

MINUTES OF MEETING #429
BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS
QUARTERLY MEETING MAY 21, 2020 AT 10:00A.M.
VIA LIVE VIDEO TELECONFERENCE DUE TO SB 150,
SIGNED INTO LAW BY THE GOVERNOR ON MARCH 30, 2020,
AND EXECUTIVE ORDER 2020-215 DECLARING A STATE OF EMERGENCY
EFFECTIVE MARCH 6, 2020 DUE TO COVID-19

At the Quarterly Meeting of the Board of Trustees held on May 21, 2020 the following members were present: David Harris (Chair), Joe Brothers, John Chilton (arrived at 10:10 a.m.), John Cheshire, Raymond Connell, Kelly Downard, JT Fulkerson, Joseph Grossman, Sherry Kremer, Prewitt Lane, Keith Percy, Betty Pendergrass, Jerry Powell, David Rich and Sec. Gerina Whethers. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Kathy Rupinen, Rich Robben, Connie Davis, D'Juan Surratt, Kristen Coffey, Connie Pettyjohn, Ann Case, Elizabeth Smith, Shaun Case, Phillip Cook and Alane Foley.

Mr. Harris called the meeting to order.

Ms. Alane Foley called roll.

Mr. Harris introduced agenda item *Swearing in of Secretary Gerina Whethers*. Ms. Alane Foley, as Notary, administered the Oath of Office to Secretary Whethers.

Being no *Public Comment*, Mr. Harris introduced agenda item *Approval of Minutes- April 16, 2020*. A motion was made by Mr. Brothers and was seconded by Ms. Pendergrass to approve the minutes as presented. The motion passed unanimously.

Mr. Harris introduced agenda item *Investment Committee Portfolio Report; Blue Torch and Putnam Recommendations*. Mr. Rich Robben provided a performance update as well as details on managers, Blue Torch and Putnam. Mr. Fulkerson moved and was seconded by Mr. Cheshire to approve an allocation of \$200 mil to Blue Torch. The motion passed with a majority vote via a roll call vote.

Ms. Pendergrass moved and was seconded by Mr. Fulkerson to approve the replacement of PIMCO All Asset Fund and Nuveen Real Return investments with Putnam's Dynamic Asset allocation strategy. The motion passed unanimously via a roll call vote.

Mr. Harris introduced agenda item *Review and Approve Economic Assumptions for All Plans*. Ms. Pendergrass made a motion and was seconded by Mr. Fulkerson to approve the GRS recommendation to continue to use a 2.3% inflation assumption for all retirement plans. The motion passed unanimously via a roll call vote. Mr. Fulkerson made a motion and was seconded by Mr. Grossman to approve the GRS recommendations to continue to use the following investment returns assumptions: 6.25% for CERS, KERS-H and all insurance plans and 5.25% for KERS-NH and SPRS pension funds. The motion passed unanimously via a roll call vote. Ms. Pendergrass made a motion and was seconded by Mr. Downard to approve the GRS recommendation to continue to use the payroll growth assumption of 2% for CERS and KERS-H and 0% for KERS-NH and SPRS pension funds. The motion passed with a majority vote via a roll call vote.

Mr. Harris introduced agenda item *GRS June 30, 2020 Projections*. Mr. Eager discussed the projections with the Trustees. This was presented for informational purposes only.

Mr. Harris introduced agenda item *Audit Committee Report*. Ms. Kristen Coffey provided an updated on the CERS Board of Trustees Election Update. Ms. Rebecca Adkins provided the financial statements, cash flow/net position report and budget to actual report. Mr. D'Juan Surratt provided details regarding the hazardous duty position requests. Mr. Rich made a motion to accept the hazardous duty position requests for Elliott County Fiscal Court, Kentucky State University and the City of Winchester. Ms. Pendergrass abstained from the vote in regards to the City of Winchester. The motion passed unanimously.

Mr. Harris introduced agenda item *Retiree Health Plan Committee Update*. Mr. Rich and Ms. Connie Pettyjohn provided an update to the Trustees. This was provided for informational purposes only.

Mr. Harris introduced agenda item *Fiduciary Liability Insurance*. Mr. Fulkerson made a motion and was seconded by Mr. Lane to continue to self-insure for fiduciary liability insurance. The motion passed unanimously.

Mr. Harris introduced agenda item *Committee Assignments*. Ms. Betty Pendergrass will be added to the Investment Committee and Mr. Neil Ramsey will no longer act as Independent Advisor to the Investment Committee. This was provided for informational purposes.

Mr. David Eager, Ms. Rebecca Adkins and Ms. Erin Surratt provided a *KRS Update* including *Working Through the Pandemic* and *HB 484 Work Plan and Status*.

A motion was made by Ms. Pendergrass and seconded by Mr. Rich to go in to closed session. The motion passed unanimously.

Ms. Kathy Rupinen 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 the appointment (discipline/dismissal) 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 was called back into open session.

Mr. Downard made a motion and was seconded by Mr. Rich to extend Mr. David Eager's Executive Director contract as presented effective July 1, 2020 for a period of one year versus the 2 year contract approved at the April 16, 2020 Board Meeting; Cabinet of Finance has agree to waive the right to a RFP assuming the one year contract is approved. The motion passed unanimously.

There being no further business, a motion was made by Mr. Connell and seconded by Ms. Kremer to adjourn the meeting, to meet again on September 10, 2020 or upon the call of the Executive Director or the Chair of the Board of Trustees. The motion passed unanimously.

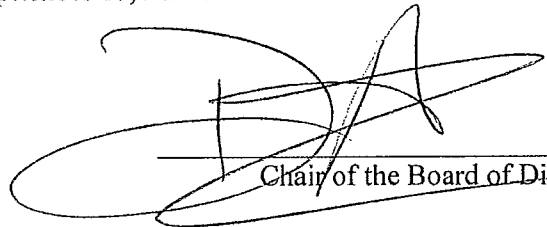
Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held May 21, 2020 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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.

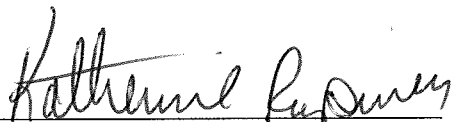

Recording Secretary

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 429, held on May 21, 2020 were approved on September 10, 2020.


Chair of the Board of Directors

/s/ David Eager
Executive Director

I have reviewed the Minutes of the May 21, 2020 Board of Trustees Meeting for content, form, and legality.


Interim Executive Director
Office of Legal Services