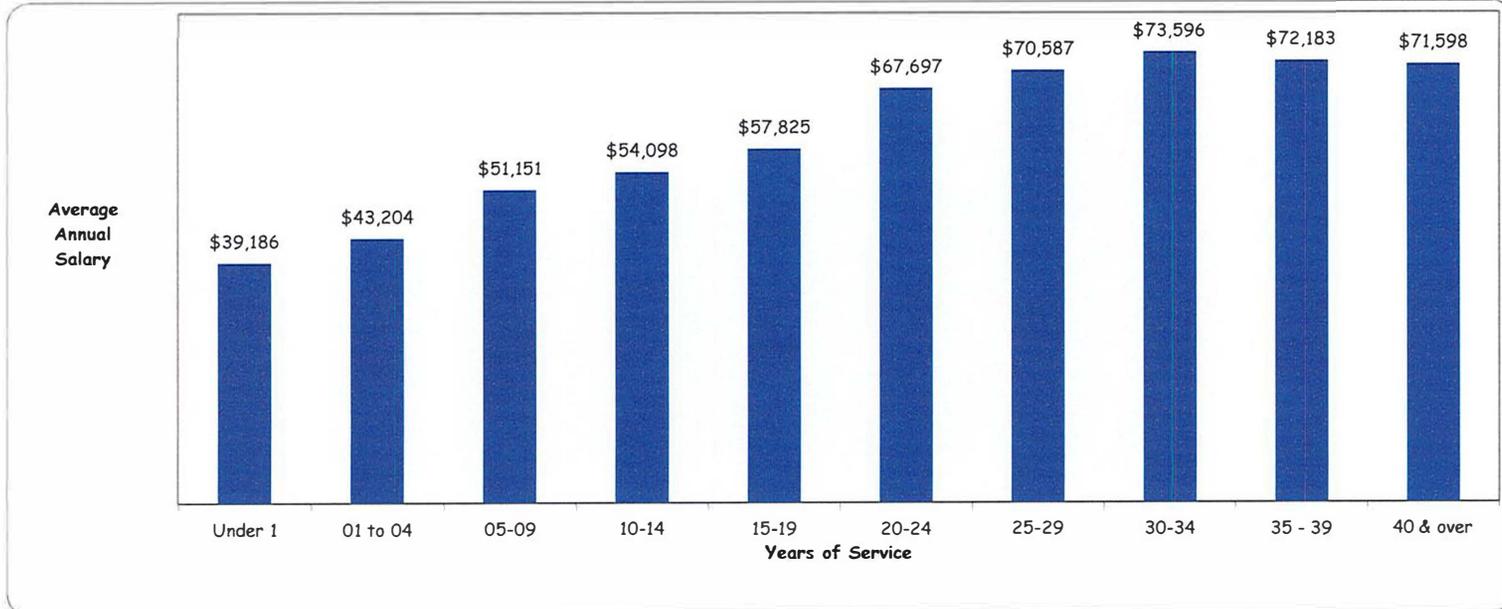
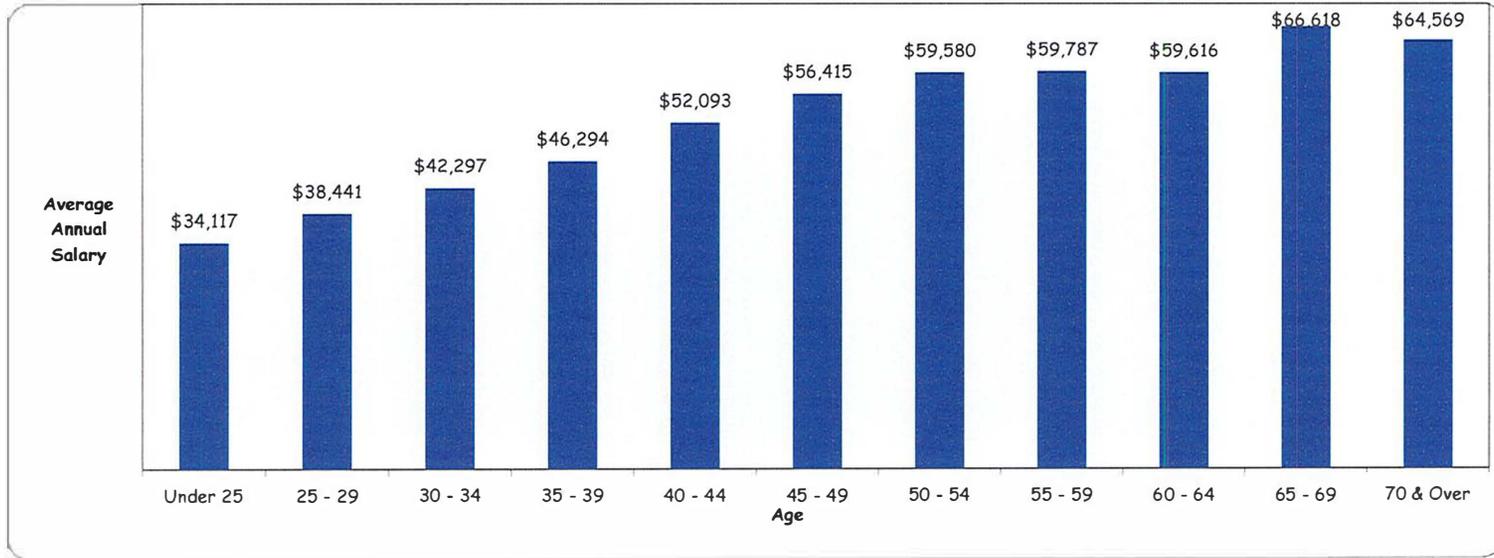


Kansas City Employees' Retirement System
Pensions in Payment Status by Type and Monthly Amount
as of May 1, 2018

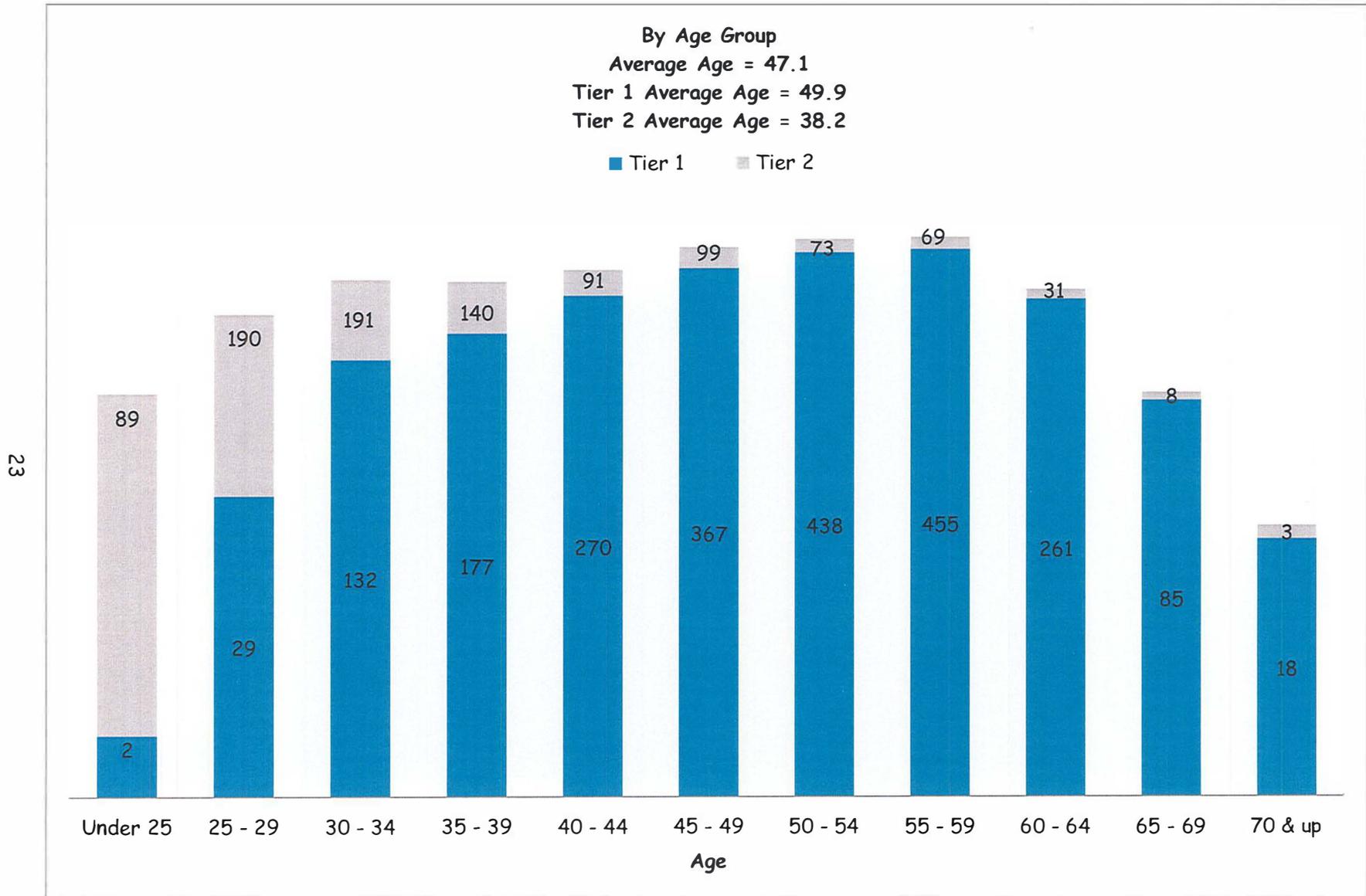
Monthly Amount	Total	Normal	Early	Optional	Deferred	Disability	QDROs	Widows
Under \$500	234	21	48	2	39	0	16	108
\$500-\$1,000	389	66	78	70	74	1	6	94
\$1,000-\$1,500	341	47	44	130	56	7	3	54
\$1,500-\$2,000	319	36	24	190	26	0	3	40
\$2,000-\$2,500	290	34	11	213	10	0	3	19
\$2,500-\$3,000	254	24	2	202	7	0	1	18
\$3,000-\$3,500	186	12	2	163	1	0	0	8
\$3,500-\$4,000	124	15	0	103	1	0	0	5
\$4,000-\$4,500	99	10	1	87	0	0	1	0
\$4,500-\$5,000	71	10	1	59	0	0	0	1
\$5,000-\$5,500	38	4	0	33	0	0	0	1
\$5,500-\$6,000	24	0	0	23	0	0	0	1
\$6,000-\$6,500	21	2	0	17	0	0	0	2
\$6,500-\$7,000	14	2	0	12	0	0	0	0
\$7,000 & over	44	4	1	37	0	0	0	2
Total	2,448	287	212	1,341	214	8	33	353

During the year ended April 30, 2018, there were 155 new pensions awarded (27 Normal, 10 Early, 62 Optional, 22 Deferred and 34 Widows and QDROs)

**CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
ACTIVE MEMBER PROFILE
April 30, 2018**

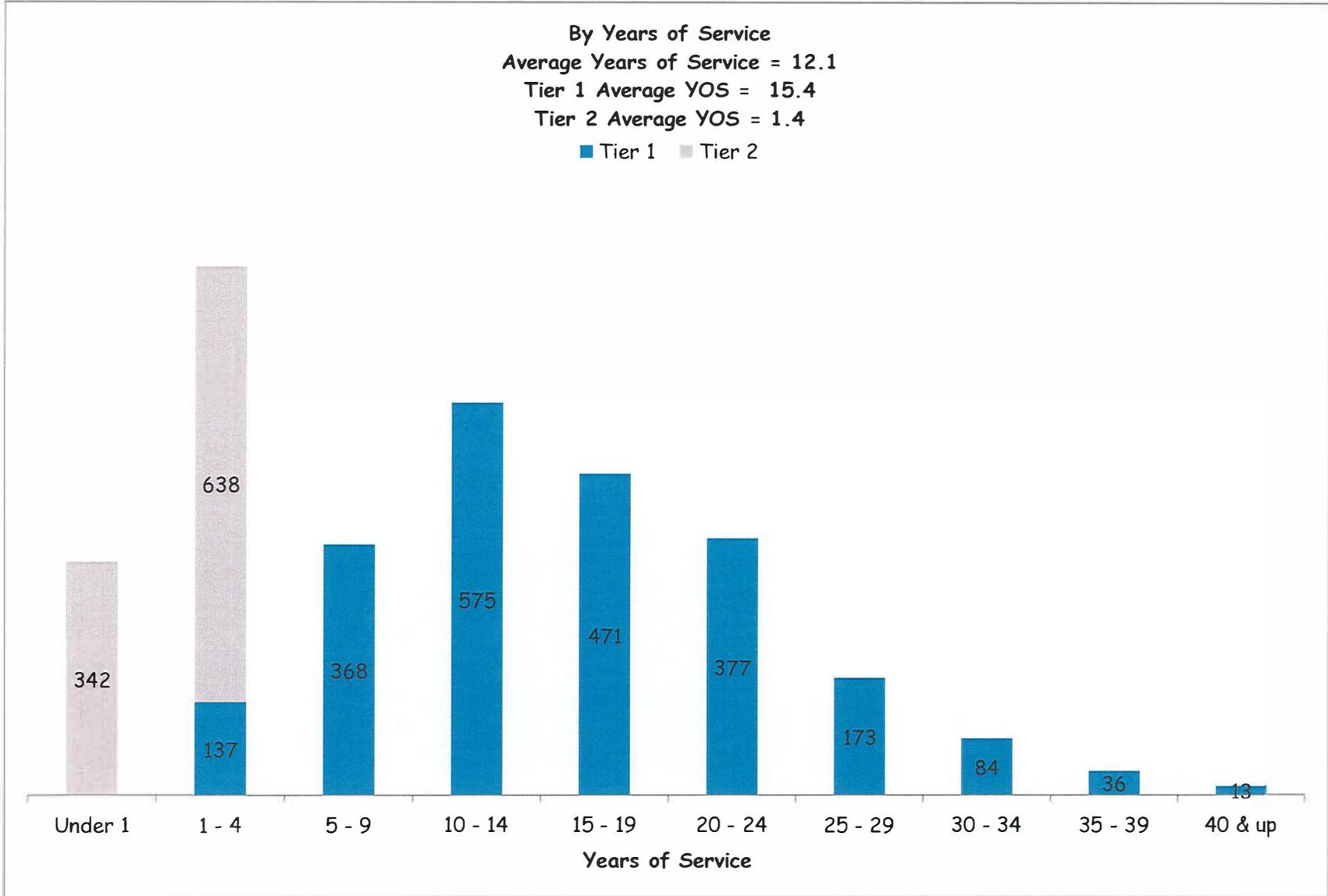


CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 ACTIVE MEMBER PROFILE
 April 30, 2018



CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
ACTIVE MEMBER PROFILE
April 30, 2018

24



FINANCIAL SECTION

**CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT OVERVIEW**

April 30, 2018

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.

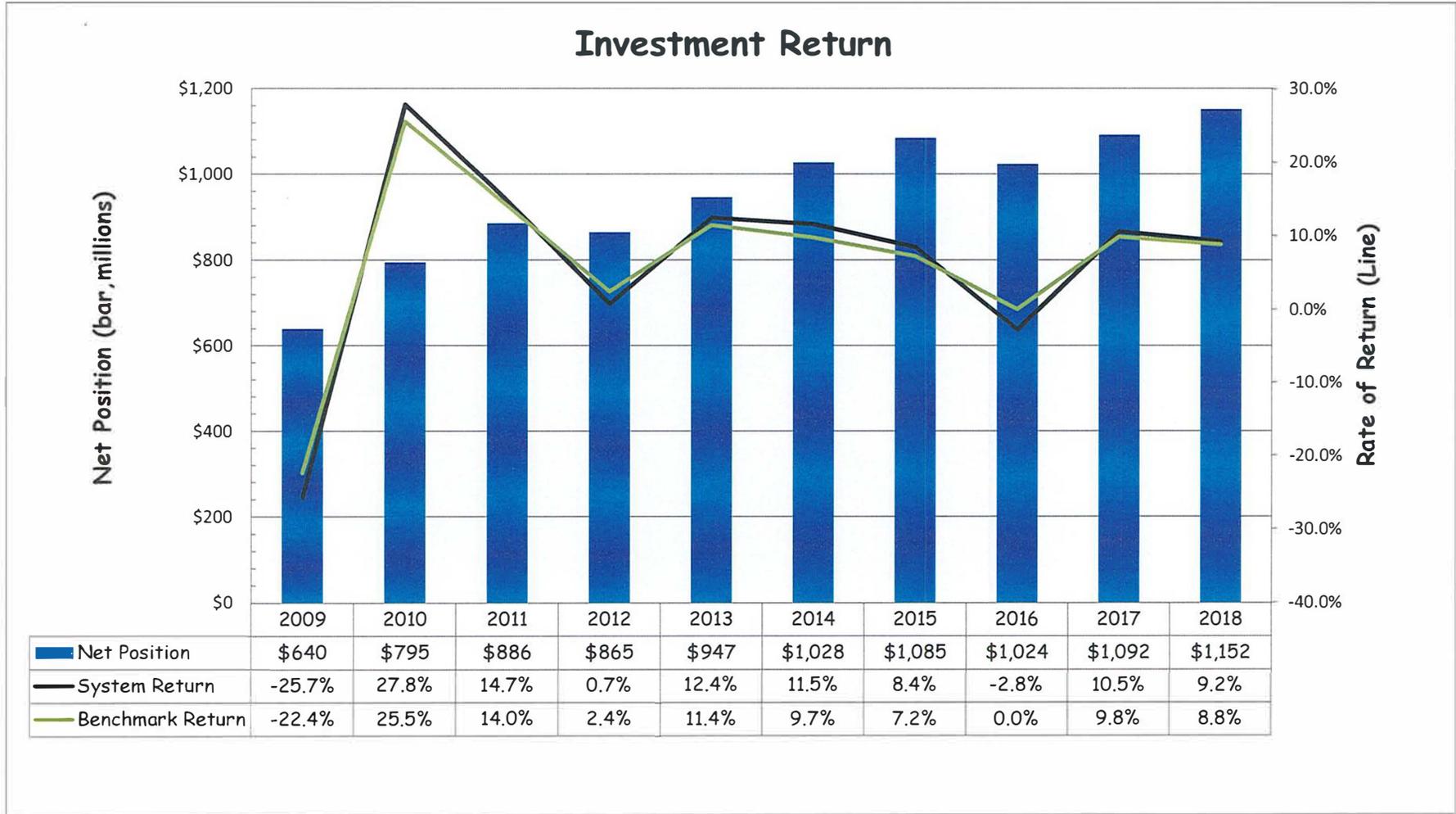
An integral part of the overall investment policy is the strategic asset allocation policy. This allocation mix is designed to provide an optimal mix of asset categories. This emphasizes a maximum diversification of the portfolio that protects the System from declines that a particular asset class may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

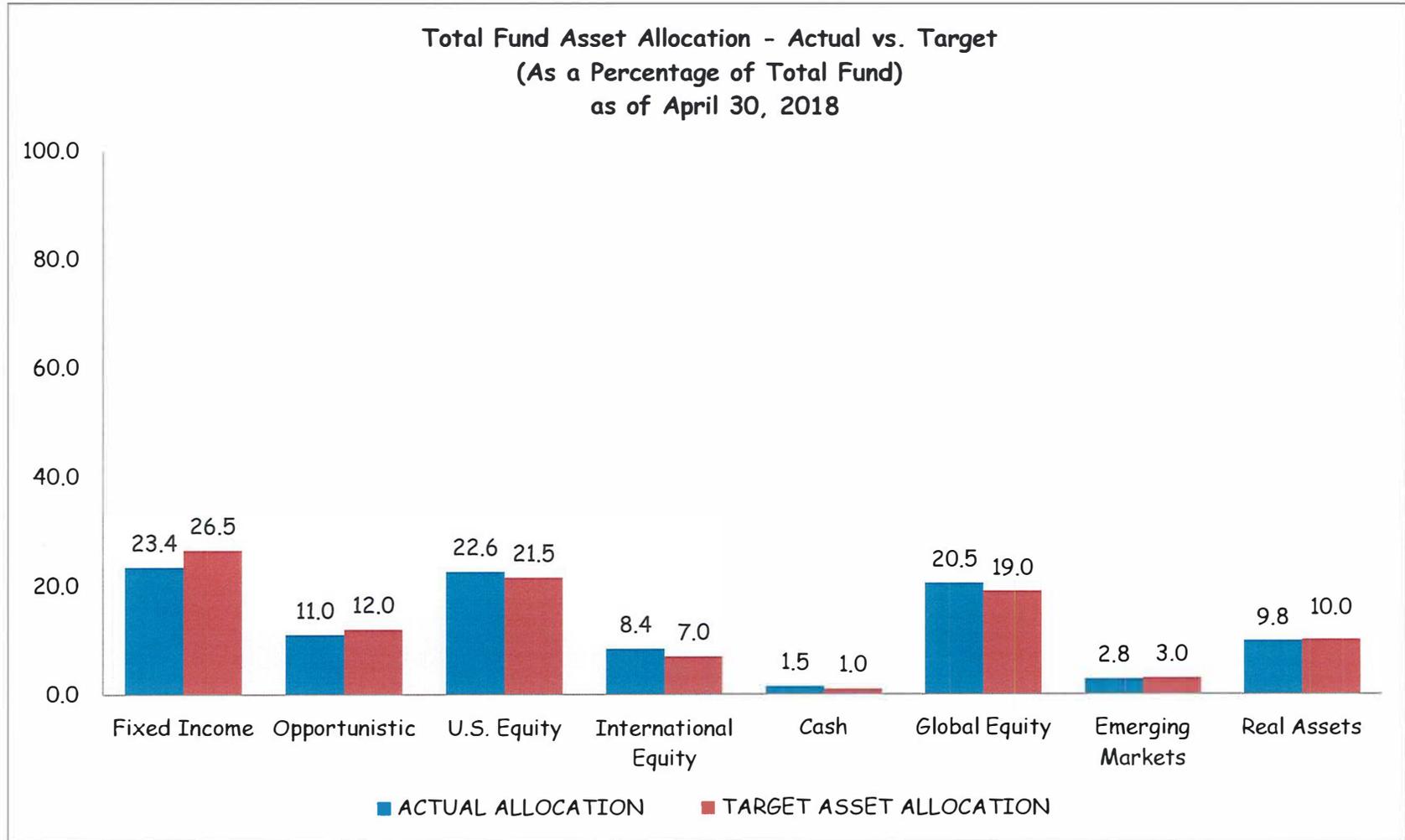
The System invests in traditional assets (domestic stocks, government and corporate bonds, mortgages, and cash) and non-traditional assets (global and international stocks and international bonds). A modest amount of System assets have also been diversified into real estate, global tactical asset allocation,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

During fiscal 2018 the System remained well diversified.

CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENT RETURN
 April 30, 2018



**CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 ASSET ALLOCATION
 April 30, 2018**



Investment Summary

Year Ending April 30, 2018

Investment Manager	Date Hired	Investment Class	Portfolio Fair Value As of April 30, 2018	% of Total Fair Value
Cash			\$17,009,430.57	1.5%
Northern Trust Company Emerging Manager of Managers Program	April 2005	U.S. Equities	\$50,047,555.49	4.4%
Northern Trust Company	January 2016	U.S. Equities	\$59,170,780.09	5.1%
LSV Asset Management	October 1998	U.S. Equities	\$41,782,358.21	3.6%
Westfield Capital Management	June 2011	U.S. Equities	\$41,063,911.17	3.6%
Smith, Graham & Co. Investment Advisors	October 1998	U.S. Equities	\$32,469,060.91	2.8%
Riverbridge Partners, LLC	April 2013	U.S. Equities	\$35,739,859.61	3.1%
BlackRock	October 2007	Non-U.S. Equities	\$78,454,195.13	6.8%
Franklin Templeton	April 2012	Non-U.S. Equities	\$18,367,503.75	1.6%
American Century Investments	April 2013	Global Equity	\$121,055,426.67	10.5%
Grantham, Mayo, Van Otterloo & Company	November 2004	Global Equity	\$113,849,077.38	9.9%
LSV Asset Management	June 2013	Emerging Markets	\$32,554,810.81	2.8%
BlackRock	June 2013	Opportunistic	\$31,087,554.42	2.7%
Mellon Investments Corporation	January 2011	Opportunistic	\$69,092,670.23	6.0%
AQR Capital Management	April 2015	Opportunistic	\$27,082,692.00	2.4%
Wellington Management	July 2014	Fixed Income	\$1,730.80	0.0%
Dodge & Cox	October 2014	Fixed Income	\$138,194,642.19	12.0%
Western Asset Management	October 2015	Fixed Income	\$26,562.51	0.0%
Northern Trust Company	March 2000	Fixed Income	\$6,271.79	0.0%
PGIM Fixed Income			\$130,999,999.75	11.4%
J.P. Morgan Asset Management	August 2000	Real Assets	\$112,127,734.54	9.7%
Total			\$1,150,183,828.02	100.0%

Schedule of Investment Results (Net of Fees)

Annualized Manager Returns as of April 30, 2018

Investment Manager	Investment Class	One Year	Three Years	Five Years	Ten Years	Since Inception
Westfield Capital Management	U.S. Equities	21.3%	12.4%	15.3%	--	12.9%
<i>Russell 1000 Growth Index</i>		19.0%	12.8%	15.1%	10.8%	14.0%
LSV Asset Management	U.S. Equities	13.2%	9.3%	12.8%	8.5%	9.2%
<i>Russell 1000 Value Index</i>		7.5%	7.7%	10.5%	7.3%	7.5%
Riverbridge Partners	U.S. Equities	16.0%	11.0%	11.6%		10.8%
<i>Russell 2500 Growth Index</i>		17.1%	9.6%	13.2%	10.5%	13.0%
Smith Graham & Company	U.S. Equities	1.6%	7.6%	11.9%	10.1%	11.9%
<i>Russell 2000 Value Index</i>		6.5%	9.3%	10.4%	8.5%	9.6%
Northern Trust Emerging Manager Program	U.S. Equities	15.1%	8.7%	11.5%	8.1%	8.0%
<i>Russell 3000 Index</i>		13.1%	10.2%	12.8%	9.1%	8.8%
Northern Trust	U.S. Equities	13.2%	--	--	--	15.3%
<i>Russell 1000 Index</i>		13.2%	10.3%	12.8%	9.1%	15.2%
BlackRock	Non-U.S. Equities	16.6%	6.1%	9.2%	4.1%	3.1%
<i>MSCI EAFE Index (Net)</i>		14.5%	4.9%	5.9%	2.4%	1.7%
Franklin Templeton	Non-U.S. Equities	18.5%	7.5%	8.5%	--	9.6%
<i>MSCI AC World ex USA Small Cap Index (Net)</i>		18.4%	8.7%	8.2%	5.3%	9.0%
LSV Asset Management	Emerging Markets Equities	15.5%	4.3%	3.8%	4.1%	7.8%
<i>MSCI Emerging Markets Index (Net)</i>		21.7%	6.0%	4.7%	2.2%	5.8%
Grantham, Mayo, Van Otterloo & Company	Global Equities	13.6%	5.9%	6.8%	4.9%	7.2%
<i>MSCI AC World Index (Net)</i>		14.2%	7.4%	8.8%	5.1%	7.3%
American Century Investments	Global Equities	18.5%	9.0%	10.6%	--	10.9%
<i>MSCI AC World Index (Net)</i>		14.2%	7.4%	8.8%	5.1%	9.3%
Dodge & Cox	Fixed Income	1.1%	2.3%	--	--	2.7%
<i>Bloomberg Barclays U.S. Aggregate Index</i>		-0.3%	1.1%	1.5%	3.6%	1.8%
	Global Tactical Asset					
Mellon Investments Corporation	Allocation	3.9%	1.3%	4.8%	3.7%	5.5%
<i>Mellon GTAA Custom Index</i>		10.3%	5.3%	5.3%	4.2%	5.7%
BlackRock	Risk Parity	6.4%	4.4%	--	--	5.0%
<i>3 month T-Bills plus 5%</i>		6.2%	5.6%	5.4%	5.3%	5.4%
AQR Captial Management	Alternative Beta	-0.3%	3.5%	--	--	2.6%
<i>HFRI Fund of Funds Composite Index</i>		5.2%	1.9%	3.3%	1.5%	1.9%
J.P. Morgan Asset Management	Real Estate	5.7%	9.0%	10.3%	1.9%	2.4%
<i>NCREIF Property Index</i>		7.1%	8.7%	10.0%	6.1%	6.9%
J.P. Morgan Asset Management	Real Estate	6.8%	8.3%	10.0%	4.7%	7.8%
<i>NCREIF Property Index</i>		7.1%	8.7%	10.0%	6.1%	8.9%
J.P. Morgan Asset Management	Infrastructure	15.1%	--	--	--	7.7%
<i>Consumer Price Index (Seasonly Adj)+4%</i>		6.5%	6.0%	5.6%	5.6%	6.1%
Total Fund		9.2%	5.5%	7.2%	5.8%	7.9%
<i>Policy Index</i>		8.8%	5.8%	6.8%	5.8%	7.9%

Independent Auditor's Report

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

We have audited the accompanying basic financial statements of the City of Kansas City, Missouri The Employees' Retirement System (the Plan), which comprise the statements of fiduciary net position as of April 30, 2018 and 2017, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the basic financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

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 audits 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 entity'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 entity'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 City of Kansas City, Missouri The Employees' Retirement System as of April 30, 2018 and 2017, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 audits 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.

BKD, LLP

Kansas City, Missouri
October 3, 2018

City of Kansas City, Missouri
The Employees' Retirement System
Management's Discussion and Analysis
April 30, 2018 and 2017

The City of Kansas City, Missouri The Employees' Retirement System (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 a ten-person board of trustees (the Board) to provide retirement, death and survivor benefits to members and beneficiaries. This discussion and analysis of the financial performance of ERS provides an overview of financial activities for the fiscal years ended April 30, 2018 and 2017, with selected comparative information for the fiscal year ended April 30, 2016, and should be read along with the financial statements and notes to the financial statements.

The financial statements presented by ERS consist of the: (1) statements of fiduciary net position which reflects resources available for the payment of benefits as of year-end and (2) statements of changes in fiduciary net position which reflects 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 supplemental information and other schedules that may be helpful in evaluating the financial condition of the Plan.

2018 and 2017 Summary Comparative Information of Fiduciary Net Position

	April 30, 2018	April 30, 2017	Amount Change	Percentage Change
Receivables	\$ 3,775,240	\$ 5,292,171	\$ (1,516,931)	-28.66%
Investments at fair value	1,150,183,828	1,091,442,174	58,741,654	5.38%
Securities lending collateral	91,205,944	71,134,948	20,070,996	28.22%
Total assets	<u>1,245,165,012</u>	<u>1,167,869,293</u>	<u>77,295,719</u>	6.62%
Due to broker for purchases of investments	1,322,518	3,016,930	(1,694,412)	-56.16%
Administrative and investment expenses payable	975,572	1,418,563	(442,991)	-31.23%
Securities lending collateral	91,205,944	71,134,948	20,070,996	28.22%
Total liabilities	<u>93,504,034</u>	<u>75,570,441</u>	<u>17,933,593</u>	23.73%
Net Position Restricted for Pensions	<u>\$ 1,151,660,978</u>	<u>\$1,092,298,852</u>	<u>\$ 59,362,126</u>	5.43%

City of Kansas City, Missouri
The Employees' Retirement System
Management's Discussion and Analysis
April 30, 2018 and 2017

2018 and 2017 Summary Comparative Information of Changes in Fiduciary Net Position

	<u>April 30, 2018</u>	<u>April 30, 2017</u>	<u>Amount Change</u>	<u>Percentage Change</u>
Member contributions	\$ 8,622,835	\$ 7,966,105	\$ 656,730	8.24%
Employer contributions	24,530,445	23,701,217	829,228	3.50%
Net investment income	<u>98,766,580</u>	<u>105,285,874</u>	<u>(6,519,294)</u>	-6.19%
Total additions	<u>131,919,860</u>	<u>136,953,196</u>	<u>(5,033,336)</u>	-3.68%
Benefits paid to members	68,328,453	64,197,401	4,131,052	6.43%
Refunds of contributions	3,666,251	3,680,331	(14,080)	-0.38%
Administrative expenses	<u>563,030</u>	<u>386,784</u>	<u>176,246</u>	45.57%
Total deductions	<u>72,557,734</u>	<u>68,264,516</u>	<u>4,293,218</u>	6.29%
Net Increase in Net Position	59,362,126	68,688,680	(9,326,554)	-13.58%
Net Position, Restricted for Pensions, Beginning of Year	<u>1,092,298,852</u>	<u>1,023,610,172</u>	<u>68,688,680</u>	6.71%
Net Position, Restricted for Pensions, End of Year	<u>\$ 1,151,660,978</u>	<u>\$ 1,092,298,852</u>	<u>\$ 59,362,126</u>	5.43%

2018 Financial Highlights

Global financial markets soared during the first three quarters of the year due to U.S. fiscal policy stimulus and expectations of continued global growth. Then in the fourth quarter, volatility was reintroduced in the markets due to expectations of inflation, a repricing of the yield curve and headlines related to global trade negotiations, which somewhat muted the overall positive equity returns and caused slightly negative returns in fixed income. Albeit, the investment portfolio had a strong net return of 9.28 percent which compared favorably to the 8.75 percent rise in the Policy Portfolio benchmark. All segments of the fund performed relatively well, with the exceptions being the emerging market and opportunistic allocations. Non-U.S. equities were the best performing asset class, followed by global equities.

Plan net position climbed by 5.43 percent to \$1.152 billion, fueled by \$99 million of investment income. Contributions and benefits paid to members increased at an expected pace, while refunds of contributions decreased slightly. Administrative expenses rose significantly, primarily due to staffing costs and legal fees.

City of Kansas City, Missouri
The Employees' Retirement System
Management's Discussion and Analysis
April 30, 2018 and 2017

2018 Operational Highlights

The only significant change to the investment portfolio was the restructuring of the fixed income allocation. The global fixed income and passive allocations were removed while a core-plus fixed income allocation was added. Ongoing cash needs were met primarily through the sale of appreciating equity securities.

2017 and 2016 Summary Comparative Information of Fiduciary Net Position

	<u>April 30, 2017</u>	<u>April 30, 2016</u>	<u>Amount Change</u>	<u>Percentage Change</u>
Receivables	\$ 5,292,171	\$ 3,523,440	\$ 1,768,731	50.20%
Investments at fair value	1,091,442,174	1,022,341,101	69,101,073	6.76%
Securities lending collateral	71,134,948	77,356,283	(6,221,335)	-8.04%
Total assets	<u>1,167,869,293</u>	<u>1,103,220,824</u>	<u>64,648,469</u>	5.86%
Due to broker for purchases of investments	3,016,930	1,758,965	1,257,965	71.52%
Administrative and investment expenses payable	1,418,563	495,404	923,159	186.34%
Securities lending collateral	71,134,948	77,356,283	(6,221,335)	-8.04%
Total liabilities	<u>75,570,441</u>	<u>79,610,652</u>	<u>(4,040,211)</u>	-5.07%
Net Position Restricted for Pensions	<u>\$ 1,092,298,852</u>	<u>\$1,023,610,172</u>	<u>\$ 68,688,680</u>	6.71%

City of Kansas City, Missouri
The Employees' Retirement System
Management's Discussion and Analysis
April 30, 2018 and 2017

2017 and 2016 Summary Comparative Information of Changes in Fiduciary Net Position

	<u>April 30, 2017</u>	<u>April 30, 2016</u>	<u>Amount Change</u>	<u>Percentage Change</u>
Member contributions	\$ 7,966,105	\$ 8,235,363	\$ (269,258)	-3.27%
Employer contributions	23,701,217	24,577,647	(876,430)	-3.57%
Net investment income (loss)	105,285,874	(26,366,931)	131,652,805	-499.31%
Total additions	<u>136,953,196</u>	<u>6,446,079</u>	<u>130,507,117</u>	2024.60%
Benefits paid to members	64,197,401	63,007,354	1,190,047	1.89%
Refunds of contributions	3,680,331	4,596,259	(915,928)	-19.93%
Administrative expenses	386,784	365,571	21,213	5.80%
Total deductions	<u>68,264,516</u>	<u>67,969,184</u>	<u>295,332</u>	0.43%
Net Increase (Decrease) in Net Position	68,688,680	(61,523,105)	130,211,785	-211.65%
Net Position, Restricted for Pensions, Beginning of Year	<u>1,023,610,172</u>	<u>1,085,133,277</u>	<u>(61,523,105)</u>	-5.67%
Net Position, Restricted for Pensions, End of Year	<u>\$ 1,092,298,852</u>	<u>\$ 1,023,610,172</u>	<u>\$ 68,688,680</u>	6.71%

2017 Financial Highlights

Although fixed income market returns were negligible during the period, prices surged in most equity markets. This paved the way to an investment return, net of expenses, of 10.5 percent on the investment portfolio, which compared quite favorably to the 9.8 percent rise in the Policy Portfolio benchmark. All segments of the Fund performed relatively well. Emerging market equities were the best performing segment, followed by U.S. equities.

