

**MINUTES OF MEETING #420**  
**BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS**  
**MEETING DECEMBER 17, 2018 AT 9:00A.M.**  
**1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At a Regular Meeting of the Board of Trustees held on December 17, 2018 the following members were present: David Harris (Chair), Joe Brothers, Raymond Connell (arrived at 10:00 a.m.), Kelly Downard, JT Fulkerson, David Gallagher, Sherry Kremer, Matthew Monteiro, Keith Peercy, Betty Pendergrass, Neil Ramsey (arrived at 9:46 a.m), David Rich, and Sec. Thomas Stephens. Staff members present were David Eager, Karen Roggenkamp, Mark Blackwell, Erin Surratt, Connie Davis, Kristen Coffey, Connie Pettyjohn, Katherine Rupinen, Joseph Bowman, Shaun Case, Shawn Sparks, Jared Crawford, Jerry Yang, Phillip Cook, Andy Kiehl, Elizabeth Smith and Alane Foley. Also present were Larry Totten, Jim Carroll, Zach Ireland, Teresa Sanders, Jenny Goins, Eric Kennedy, Michele Hill, Steve Starkweather, Janie Shaw (GRS) and Danny White (GRS).

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Mr. Harris called the meeting to order.

Ms. Alane Foley called roll.

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Mr. Harris introduced agenda item *Approval of Minutes- November 8, 2018*. A motion was made by Ms. Pendergrass and seconded by Secretary Stephens to approve the minutes as presented. The motion passed unanimously.

*Mr. Harris exited the meeting. Mr. Peercy (Vice-Chair) will assume the role of Chair in his absence.*

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Being that there was no public comment, Mr. Peercy introduced agenda item *Actuarial Valuations*. Ms. Roggenkamp introduced Mr. Danny White from GRS, actuarial valuations and contribution rates were discussed with the Board. Secretary Stephens made a motion and was seconded by Mr. Brothers to approve the actuarial valuations for year ending June 30, 2018. A motion was made by Mr. Cook and seconded by Ms. Pendergrass to approve fiscal year 2020

contribution rates for CERS HAZ (39.58%) and CERS Non-HAZ (24.06%). These motions passed unanimously.

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Mr. Peercy introduced agenda item *Retiree Health Care Committee Report*. Mr. Rich and Ms. Pettyjohn provided details of the recent Retiree Health Care Committee Meeting. This was for informational purposes only.

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Mr. Peercy introduced agenda item *Audit Committee Report*. Ms. Coffey provided details of the recent Audit Committee Meeting. A motion was made by Ms. Pendergrass and seconded by Mr. Downard to ratify the Audit Committee's approval of the audited financial statements for year ending June 30, 2018. A motion was made by Ms. Pendergrass and seconded by Mr. Rich to ratify the Audit Committee's approval of the Comprehensive Annual Report (CAFR) for year ending June 30, 2018. These motions passed unanimously.

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Mr. Peercy introduced agenda item *Legislative Update*. Mr. Eager provided an overview of "KRS's Request to the PPOB for Legislative Inclusions in the 2019 General Assembly". This was provided for informational purposes only.

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Mr. Peercy introduced agenda item *Investment Committee and Investment Portfolio Quarterly Report*. Mr. Ramsey and Mr. Kiehl provided an investment update to the Board. A motion was made by Mr. Fulkerson and seconded by Mr. Downard to ratify and approve the Investment Committee agreement to retain Loomis Sayles to manage a Core Fixed Income mandate up to \$1B. The motion passed unanimously.

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Mr. Eager provided an update on KRS retirement trends and staffing. This was presented for informational purposes only.

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Mr. Percy introduced agenda item *Creation of Investment Committee Advisory Role*. Mr. Eager presented a proposed amendment to the bylaws of the Board of Trustees whereby the establishment, definition and role of an Independent Advisor be authorized. Mr. Eager and Mr. Blackwell discussed the significance of this new role with the Board. A motion was made by Mr. Cook and seconded by Mr. Rich to amend the bylaws to establish an Independent Advisor role, as presented. There was a roll call vote taken: Mr. Brothers (Y), Mr. Connell (Y), Mr. Cook (Y), Mr. Downard (Y), Mr. Fulkerson (Y), Mr. Gallagher (Y), Ms. Kremer (Y), Mr. Monteiro (Y), Mr. Percy (Y), Ms. Pendergrass (N), Mr. Rich (Y) and Secretary Stephens (Y). Mr. Ramsey abstained. The motion passed by majority vote.

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Mr. Percy introduced agenda item *Closed Session*. A motion was made by Mr. Rich and seconded by Secretary Stephens to go in to closed session. The motion passed unanimously.

Mr. Percy read the following statement and the meeting moved into closed session: 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. All public attendees exited the meeting.

Mr. Percy called the meeting back in to open session. A motion was made by Mr. Downard and seconded by Mr. Fulkerson to approve the presentation to be made at PPOB today, December 17, 2018 as amended in Closed Session. The motion passed unanimously.

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There being no further business, a motion was made by Ms. Pendergrass and seconded by Secretary Stephens to adjourn the meeting at 11:39 a.m. to meet again on February 21, 2019 or upon the call of the Executive Director or the Chair of the Board of Trustees.

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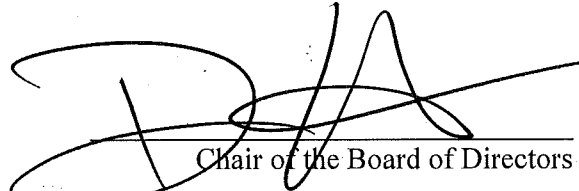
Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees as of December 17, 2018

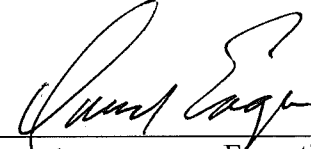
**CERTIFICATION**

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.

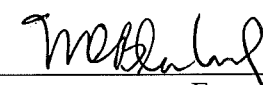
  
Recording Secretary

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 420, held on December 17, 2018, were approved on February 21, 2019.

  
Chair of the Board of Directors

  
Executive Director

I have reviewed the Minutes of the December 17, 2018 Board of Trustees Meeting for content, form, and legality.

  
Executive Director  
Office of Legal Services