

MINUTES OF MEETING #405
BOARD OF DIRECTORS
KENTUCKY RETIREMENT SYSTEMS
SPECIAL MEETING AUGUST 24, 2016 AT 10:00A.M.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601

At the Special Meeting of the Board of Directors held on August 24, 2016, the following members were present: John Farris (Chair), John Chilton, Ed Davis, Dave Eager, JT Fulkerson, Joseph Hardesty, David Harris, Vince Lang, Keith Percy, Mary Helen Peter, Neil Ramsey, David Rich, Sec. Thomas Stephens, and William Summers. Staff members present were William Thielen, Karen Roggenkamp, Rebecca Stephens, David Peden, Brian Thomas, Dick Brown, Todd Coleman, Connie Davis, Connie Pettyjohn, Marlane Robinson, Shawn Sparks, Erica Bradley, Scarlett Consalvi, Ann Case, Shaun Case, Alane Foley, Jennifer Jones, Samantha Payne, Katherine Rupinen, and Leigh Taylor. Also present were Rebecca Heckler, Frank Willey, Jim Carroll, Larry Totten, Brad Gross, Jacqueline Pitts, Kevin Wheatley, Jodi Whitaker, Leslie Bilby, Teresa Sanders, Betty Pendergrass, Ryland Barton, and Morgan Watkins.

Mr. Farris called the meeting to order and introduced Mr. Thielen, who provided background on Executive Order 2016-340. Mr. Chilton, Mr. Harris, and Mr. Ramsey were previously sworn in at the August 23, 2016 Investment Committee meeting; Ms. Taylor, as Notary, administered the Oath of Office to the remaining Directors. The newest Directors provided were welcomed to the Board and each provided a brief introduction. Mr. Thielen noted that Executive Order 2016-340 did not provide for per diem and preparation compensation; Mr. Farris noted the Governor's Office had taken this provision under review and the new Committee membership would be announced by August 29, 2016. Senior staff was introduced by Mr. Thielen.

Mr. Farris introduced agenda item *Discussion Regarding Kentucky Employers Health Plan Living Well Promise*. Ms. Stephens reviewed the memo for the Board of Directors. This report was provided for informational purposes only.

Mr. Farris introduced agenda item *Update on KRS Response to State Budget Director and Governor Request for KRS Data*. Mr. Chilton provided a brief update on the status of the Pension Performance and Best Practices analysis. Ms. Roggenkamp noted that KRS had submitted the information requested on August 10, 2016 and Staff would be available to provide any additional information if requested. This report was provided for informational purposes only.

Mr. Farris introduced agenda item *Personnel Report*. Ms. Robinson provided a brief update on current staff and impacts of pending retirements, as well as transitions to the State Personnel System 18A. This report was provided for informational purposes only.

Mr. Farris introduced agenda item *Investment Update*. Mr. Peden provided an overview on activity in the previous quarter and encouraged communication and education for all KRS Board Directors, KRS members, and constituents. This report was provided for informational purposes only.

Mr. Farris introduced agenda item *Executive Director Search Update*. Mr. Thielen reported that the five responses to the Executive Director Search RFP have been evaluated and graded by senior staff. This report was provided for informational purposes only.

Mr. Farris introduced agenda item *Appointment of Acting Executive Director*. Mr. Lang moved and was seconded by Ms. Peter to enter closed session. Mr. Farris read the following statement: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider the appointment and member account information of an employee, pursuant to KRS 61.810(1)(f) and KRS 61.810(1)(k). It is necessary to enter closed session because of the sensitive nature of the material to be considered regarding this employee, and the requirement of KRS 61.661(1) that each member's account be administered in a confidential manner. The meeting moved into closed session.

All attendees excepting the KRS Board of Directors exited the meeting. Mr. Eager exited the meeting during closed session.

Mr. Farris called the meeting back to order in open session and recapped the discussion from closed session. Mr. Ramsey moved and was seconded by Mr. Harris for Mr. Eager to resign from the KRS Board of Directors and be named Interim Executive Director of KRS, allowing Mr. Farris the right to negotiate salary. The motion passed unanimously with Mr. Eager abstaining. Mr. Eager was congratulated by the KRS Board of Directors and Staff.

Mr. Farris introduced agenda item *Legal Update/Pending Litigation*. Mr. Lang moved and was seconded by Mr. Ramsey to enter closed session. Mr. Farris read the following statement: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege. The meeting moved into closed session.

All public attendees, Ms. Peter, Sec. Stephens, Mr. Eager, and KRS Staff excepting Mr. Thomas exited the meeting.

Mr. Farris called the meeting back into open session with no action having been taken in closed session. There being no further business, the meeting adjourned at 1:17 p.m. to meet on September 8, 2016 or upon the call of the Interim Executive Director or the Chair of the Board of Directors.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Directors as of August 24, 2016.

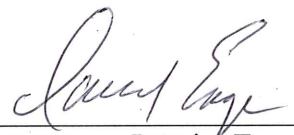
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CERTIFICATION

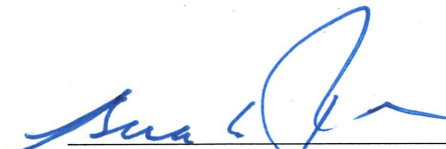
I do certify that I was present at this meeting, and I have recorded the above actions of the Directors on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.


Recording Secretary

We, the Chair of the Board of Directors of the Kentucky Retirement Systems and Executive Director of the Kentucky Retirement Systems, do certify that the Minutes of Meeting Number 405, held on August 24, 2016, were approved on September 15, 2016.


Chair of the Board of Directors
Interim Executive Director

I, Brian C. Thomas, have reviewed the Minutes of the August 24, 2016 Board of Directors Meeting for content, form, and legality.


General Counsel