The 6.7 percent increase in net position was fueled by \$105 million of investment income. Member and employer contributions declined during the year, while benefits paid to members increased at a normal rate. Refunds of contributions decreased, as fewer members withdrew their contributions, while administrative expenses increased slightly due to staffing costs.

City of Kansas City, Missouri
The Employees' Retirement System
Management's Discussion and Analysis
April 30, 2018 and 2017

2017 Operational Highlights

The only significant change to the investment structure was the funding of an outstanding capital commitment to the Fund's core-plus real estate manager. Ongoing cash needs were met primarily through the sale of appreciating equity 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, 2018 and 2017

Assets

	<u>2018</u>	<u>2017</u>
Investments, At Fair Value		
Short-term investment funds	\$ 22,785,127	\$ 15,435,839
U.S. Treasuries	25,817,600	20,580,159
U.S. government-backed mortgages	46,605,106	35,342,005
Municipal bonds	3,568,615	3,593,054
Asset-backed securities	5,376,639	1,295,173
Commercial mortgage-backed securities	-	77,603
Foreign debt obligations	2,279,269	2,147,483
Corporate bonds - domestic	29,960,341	28,789,078
Corporate bonds - foreign	20,261,196	16,286,729
Domestic preferred equities	1,220,017	932,570
Domestic common equities	196,131,355	184,349,327
Foreign equities	1,855,055	1,283,932
Partnerships	42,449,275	41,916,386
Hedge funds	27,082,692	27,165,006
Collective trusts - equities	524,171,575	486,984,283
Collective trusts - fixed income	131,000,000	158,967,750
Collective trusts - real estate	69,619,966	66,295,797
	<u>1,150,183,828</u>	<u>1,091,442,174</u>
Securities Lending Collateral	<u>91,205,944</u>	<u>71,134,948</u>
Receivables		
Contributions	1,453,333	1,258,303
Investment income	1,979,378	944,554
Due from broker for sales of investments	342,529	3,089,314
	<u>3,775,240</u>	<u>5,292,171</u>
Total assets	<u>1,245,165,012</u>	<u>1,167,869,293</u>
Liabilities		
Due to broker for purchases of investments	1,322,518	3,016,930
Administrative and investment expenses payable	975,572	1,418,563
Securities lending collateral	91,205,944	71,134,948
	<u>93,504,034</u>	<u>75,570,441</u>
Net Position Restricted for Pensions	<u>\$ 1,151,660,978</u>	<u>\$ 1,092,298,852</u>

See Notes to Financial Statements

City of Kansas City, Missouri
The Employees' Retirement System
Statements of Changes in Fiduciary Net Position
Years Ended April 30, 2018 and 2017

Additions

	<u>2018</u>	<u>2017</u>
Investment Income		
Interest income	\$ 11,095,910	\$ 9,800,347
Dividend income	6,959,514	6,424,213
Net increase in fair value of investments	84,644,419	92,516,905
Less investment expense	<u>(4,154,106)</u>	<u>(3,770,622)</u>
Net investment income	<u>98,545,737</u>	<u>104,970,843</u>
Securities Lending Income		
Securities lending gross income	<u>1,306,402</u>	<u>749,488</u>
Securities lending expenses		
Borrower fees	(991,169)	(299,729)
Management fees	(94,390)	(134,728)
Total securities lending expenses	<u>(1,085,559)</u>	<u>(434,457)</u>
Net securities lending income	<u>220,843</u>	<u>315,031</u>
Total net investment income	<u>98,766,580</u>	<u>105,285,874</u>
Contributions		
Contributions from the City of Kansas City, Missouri	24,530,445	23,701,217
Contributions from members	<u>8,622,835</u>	<u>7,966,105</u>
Total contributions	<u>33,153,280</u>	<u>31,667,322</u>
Total additions	<u>131,919,860</u>	<u>136,953,196</u>

Deductions

Benefits Paid to Members	68,328,453	64,197,401
Refunds		
Termination	1,428,989	1,441,455
Retirement	2,237,262	2,238,876
Administrative Expenses	<u>563,030</u>	<u>386,784</u>
Total deductions	<u>72,557,734</u>	<u>68,264,516</u>
Net Increase in Net Position	59,362,126	68,688,680
Net Position Restricted for Pensions, Beginning of Year	<u>1,092,298,852</u>	<u>1,023,610,172</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 1,151,660,978</u>	<u>\$ 1,092,298,852</u>

City of Kansas City, Missouri
The Employees' Retirement System
Notes to Financial Statements
April 30, 2018 and 2017

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The City of Kansas City, Missouri The Employees' Retirement System (the Plan) is a contributory, single-employer, defined benefit pension plan, covering employees and elected officials of the City of Kansas City, Missouri (the 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.

Adoption of New Accounting Standard

In 2018, the Plan adopted the provisions of GASB Statement No. 82, *Pension Issues – Amendment of GASB Statements No. 67, 68 and 73*. This statement addresses certain issues that have been raised with respect to Statement No. 67, Statement No. 68 and Statement No. 73. Specifically, GASB 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Adoption did not have a significant impact on amounts reported or disclosed.

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 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.

Investments

Investments are valued at fair value as follows:

Government securities, asset-backed securities, commercial mortgage-backed securities and corporate bonds – Prices quoted by a major dealer in such securities.

Common stock, preferred stock, foreign common stock and indexed notes and bonds: (A) Listed – closing prices as reported on the composite summary of national securities exchanges (B) Over-the-counter – bid prices.

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Collective trusts, partnerships and hedge funds consist primarily of non-marketable investments in various venture capital, corporate finance funds and private partnerships (collectively referred to as "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 Fund'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, 2018 or 2017.

Investment transactions are accounted for on a trade-date basis (the date the order to buy or sell is executed), and the 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.

Administrative Expenses

Plan administrative salary, 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.

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.

Note 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 Employees' Retirement System of Kansas City, Missouri (the "Board"). The Board is composed of ten members, two of which are the Director of Human Resources and the Director of Finance, two shall be active employees and members of the retirement system, one retired member of the System and one member designated by Firefighters' IAFF Local 42. The remaining members are prominent Kansas City business or civic leaders appointed by the mayor.

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At April 30, 2018 and 2017, the Plan's membership consists of the following:

	2018		
	Tier I Members	Tier II Members	Total
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	2,637	-	2,637
Current employees			
Vested	2,097	-	2,097
Nonvested	137	984	1,121
Inactive	68	189	257
Total	4,939	1,173	6,112

	2017		
	Tier I Members	Tier II Members	Total
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	2,511	-	2,511
Current employees			
Vested	2,159	-	2,159
Nonvested	256	755	1,011
Inactive	141	142	283
Total	5,067	897	5,964

Contributions

Funding is provided by contributions from Plan members, 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 year ended April 30, 2018, the City contributed at a rate of 14.85 percent of annual projected payroll. For the year ended April 30, 2017, the City contributed at a rate of 13.81 percent of annual projected payroll.

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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

The Plan provides retirement benefits, for those employees hired before April 20, 2014 (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 2.2 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 annual cost-of-living adjustment of 3 percent, non-compounded, is provided annually.

Tier II Members

The Plan provides retirement benefits, for those employees hired on or after April 20, 2014 (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 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 annual cost-of-living adjustment, not to exceed 2.5 percent, non-compounded, per year is provided 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.

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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 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.

Note 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.

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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 market values. The Board has authorized Plan staff, with the guidance from the investment consultant, to rebalance the portfolio in accordance with the strategy guidelines below:

Asset Type and Class	Range	Target
Global Equity		
U.S. Equity	6.5% - 16.5%	11.5%
Emerging Manager of Managers	2.0% - 7.0%	4.0%
Non-U.S. Equity	11% - 21%	16.0%
Emerging Markets Equity	2% - 5%	3.5%
Global Equity	2% - 8%	5.0%
Long/Short Equity	2% - 8%	5.0%
Global Fixed Income		
Core Fixed Income	20.0% - 30.0%	25.0%
Non-Core Fixed Income	2.0% - 12.0%	7.0%
Real Assets		
Real Estate	2.5% - 12.5%	7.5%
Infrastructure	1.0% - 4.0%	2.5%
Opportunistic	7.0% - 17.0%	12.0%
Cash	0% - 5.0%	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 – 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 Northern Trust as its third-party lending agent to lend domestic equity and debt securities for cash collateral of not less than 102 percent of the market value and international debt and equity securities of not less than 105 percent of the market value. At April 30, 2018 and 2017, 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.

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	2018	2017
Market value of securities loaned	\$ 88,923,982	\$ 69,207,414
Market value of cash collateral received from borrowers	\$ 91,205,944	\$ 71,134,948

All securities 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, 2018, 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	\$ 25,817,600	\$ 11,371,793	\$ 14,445,807	\$ -	\$ -	\$ 18,514,557
U.S. government-backed mortgages	46,605,106	-	86,457	796,346	45,722,303	-
Municipal bonds	3,568,615	-	676,133	-	2,892,482	-
Asset-backed securities	5,376,639	-	269,515	1,350,738	3,756,386	-
Foreign debt obligations	2,279,269	-	-	1,094,389	1,184,880	54,321
Corporate bonds - domestic	29,960,341	-	7,328,974	10,667,142	11,964,225	2,412,129
Corporate bonds - foreign	20,261,196	103,925	3,932,424	11,536,463	4,688,384	571,771
Money market funds	22,785,127	22,785,127	-	-	-	-
Collective trusts - fixed income	131,000,000	131,000,000	-	-	-	-
		\$ 165,260,845	\$ 26,739,310	\$ 25,445,078	\$ 70,208,660	
Domestic preferred equities	1,220,017					-
Domestic common equities	196,131,355					65,516,149
Foreign equities	1,855,055					1,855,055
Partnerships	42,449,275					-
Collective trusts - equities	524,171,575					-
Collective trusts - real estate	69,619,966					-
Hedge funds	27,082,692					-
	\$ 1,150,183,828					\$ 88,923,982

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At April 30, 2017, 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	\$ 20,580,159	\$ 13,916,014	\$ 6,664,145	\$ -	\$ -	\$ 12,828,770
U.S. government-backed mortgages	35,342,005	-	90,936	-	35,251,069	-
Municipal bonds	3,593,054	868,726	-	-	2,724,328	-
Asset-backed securities	1,295,173	-	-	803,769	491,404	-
Commercial mortgage-backed securities	77,603	77,603	-	-	-	-
Foreign debt obligations	2,147,483	-	-	1,149,653	997,830	617,873
Corporate bonds - domestic	28,789,078	826,166	7,822,803	8,188,272	11,951,837	1,711,444
Corporate bonds - foreign	16,286,729	-	1,776,680	10,383,851	4,126,198	2,275,319
Money market funds	15,435,839	15,435,839	-	-	-	-
Collective trusts - fixed income	158,967,750	158,967,750	-	-	-	-
		<u>\$ 190,092,098</u>	<u>\$ 16,354,564</u>	<u>\$ 20,525,545</u>	<u>\$ 55,542,666</u>	
Domestic preferred equities	932,570					-
Domestic common equities	184,349,327					50,574,420
Foreign equities	1,283,932					1,199,588
Partnerships	41,916,386					-
Collective trusts - equities	486,984,283					-
Collective trusts - real estate	66,295,797					-
Hedge funds	27,165,006					-
	<u>\$ 1,091,442,174</u>					<u>\$ 69,207,414</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, \$88,923,982 and \$69,207,414 at April 30, 2018 and 2017, respectively, was held by the counterparty that was acting as the Plan's agent in securities lending transactions.

