

MINUTES OF MEETING #406
BOARD OF DIRECTORS
KENTUCKY RETIREMENT SYSTEMS
SPECIAL MEETING SEPTEMBER 15, 2016 AT 10:00A.M.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601

At the Special Meeting of the Board of Directors held on September 15, 2016, the following members were present: John Farris, Chair; John Chilton, William Cook, Ed Davis, Thomas Elliott, Joseph Hardesty, David Harris, Vince Lang, Keith Percy, Mary Helen Peter, Neil Ramsey, David Rich, and Secretary Thomas Stephens. Staff members present were David Eager, Karen Roggenkamp, Rebecca Stephens, David Peden, Brian Thomas, Dick Brown, Connie Davis, Connie Pettyjohn, Marlane Robinson, Shawn Sparks, Erica Bradley, Shaun Case, Alane Foley, Samantha Payne, and Leigh Taylor. Also present were Jim Carroll, Teresa Sanders, Brad Gross, Rebecca Hecker, Jodi Whitaker, Jennifer Black Hans, Jenny Goins, Mary Elizabeth Bailey, Rick Davis, Jean Roederer, Richard Hobbs, Jim Bondurant, Duane Murner, Betty Pendergrass, Jerry Powell, Dallan Harper, Steve Starkweather, Shellie Hampton, Laura Thompson, and Carla Whaley, Larry, Lowe, Tracey Garrison of Humana.

Mr. Farris called the meeting to order. Ms. Taylor, as Notary, administered the Oath of Office to Mr. Cook. Mr. Cook was welcomed to the Board and provided a brief introduction of his professional background.

Mr. Farris introduced agenda item *Approval of Minutes – May 19 2016 and August 24, 2016*. Mr. Lang moved and was seconded by Mr. Percy to accept the minutes as presented. The motion carried unanimously.

Mr. Farris introduced agenda item *Retiree Health Care Committee Report*. Mr. Hardesty and Ms. Pettyjohn reviewed the information from the September 1, 2016. Ms. Pettyjohn noted the rate information was under embargo and therefore would not be referenced during discussion. Secretary Stephens moved and was seconded by Mr. Hardesty to accept the recommendations of the September 1, 2016 Retiree Health Care Committee regarding plans and contribution rates for

Medicare Eligible Retirees and Non-Medicare Eligible Retirees. The motion carried unanimously. Ms. Peter moved and was seconded by Mr. Peercy to accept the recommendations of the September 1, 2016 Retiree Health Care Committee regarding plans and contribution rates for Hazardous Duty Spouse and Eligible Dependent Verification. The motion carried unanimously.

Mr. Farris introduced agenda item *Human Resources Committee Report*. Secretary Stephens provided a brief summary of the September 15, 2016 meeting and focused on the transition to 18A. Secretary Stephens moved and was seconded by Mr. Rich to accept the recommendations of the September 15, 2016 Human Resources Committee. The motion carried unanimously.

Mr. Farris introduced agenda item *Investment Update* and introduced a letter from Mr. Cook stating his recusal from any and all discussion regarding Kohlberg, Kravis, Roberts & Co. L.P. (Attachment 1). Mr. Harris provided a summary of the goals of the Investment Committee, working alongside the KRS Investment Department, to streamline the overall investment approach, identify cost reductions, and focus on funding liability. Mr. Peden recapped the August 23, 2016 Investment Committee Report for the Board. Secretary Stephens moved and was seconded by Mr. Cook to accept the actions of the August 23, 2016 Investment Committee. Mr. Peden recommended to the Board to modify an action taken by the Investment Committee regarding its approved investment in Kayne Anderson Energy Fund, to increase the committed capital amount to Kayne Anderson Energy Fund VII and accept the negotiated fee. Ms. Peter moved and was seconded by Mr. Cook to approve the new investment fee and structure with Kayne Anderson. The motion passed unanimously.

Mr. Farris introduced agenda item *CERS Winter/Spring 2017 Board Nomination*. Mr. Eager explained the ballot nomination process to the Board. Nominees who were in attendance were invited to give a short verbal introduction. As there were no nominations from the floor, ballots were distributed to the Board and voting commenced. Mr. Lang moved and was seconded by Mr. Davis to accept the ballot nominations. The motion passed unanimously.

There being no further business, the meeting adjourned at 11:30 a.m. to meet on December 1, 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 September 15, 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 406, held on September 15, 2016, were approved on December 1, 2016.


Chair of the Board of Directors


Interim Executive Director

I have reviewed the Minutes of the September 15, 2016 Special Called Board of Directors Meeting for content, form, and legality.


Legal Counsel