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Investment Concentrations

The following presents investments that represent 5 percent or more of the fiduciary net position of the Plan, as of April 30, 2018:

Investment	Fair Value
Investments managed by Prudential, Inc.	\$ 131,540,105
American Century Global Growth Equity Trust - Tier 2	121,782,475
Investments managed by GMO	113,849,077
Investments managed by JP Morgan	112,059,758
Investments managed by Blackrock	109,541,417
Mellon EB DV Global Exp Alpha I Fund	68,906,366
Investments managed by Northern Trust	59,169,924

The following presents investments that represent 5 percent or more of the fiduciary net position of the Plan, as of April 30, 2017:

Investment	Fair Value
Investments managed by Northern Trust	\$ 166,530,487
Investments managed by JP Morgan	110,960,794
American Century Global Growth Equity Trust - Tier 2	109,675,649
Investments managed by Blackrock	105,897,535
Investments managed by GMO	100,224,368
Mellon EB DV Global Exp Alpha I Fund	66,382,648

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, 2018 and 2017, the Plan's fixed income assets that are not explicitly government guaranteed represented 74.70 percent and 80.20 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, 2018 and 2017:

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Average Credit Quality and Exposure Levels of Nongovernmental Guaranteed Securities

Fixed Income Security Type	Fair Value April 30, 2018	Percentage of all Fixed Income Assets	S&P Weighted Average Credit Quality
Municipal bonds	\$ 3,568,615	1.2%	A
Asset-backed securities	5,376,639	1.9%	AAA
Foreign debt obligations	2,279,269	0.8%	BBB
Corporate bonds - domestic	29,960,341	10.4%	BBB
Corporate bonds - foreign	20,261,196	7.0%	BBB
Money market funds	22,785,127	7.9%	Not rated
Collective trusts - fixed income	131,000,000	45.5%	Not rated
	<u>\$ 215,231,187</u>	<u>74.7%</u>	

Fixed Income Security Type	Fair Value April 30, 2017	Percentage of all Fixed Income Assets	S&P Weighted Average Credit Quality
Municipal bonds	\$ 3,593,054	1.3%	A
Asset-backed securities	1,295,173	0.5%	AAA
Commercial mortgage-backed securities	77,603	0.0%	Not Rated
Foreign debt obligations	2,147,483	0.8%	BBB
Corporate bonds - domestic	28,789,078	10.2%	BBB
Corporate bonds - foreign	16,286,729	5.8%	BBB
Money market funds	15,435,839	5.4%	Not rated
Collective trusts - fixed income	158,967,750	56.2%	Not rated
	<u>\$ 226,592,709</u>	<u>80.2%</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.

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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 at April 30, 2018

Fixed Income Security Type	Fair Value April 30, 2018	Percentage of all Fixed Income Assets	Weighted Average Effective Duration (Years)
U.S. Treasuries	\$ 25,817,600	9.0%	2.5
U.S. government-backed mortgages	46,605,106	16.3%	24.1
Municipal bonds	3,568,615	1.2%	16.5
Asset-backed securities	5,376,639	1.9%	11.9
Foreign debt obligations	2,279,269	0.8%	15.8
Corporate bonds - domestic	29,960,341	10.4%	12.4
Corporate bonds - foreign	20,261,196	7.0%	11.5
Money market funds**	22,785,127	7.9%	**
Collective trusts - fixed income	131,000,000	45.5%	8.2
	<u>\$ 287,653,893</u>	<u>100.0%</u>	

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Effective Duration of Fixed Income Assets by Security Type at April 30, 2017

Fixed Income Security Type	Fair Value April 30, 2017	Percentage of all Fixed Income Assets	Weighted Average Effective Duration (Years)
U.S. Treasuries	\$ 20,580,159	7.3%	1.8
U.S. government-backed mortgages	35,342,005	12.5%	21.1
Municipal bonds	3,593,054	1.3%	16.1
Asset-backed securities	1,295,173	0.5%	11.9
Commercial mortgage-backed securities	77,603	0.0%	0.6
Foreign debt obligations	2,147,483	0.8%	14.8
Corporate bonds - domestic	28,789,078	10.2%	11.6
Corporate bonds - foreign	16,286,729	5.8%	13.9
Money market funds**	15,435,839	5.4%	**
Collective trusts - fixed income	158,967,750	56.2%	5.8
	<u>\$ 282,514,873</u>	<u>100%</u>	

**The Plan actually owns an interest in the underlying assets of the 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 reside 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, 2018 and 2017, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 9.28 percent and 10.46 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Note 4: Net Pension Liability

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

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,357,512,868	\$ 1,314,446,559
Plan fiduciary net position	<u>(1,151,660,978)</u>	<u>(1,092,298,852)</u>
City's net pension liability	<u>\$ 205,851,890</u>	<u>\$ 222,147,707</u>
Fiduciary net position as a % of total pension liability	84.84%	83.10%

Note 5: Actuarial Methods and Assumptions

An actuary from Cheiron determines the total pension liability. The total pension liability as of April 30, 2018 and 2017 was determined based on an actuarial valuation prepared as of May 1, 2017 and 2016, respectively, rolled forward one year, using the following actuarial assumptions:

Inflation	3.0% per annum
Projected salary increases, including inflation	3.75% to 5.0% per annum, depending on age
Long-term investment rate of return, net of plan investment expenses, including inflation	7.50%
Mortality Tables:	
Healthy	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	RP-2000 Combined Disabled 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, 2017 and 2016 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.

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For purposes of calculating the total pension liability, future ad hoc 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, 2018 and 2017 are summarized in the following tables:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return April 30, 2018
Equities		
U.S. Equity	11.5%	3.8%
Emerging Manager of Managers	4.0%	3.8%
Non-U.S. Equity	16.0%	5.0%
Emerging Markets Equity	3.5%	7.3%
Global Equity	5.0%	4.7%
Long/Short Equity	5.0%	4.0%
Fixed Income		
Core Fixed Income	25.0%	0.5%
Non-Core Fixed Income	7.0%	2.5%
Real Assets		
Real Estate	7.5%	3.3%
Infrastructure	2.5%	3.0%
Opportunistic	12.0%	4.1%
Cash	1.0%	-0.5%

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return April 30, 2017
Large Cap Equity	16.0%	4.7%
Small Cap Equity	5.5%	5.9%
Non-U.S. Equity	7.0%	5.9%
Global Equity	19.0%	5.6%
Emerging Markets Equity	3.0%	8.5%
Opportunistic Equity	12.0%	3.8%
Fixed Income	26.5%	0.1%
Real Assets	10.0%	3.0%
Cash	1.0%	-0.8%

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. In the professional judgment of the Plan's actuary, the funding policy of the plan will result in the pension 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.

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Sensitivity Analysis

The following sensitivity analysis presents the net pension liability of the City, calculated using the discount rate of 7.50 percent as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate as of April 30, 2018 and 2017:

	2018		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Total pension liability	\$ 1,520,065,911	\$ 1,357,512,868	\$ 1,221,260,929
Fiduciary net position	(1,151,660,978)	(1,151,660,978)	(1,151,660,978)
Net pension liability	<u>\$ 368,404,933</u>	<u>\$ 205,851,890</u>	<u>\$ 69,599,951</u>
	2017		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Total pension liability	\$ 1,473,273,916	\$ 1,314,446,559	\$ 1,181,425,199
Fiduciary net position	(1,092,298,852)	(1,092,298,852)	(1,092,298,852)
Net pension liability	<u>\$ 380,975,064</u>	<u>\$ 222,147,707</u>	<u>\$ 89,126,347</u>

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Note 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 are 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.

Note 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:

- 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

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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, 2018 and 2017:

	Total Fair Value	April 30, 2018		
		Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasuries	\$ 25,817,600	\$ -	\$ 25,817,600	\$ -
U.S. government-backed mortgages	46,605,106	-	44,769,376	1,835,730
Municipal bonds	3,568,615	-	3,568,615	-
Asset-backed securities	5,376,639	-	5,376,639	-
Foreign debt obligations	2,279,269	-	2,279,269	-
Corporate bonds - domestic	29,960,341	-	29,960,341	-
Corporate bonds - foreign	20,261,196	-	20,261,196	-
Short-term investment funds	22,785,127	22,785,127	-	-
Domestic preferred equities	1,220,017	1,220,017	-	-
Domestic common equities	196,131,355	196,131,355	-	-
Foreign equities	1,855,055	1,855,055	-	-
Collective trusts - equities	59,169,924	-	59,169,924	-
Total investments	415,030,244	\$ 221,991,554	\$ 191,202,960	\$ 1,835,730
Investments measured at the net asset value (NAV) (A)				
Collective trusts - equities	465,001,651			
Collective trusts - fixed income	131,000,000			
Partnerships	42,449,275			
Collective trusts - real estate	69,619,966			
Hedge funds	27,082,692			
Total investments measured at the NAV	735,153,584			
Total investments	\$ 1,150,183,828			

City of Kansas City, Missouri The Employees' Retirement System

Notes to Financial Statements

April 30, 2018 and 2017

	Total Fair Value	April 30, 2017		
		Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasuries	\$ 20,580,159	\$ -	\$ 20,580,159	\$ -
U.S. government-backed mortgages	35,342,005	-	35,342,005	-
Municipal bonds	3,593,054	-	3,593,054	-
Asset-backed securities	1,295,173	-	1,295,173	-
Government issued commercial mortgage obligations	77,603	-	77,603	-
Foreign debt obligations	2,147,483	-	2,147,483	-
Corporate bonds - domestic	28,789,078	-	28,789,078	-
Corporate bonds - foreign	16,286,729	-	16,286,729	-
Short-term investment funds	15,435,839	15,435,839	-	-
Domestic preferred equities	932,570	932,570	-	-
Domestic common equities	184,349,327	184,349,327	-	-
Foreign equities	1,283,932	1,283,932	-	-
Collective trusts - equities	61,243,755	-	61,243,755	-
Collective trusts - fixed income	107,004,527	-	107,004,527	-
	478,361,234	\$ 202,001,668	\$ 276,359,566	\$ -
Investments measured at the net asset value (NAV) (A)				
Collective trusts - equities	425,740,528			
Collective trusts - fixed income	51,963,223			
Partnerships	41,916,386			
Collective trusts - real estate	66,295,797			
Hedge funds	27,165,006			
	613,080,940			
Total investments measured at the NAV	613,080,940			
Total investments	\$ 1,091,442,174			

- (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.

City of Kansas City, Missouri The Employees' Retirement System

Notes to Financial Statements

April 30, 2018 and 2017

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.

The fair value estimates presented herein are based on pertinent information available to management as of April 30, 2018 and 2017. 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, 2018			
	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Collective trusts - equities (A)	\$ 465,001,651	\$ -	Daily/Monthly	1-7 Days
Collective trusts - fixed income (B)	131,000,000	-	Daily	1 Day
Partnerships (C)	42,449,275	-	Semi-Annual	2 Months
Collective trusts - real estate (D)	69,619,966	-	Quarterly	45 Days
Hedge funds (E)	27,082,692	-	Bi-Monthly	75 Days
	<u>\$ 735,153,584</u>			
Total investments measured at the NAV	<u>\$ 735,153,584</u>			

City of Kansas City, Missouri
The Employees' Retirement System

Notes to Financial Statements

April 30, 2018 and 2017

	Fair Value	Unfunded Commitments	April 30, 2017	
			Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Collective trusts - equities (A)	\$ 425,740,528	\$ -	Daily/Monthly	1-7 Days
Collective trusts - fixed income (B)	51,963,223	-	Daily	1 Day
Partnerships (C)	41,916,386	-	Semi-Annual	2 Months
Collective trusts - real estate (D)	66,295,797	-	Quarterly	45 Days
Hedge funds (E)	27,165,006	-	Bi-Monthly	75 Days
Total investments measured at the NAV	<u>\$ 613,080,940</u>			

- (A) This category includes collective trust funds. Each invests in equity securities both on the national and international markets listed on public market exchanges and are traded daily.
- (B) This category is a fixed income fund that is traded daily. The fund includes U.S. and Non-U.S. government, securitized and corporate bonds, and currencies across the entire quality spectrum.
- (C) This category is a limited partnership. Investments are open-ended Global Core/Core Plus infrastructure investments.
- (D) This category is a common collective trust redeemable quarterly with a 45 day notice period. Investments are open-ended U.S. Commercial real estate.
- (E) 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.

City of Kansas City, Missouri
The Employees' Retirement System

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service cost	\$ 20,085,682	\$ 20,048,780	\$ 19,485,402	\$ 19,694,295
Interest on total pension liability	97,267,046	94,116,208	87,902,877	85,393,038
Differences between expected and actual experience	(2,291,715)	(431,574)	(6,077,385)	-
Change of assumptions	-	-	43,062,525	-
Benefit payments, including member refunds	<u>(71,994,704)</u>	<u>(67,877,732)</u>	<u>(67,603,613)</u>	<u>(63,149,987)</u>
Net change in total pension liability	43,066,309	45,855,682	76,769,806	41,937,346
Total pension liability - beginning	<u>1,314,446,559</u>	<u>1,268,590,877</u>	<u>1,191,821,071</u>	<u>1,149,883,725</u>
Total pension liability - ending	<u>1,357,512,868</u>	<u>1,314,446,559</u>	<u>1,268,590,877</u>	<u>1,191,821,071</u>
Fiduciary net position				
Net investment income (loss)	98,766,580	105,285,874	(26,366,931)	84,827,952
City contributions	24,530,445	23,701,217	24,577,647	27,569,434
Member contributions	8,622,835	7,966,105	8,235,363	8,610,268
Benefits paid	(68,328,453)	(64,197,401)	(63,007,354)	(58,650,593)
Refunds of contributions	(3,666,251)	(3,680,331)	(4,596,259)	(4,499,394)
Administrative expenses	<u>(563,030)</u>	<u>(386,784)</u>	<u>(365,571)</u>	<u>(379,424)</u>
Net change in fiduciary net position	59,362,126	68,688,680	(61,523,105)	57,478,243
Fiduciary net position - beginning	<u>1,092,298,852</u>	<u>1,023,610,172</u>	<u>1,085,133,277</u>	<u>1,027,655,034</u>
Fiduciary net position - ending	<u>1,151,660,978</u>	<u>1,092,298,852</u>	<u>1,023,610,172</u>	<u>1,085,133,277</u>
Net pension liability, ending	<u>\$ 205,851,890</u>	<u>\$ 222,147,707</u>	<u>\$ 244,980,705</u>	<u>\$ 106,687,794</u>
Fiduciary net position as a percentage of total pension liability	84.84%	83.10%	80.69%	91.05%
Covered payroll	\$ 167,811,028	\$ 164,248,048	\$ 166,853,097	\$ 167,629,048
Net pension liability as a percentage of covered payroll	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.

City of Kansas City, Missouri
The Employees' Retirement System
Required Supplementary Information
Schedule of City Contributions
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined employer contribution	\$ 24,390,835	\$ 23,042,413	\$ 24,540,893	\$ 27,568,194	\$ 27,568,194	\$ 27,682,872	\$ 26,326,555	\$ 27,772,227	\$ 29,589,060	\$ 19,364,846
Actual City contributions	<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>	<u>18,822,709</u>	<u>19,186,317</u>	<u>20,330,486</u>
Annual contribution deficiency (excess)	<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>	<u>\$ 8,949,518</u>	<u>\$ 10,402,743</u>	<u>\$ (965,640)</u>
Covered payroll	\$ 167,811,028	\$ 164,248,048	\$ 166,853,097	\$ 167,629,048	\$ 167,629,049	\$ 166,877,689	\$ 161,134,295	\$ 163,113,722	\$ 153,948,044	\$ 160,200,649
Actual contributions as a percentage of covered payroll	14.62%	14.43%	14.73%	16.45%	15.50%	14.23%	12.75%	11.54%	12.46%	12.69%

City of Kansas City, Missouri
The Employees' Retirement System
 Required Supplementary Information
 Schedule of Investment Returns
 Last Ten Fiscal Years

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

Note to schedule: This schedule is intended to show a 10-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
April 30, 2018 and 2017

Changes of benefit and funding terms – The following changes to the plan provisions were reflected in the valuation as listed below:

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.

5/01/2011 Valuation

- The Plan was amended according to Ordinance No. 110218, so that unless otherwise provided, no members of the Council, including the Mayor, who commence a term of office after April 30, 2011 shall participate in this plan for any service after April 30, 2011. However, members of the Council, including the Mayor, elected on March 27, 2007 for a term beginning May 1, 2007 and also elected on March 22, 2011 for a term beginning on May 1, 2011 are members of this plan as long as they are continuously a member of the Council, including the Mayor.

City of Kansas City, Missouri
The Employees' Retirement System
Notes to Required Supplementary Information (Continued)
April 30, 2018 and 2017

Changes in actuarial assumptions and methods – The following changes to the plan provisions were reflected in the valuations as listed below:

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.

5/01/2009 Valuation

- The Amortization of UAL changed from a 20-year level percent of pay amortization method to a 30-year layered level percent of pay amortization method for the 5/1/2009 change to the unfunded actuarial liability.

5/01/2008 Valuation

- The Asset Smoothing Method switched from the prior method of using preliminary asset value plus 20 percent of the difference between the market value and the preliminary asset value to the new method of using 100 percent of expected returns plus 25 percent of actual returns above or below the expected return. The minimum asset corridor also changed from 90 percent to 85 percent.
- The Amortization of UAL changed from a 30-year rolling level dollar amortization method to a 20-year layered level percent of pay amortization method.
- The Investment Return Assumption changed from 7.75 percent to 7.50 percent.

City of Kansas City, Missouri
The Employees' Retirement System
Notes to Required Supplementary Information (Continued)
April 30, 2018 and 2017

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, 2016 actuarial valuation:

Valuation Date	May 1, 2016
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. 85% / 110% corridor around market value.
Amortization method	20-year layered amortization as a level percent of pay. Changes to the 5/1/2009 unfunded actuarial liability was 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 I 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	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. 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. Disabled: RP-2000 Combined Healthy Annuitant Mortality Table (multiplied by 1.300 for males and 1.500 for females) projected using a modified Scale MP-2015 on a generational basis.

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
HISTORICAL REVIEW
REVENUE - EXPENSES - NET POSITION
April 30, 2018

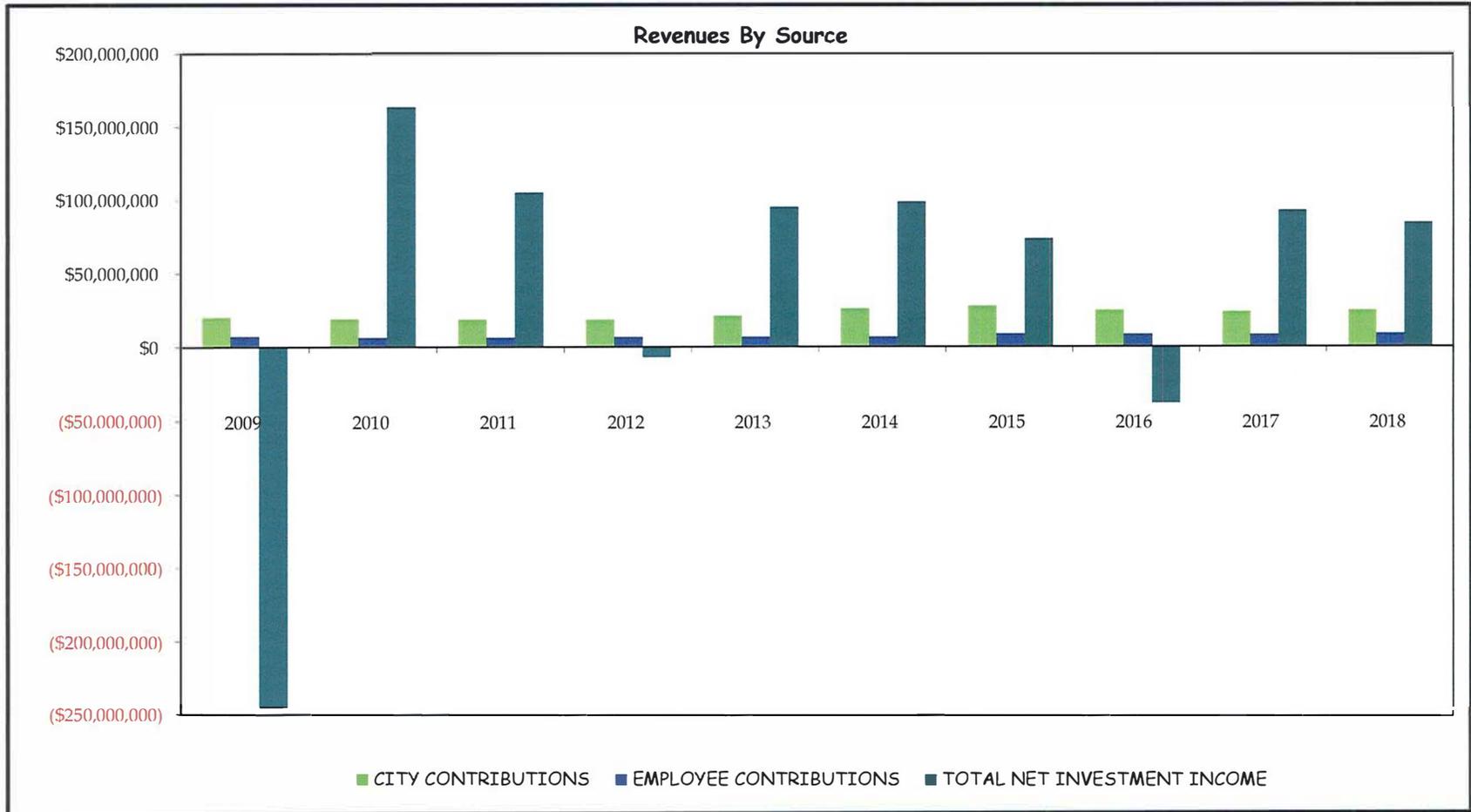
	2018	2017	2016	2015	2014
Revenues by Source					
Contributions					
City	\$24,530,445	\$23,701,217	\$24,557,647	\$27,569,434	\$25,987,662
Employees	8,622,835	7,966,105	8,235,363	8,610,268	6,849,988
Total Contributions	33,153,280	31,667,322	32,793,010	36,179,702	32,837,650
Investment Income					
Realized Gain (Loss)	102,920,686	109,056,496	(22,009,888)	89,027,653	110,769,191
Less Investment Expense	(4,154,106)	(3,770,622)	(4,357,043)	(4,199,701)	(3,501,332)
Total Net Investment Income	98,766,580	105,285,874	(26,366,931)	84,827,952	107,267,859
Expenses by Type					
Benefits:					
Annuities	68,328,453	64,197,401	63,007,354	58,650,593	55,374,392
Refunds:					
Termination	1,428,989	1,441,455	1,467,712	1,057,184	1,315,059
Retirement	2,237,262	2,238,876	3,128,547	3,442,210	2,428,948
Total Benefits	71,994,704	67,877,732	67,603,613	63,149,987	59,118,399
Administrative Expenses	563,030	386,784	365,571	379,424	401,702
Total Benefits and Expenses	72,557,734	68,264,516	67,969,184	63,529,411	59,520,101
Net Increase/(Decrease) in Net Position	59,362,126	68,688,680	(61,543,105)	57,478,243	80,585,408
Net Position Restricted for Pensions	\$1,151,640,978	\$1,092,278,852	\$1,023,590,172	\$1,085,133,277	\$1,027,655,034
Contributions - % of Payroll					
City	14.85%	13.81%	14.64%	16.52%	17.18%
Employees	5.00%	5.00%	5.00%	5.00%	4.00%

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
HISTORICAL REVIEW
REVENUE - EXPENSES - NET POSITION
April 30, 2018

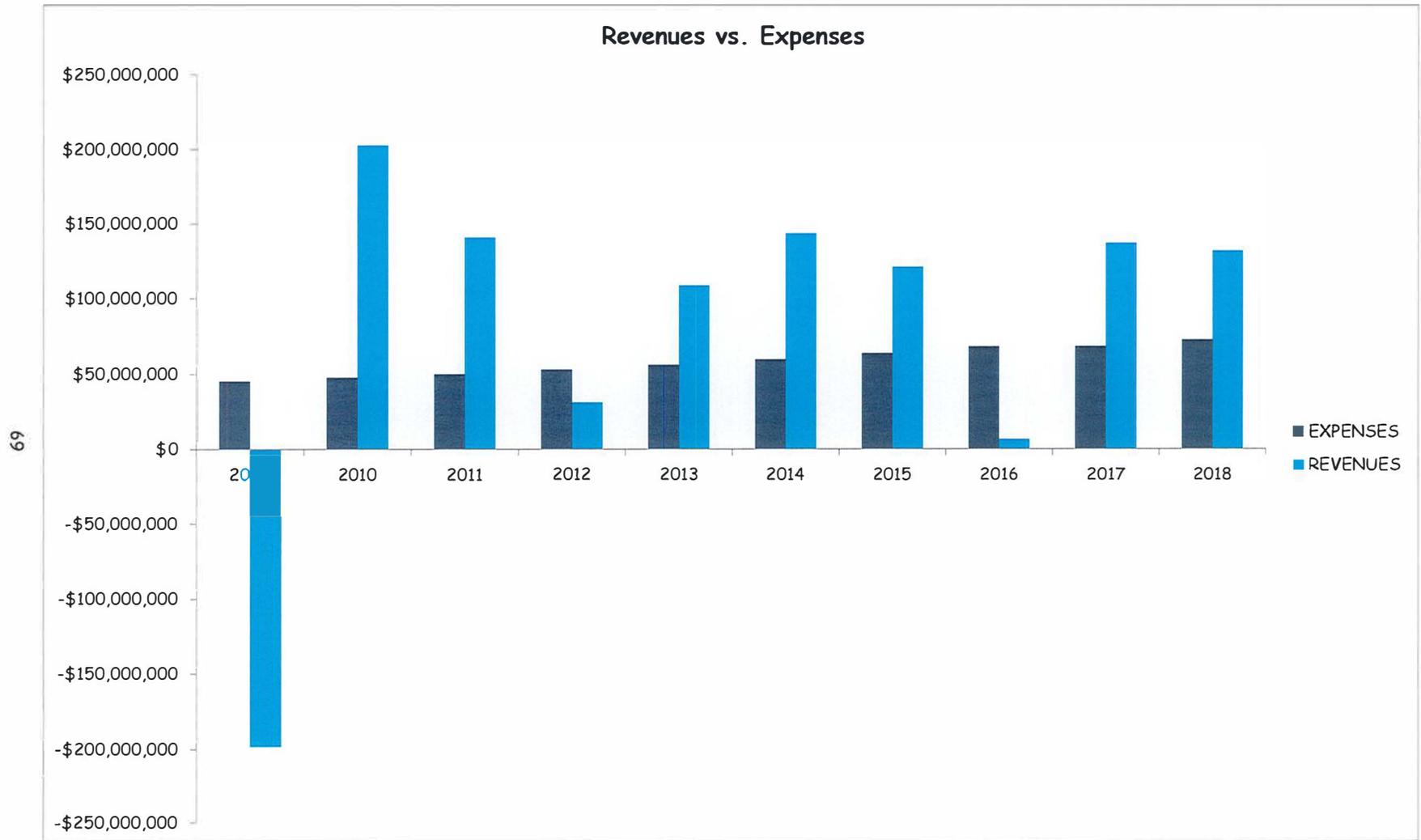
	2013	2012	2011	2010	2009
Revenues by Source					
Contributions					
City	\$20,919,438	\$18,421,668	\$18,588,723	\$19,186,317	\$20,330,486
Employees	11,407,725	6,612,397	6,430,830	6,331,891	6,994,133
Total Contributions	32,327,163	25,034,065	25,019,553	25,518,208	27,324,619
Investment Income					
Realized Gain (Loss)	108,841,737	9,139,469	118,957,726	180,132,771	(222,122,625)
Less Investment Expense	(2,845,027)	(3,017,196)	(3,235,946)	(2,936,883)	(3,188,129)
Total Net Investment Income	105,996,710	6,122,273	115,721,780	177,195,888	(225,310,754)
Expenses by Type					
Benefits:					
Annuities	52,346,221	49,573,667	46,983,788	44,532,106	41,673,938
Refunds:					
Termination	1,318,251	1,242,438	1,287,002	1,332,574	1,408,677
Retirement	2,029,952	1,895,151	1,330,873	1,433,494	1,854,828
Total Benefits	55,694,424	52,711,256	49,601,663	47,298,174	44,937,443
Administrative Expenses	166,153	166,888	140,068	150,505	113,538
Total Benefits and Expenses	55,860,577	52,878,144	49,741,731	47,448,679	45,050,981
Net Increase/(Decrease) in Net Position	82,463,296	(21,721,806)	90,999,602	155,265,417	(243,037,116)
Net Position Restricted for Pensions	\$947,069,626	\$864,606,330	\$886,328,136	\$795,328,534	\$640,063,117
Contributions - % of Payroll					
City	12.03%	12.03%	12.03%	12.03%	12.03%
Employees	4.00%	4.00%	4.00%	4.00%	4.00%

CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 FINANCIAL REVIEW
 April 30, 2018

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CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
FINANCIAL REVIEW
April 30, 2018

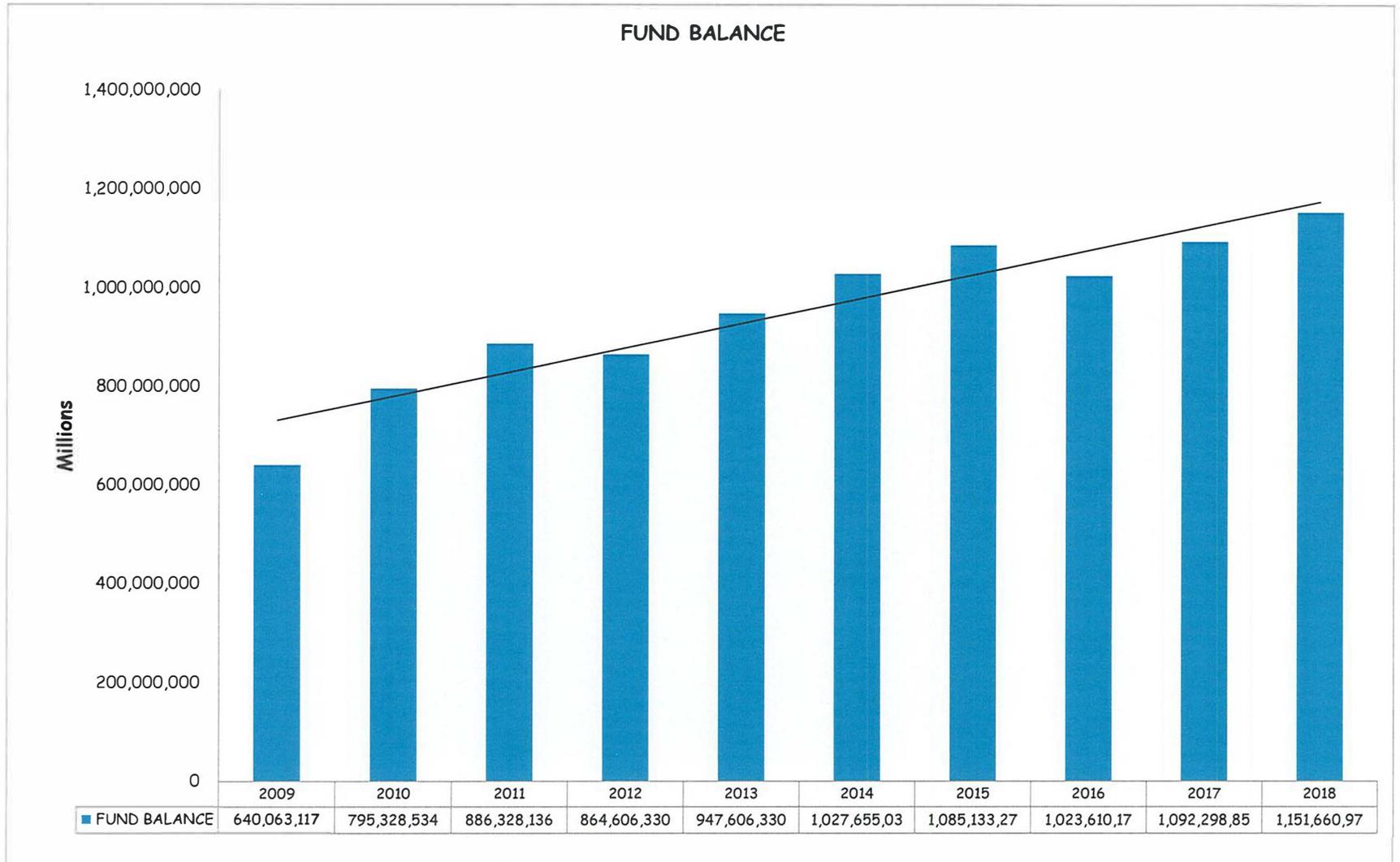


CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 FINANCIAL REVIEW
 April 30, 2018

Allocation of Expenses

EXPENSES BY TYPE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ADMINISTRATIVE EXPENSES	\$113,538	\$150,505	\$140,068	\$166,888	\$166,153	\$401,702	\$379,424	\$365,571	\$386,784	\$563,030
REFUNDS OF EMPLOYEE										
CONTRIBUTIONS	\$3,263,505	\$2,766,068	\$2,617,875	\$3,348,203	\$3,137,586	\$3,744,007	\$4,499,394	\$4,596,259	\$3,680,331	\$3,666,251
RETIREMENT BENEFITS	\$41,673,938	\$44,532,106	\$46,983,788	\$52,346,221	\$49,573,667	\$55,374,392	\$58,650,593	\$63,007,354	\$64,197,401	\$68,328,453
GRAND TOTAL	\$45,050,981	\$47,448,679	\$49,741,731	\$55,861,312	\$52,877,406	\$59,520,101	\$63,529,411	\$67,969,184	\$68,264,516	\$72,557,734

CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 FINANCIAL REVIEW
 April 30, 2018



MEMBERSHIP SECTION

CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 MEMBERSHIP
 Year Ended April 30, 2018

OPTIONAL RETIREMENTS

Name	Date of Annuity
ALEMIFAR, MASOOD	01/01/2018
BINNEBOESE, DAVID A	06/01/2017
BOGART, CHARLES A	10/01/2017
BRISBIN, BETH L	10/01/2017
BROOME, III, ROOSEVELT	08/01/2017
BROWN, BEVERLY J	09/01/2017
BROWN, NAURICE V	04/01/2018
BURRELL, SHEILIA L	11/01/2017
BYERS, WESLEY L	06/01/2017
CAMPBELL KAREN, E	07/01/2017
CAMPBELL, SHEILA A	05/01/2018
CANNON, DONALD R	09/01/2017
CARTWRIGHT, DOUGLAS E	06/01/2017
CLARK, MAEVA A	07/01/2017
CLARK, TRACY A	07/01/2017
COLLINS, STEPHEN D	03/01/2018
COOK, BRENDA K	08/01/2017
COSBY, CLARENCE D	03/01/2018
DANIELS, JR, ROBERT C	10/01/2017
DAWSON, STEPHEN W	02/01/2018
DePERALTA, MICHAEL S	04/01/2018
DePERALTA, ROEN D	04/01/2018
DOWNING, RONALD P	06/01/2017
DUNNELL, WILBUR G	05/01/2017
EVANS, JOE W	10/01/2017
FORTUNE, JAMES E	09/01/2017
HAMBRICK, DANIEL E	09/01/2017
HART, JOSEPHINE	06/01/2017
HILL-WOLFSKILL, BOBBIE J	01/01/2018
HOBLEY, THOMAS R	11/01/2017
HOWELL, RONALD M	01/01/2018
IRVIN, KENNETH J	10/01/2017
JOHNSON, DENISE L	05/01/2017
JONES, JENNIFER L	06/01/2017
KELLER, CHARLES E	04/01/2018
KING, JOHN M	05/01/2017

KITCHEN, MICHAEL A	09/01/2017
LABARGE, RONALD F	02/01/2018
LEVIN, PETER D	01/01/2018
LOUGHMILLER, THOMAS O	04/01/2018
LOWE, LEDELL J	07/01/2017
MANNING, DOUGLAS R	01/01/2018
MARTINEZ, ENRIQUE O	05/01/2017
McCRARY, APRIL A	07/01/2017
MILLER, MARY J	05/01/2018
MITCHELL, RENIA L	11/01/2017
MOORE, GERREN S	01/01/2018
MURRAY, MICHAEL G	07/01/2017
NICHOLS, LISA A	01/01/2018
OSTERHAUS, LORENE K	05/01/2017
PAPIKAN, IGOR T	07/01/2017
PRIMERS, JR, SYLVESTER	08/01/2017
RUSSELL, WILLA D	12/01/2017
SANDERS, THOMAS	05/01/2017
SCHERSCHEL, JERRY L	10/01/2017
SIMS, JAMES E	04/01/2018
SPANGLER, WILLIAM C	08/01/2017
SWEARNGIN, SAMUEL C	01/01/2018
TORRES, DAVID D	07/01/2017
TOTH, TERESA A	01/01/2018
WALDON, DION E	04/01/2018
WALL, PAMELA J	12/01/2017
WASHINGTON, CLEVEN L	09/01/2017
WATSON, DIANN	01/01/2018
WHALEN, KATHLEEN M	10/01/2017
WILLIAMS, RANDOLPH	05/01/2018
ZARING, BARBARA J	10/01/2017

NORMAL RETIREMENTS

Name	Date of Annuity
BARCHAK, STEPHEN J	01/01/2018
BLACKWELL, LARRY R	11/01/2017
CHRISTIAN, LOIS J	01/01/2018
CLIFTON, ROBERT N	03/01/2018

CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 MEMBERSHIP
 Year Ended April 30, 2018

CODER, JUDITH A	01/01/2018
DEY, KEVIN J	05/01/2018
DOWNNS, TERRY N	01/01/2018
ECKARDT, JOHN	10/01/2017
GALLAGHER, PATRICIA L	05/01/2018
GENTILE, JOSEPH J	01/01/2018
HEDSTROM, JAMES M	10/01/2017
HEFT, WARREN A	08/01/2017
HORN, WILLIAM A	07/01/2017
JOHNSON, FLOYD E	06/01/2017
JONES, ROBERT R	01/01/2018
KIRK, JOSEPH R	01/01/2018
LUCAS, RUDOLPH H	02/01/2018
MACATO, CECILIA M	03/01/2018
MUNCY, PHILIP I	10/01/2017
O'DONNELL, JUDITH L	09/01/2017
PARTRIDGE, KATHLEEN D	05/01/2018
RYAN, RAYMOND H	10/01/2017
STAFFORD, JOYCE M	07/01/2017
THIGPEN, III, JOHN	01/01/2018
VALENCIANO, CARLOS E	05/01/2017
WALSH, STEPHEN D	08/01/2017
WILSON, RUTH A	01/01/2018
WOLFE, WILLIAM	10/01/2017

ELECTED OFFICIALS' RETIREMENTS

Name	Date of Annuity
FRANCO, ELENA M	10/01/2017

DEFERRED ANNUITIES

Name	Date of Annuity
BURTON, CAROLYN A	07/01/2017
CAUTHEN, WAYNE A	07/01/2017
COFRAN, DANIEL R	10/01/2010
DICKEY, HOWARD W	04/01/2018
DOENGES, PIERRE G	02/01/2017
FALKIN, LARRY W	11/01/2017
FINDLEY, ANNA M	07/01/2017
GREGORY, MICHAEL J	07/01/2016
KHAN, AHSANUL	02/01/2018
KILBANE, ROBIN P	09/01/2017
LINDSAY, FLORENCE L	12/01/2017
MAUPIN, SAM A	09/01/2017
McKELVY, NORMA L	12/01/2013
RECKMAN, RUSSELL S	09/01/2017
RHUEMS, MARK A	11/01/2017
RIDGEWAY, DEBBIE L	02/01/2018
SCOTT, DEBORAH A	09/01/2013
SPANGLER, KRISTINE L	08/01/2017
VAN DE VYVERE, DOUGLAS A	10/01/2016
WARNER, DARRELL K	11/01/2017
WHITE, LOUIS A	06/01/2017

EARLY RETIREMENTS

Name	Date of Annuity
GRAHAM, MICHAEL M	11/01/2017
HARRIS, JR, CLAUDE E	06/01/2017
HAWKINS, DIANE C	08/01/2017
JOHNSON, MARY K	02/01/2018
McCALLOP, II, WILLIAM J	06/01/2017
McINTOSH, TESSELL B	03/01/2017
MURRAY, SR, RODNEY A	01/01/2018
OTTO, DIANA R	03/01/2018
STANNARD, JEAN A	04/01/2018
THOMAS, MICHELLE C	03/01/2018

**IN MEMORIAM
 MEMBER DEATHS
 ACTIVE EMPLOYEES**

Name	Date of Death
GANNON, BRUCE A	12/04/2017
JOHNSON, GUY R	07/22/2017

CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 MEMBERSHIP
 Year Ended April 30, 2018

LOGAN, III, GEORGE F 07/02/2017
 PENN, ROGER E 01/15/2018
 PETERSON, ARTHUR L 02/23/2018
 POOLER, VINCENT 03/06/2018
 SHAFFORD, ROBERT F 09/22/2017

HOY, NORMA L 04/12/2018
 HUGHES, SCOTT A 05/01/2017
 JOHNSON, EDWARD L 12/27/2017
 JONES, HAROLD A 03/15/2018
 KENNEDY, ALVIN E 12/08/2017
 KENNON, JoANN 10/03/2017
 KING, JOHN M 06/15/2017
 KOPP, EILEEN M 03/10/2018
 LAYNE, PHILLIP A 08/24/2017
 LEEDS, LOWELL J 04/11/2018
 LEIGH, C E 10/07/2017
 LOGAN, ARTHUR V 03/30/2018
 LOGAN, WILLIAM K 01/10/2018
 MANN, RICHARD L 10/23/2017
 MELLON, GERALD F 03/29/2018
 MILLER, HERBERT 10/23/2017
 MOSBY, JOYCE Y 08/30/2017
 NEWTON, MICHAEL C 07/06/2017
 NODWELL, NORMA L 05/23/2017
 OWENS, VEOTIS 02/05/2018
 PAPIKIAN, IGOR T 10/09/2017
 PARRISH, BILLY J 09/29/2017
 PHILLIPS, NORMAN E 09/17/2017
 PIEPERGERDES, NORMAL L 02/10/2018
 POUNDS, BOBBIE J 11/23/2017
 POWELL, ERDENE J 01/17/2018
 REIFEL, ROBERT R 11/06/2017
 ROCHA, ESTHER 12/23/2017
 SALERNO, H KATHLEEN 04/09/2018
 SANDERS, DELBERT D 06/21/2017
 SCHMALZ, ANTHONY 03/12/2018
 SCOTT, MICHAEL L 12/02/2017
 SILVA, FREDERICK J 01/06/2018
 SMITH, THOMAS J 05/05/2017
 SPIES, MARIANNA Y 04/04/2018
 TANNER, LINDA D 09/01/2017
 TAYLOR, CHARLES A 12/11/2017
 TORRES, DAN K 12/20/2017
 WADLEY, CAROL 04/15/2018
 WALKER, GUY 12/14/2017
 WARREN, DALE C 06/08/2017
 WEBER, JR, CHARLES J 10/28/2017

**IN MEMORIAM
 MEMBER DEATHS
 RETIREES**

Name	Date of Death
ABERCROMBIE, MARGARET A	05/23/2017
ADAMS, DONALD L	06/23/2017
BALL, LOUETTA	06/12/2017
BARNES, CHARLES L	11/23/2017
BLACK, SR, SIDNEY J	02/03/2018
BLESSEN, ELIZABETH E	04/18/2018
BROWN, CARL V	02/18/2018
BROWN, FLOYD	02/26/2018
BROWN, SHIRLEY A	04/27/2018
BURNS, SHIRLEY A	04/07/2018
CAREY, ROBERT E	05/27/2018
DARROW, ARTHUR H	06/24/2017
DEAN, MARY L	10/30/2017
DELANEY, BEVERLY B	09/28/2017
DREW, GARY M	12/10/2017
DYE, JUANITA F	03/09/2018
ENGELHARDT, ALVIN J	05/15/2017
GILLESPIE, WOODY D	04/20/2018
GREEN, BETTY J	10/05/2017
GRIDDINE, SAMUEL T	01/09/2018
HACHEY, JOSEPH R	03/14/2018
HAKE, WILLIAM J	09/13/2017
HARDIN, JAMES L	08/25/2017
HARRIS, TERRY	06/13/2017
HILL, SYLVESTER	08/11/2017
HOLT, DONALD R	06/20/2017
HOUSTON, DESSIE L	11/26/2017
HOWARD, THEODORE V	02/20/2018

CITY of KANSAS CITY, MISSOURI
 EMPLOYEES' RETIREMENT SYSTEM
 MEMBERSHIP
 Year Ended April 30, 2018

WEISSINGER, DONALD L	08/09/2017
WELTON, HAROLD L	02/12/2018
WHITE, RICHARD E	07/01/2017
WILLIAMS, JOHN B	11/25/2017
WILLIAMS, WILBERT J	08/19/2017
WOODWARD, JR, DONALD O	03/26/2018
WRIGHT, RICHARD J	01/06/218
YEAGER, PATRICIA A	01/31/2018

SURVIVING SPOUSE ANNUITIES

Name	Date of Annuity
BALL, ROBERT	07/01/2017
BROWN, EARLENE	03/01/2018
BROWN, ELENA A	03/01/2018
BURNS, LARRY J	05/01/2018
CAREY, MILDRED J	06/01/2017
DANIELSEN, JANISE M	01/01/2018
HACHEY, MARILYN J	04/01/2018
HOLT, MARY A	07/01/2017
JOHNSON, PATRICIA A	08/01/2017
KOPP, GEORGE R	04/01/2018
LAYNE, ILENE	09/01/2017
LEIGH, JANET L	11/01/2017
MILLER, ELIZABETH A	11/01/2017
OWENS, CELESTE E	03/01/2018
PAPIKIAN, KARINE A	11/01/2017
PARRISH, BETTY B	10/01/2017
PETERSON, LISA M	03/01/2018
PIEPERGERDES, QUENTIN B	03/01/2018
REIFEL, KAY L	12/01/2017
RONEY, JOHN P	05/01/2017
SANDERS, KATHERINE A	07/01/2017
SCOTT, TERRIE	01/01/2018
SILVA, DONNA J	02/01/2018
TORRES, ALICE M	01/01/2018
WEBER, LINDA K	11/01/2017
WEISSINGER, CAROLLE	09/01/2017
WILLIAMS, MOLLY K	12/01/2017

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
CURRENT EMPLOYEE
REQUEST FOR INFORMATION

A. DATE SUBMITTED: _____ (Please indicate information you are requesting)

NAME: _____ EMPLID: _____

INTERDEPARTMENTAL MAILING ADDRESS/PHONE #: _____

_____ Check if you wish to pick up
information in the Retirement Division, 10th floor of City Hall.

CHECK EACH CATEGORY of INFORMATION REQUESTED

B. _____ Retirement Estimate _____ Single _____ Married

Employee's Birthdate: _____ Spouse's Birthdate: _____

Estimated/Actual Retirement Date: _____ (Must be 1st day of month)

C. **GENERAL RETIREMENT INFORMATION**

_____ Deferred Pension (SEPARATING WITH MORE THAN 5 YEARS of SERVICE)

Scheduled Date of Separation: _____ (Complete Section B Also)

_____ Actual Retirement

(Call 513-1928 to make an appointment at least one month prior to your retirement date. Also, request an estimate of benefits.)

_____ Retirement System Overview

_____ Current Amount of Employee Contributions

_____ Repurchase of Creditable Service (Period to be Repurchased _____)

_____ Other _____

D. _____ Refund/Rollover of Employee Contributions

Birthdate: _____ Phone #: _____

Scheduled Date of Separation: _____

Mailing Address: _____

Signature: _____

Return this form to: Retirement Division, 414 East 12th St, 10th Floor, Kansas City, MO 64106.
816.513.1928.

CITY of KANSAS CITY, MISSOURI
EMPLOYEES' RETIREMENT SYSTEM
RETIRED EMPLOYEE
CHANGE of INFORMATION

DATE SUBMITTED: _____

NAME: _____

SSN: _____

PHONE #: _____

CHANGE of ADDRESS and/or PHONE NUMBER

Old Phone #: _____

New Phone #: _____

Old Address: _____

New Address: _____

CHANGE of BENEFICIARY (AT LEAST 18 YEARS OF AGE)

From: _____

To: _____

SSN: _____

SSN: _____

Address: _____

Address: _____

CHANGE of INSURANCE COVERAGE

COMPANY: _____

_____ Medicare (Enclose Copy of Medicare Card)

_____ Retiree

_____ Spouse

_____ Cancel Coverage

_____ Retiree

_____ Spouse

_____ Dependent

Effective Date: _____

_____ Request for verification of Pension Benefit

Send to: _____

Signature: _____

Return this form to: Retirement Division, 414 East 12th St, 10th Floor, Kansas City, MO 64106.
816.513.1928.