

MINUTES OF MEETING #431
BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS
QUARTERLY MEETING NOVEMBER 12, 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 meeting of the Board of Trustees held on November 12, 2020 the following members were present: David Harris (Chair), Joe Brothers, John Chilton, John Cheshire, Raymond Connell, Kelly Downard, JT Fulkerson, Joseph Grossman, Sherry Kremer, Prewitt Lane, Matthew Monteiro, Keith Percy, Betty Pendergrass, Jerry Powell, David Rich and Sec. Gerina Whethers. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Kathy Rupinen, Connie Davis, D’Juan Surratt, Kristen Coffey, Connie Pettyjohn, Ann Case, Elizabeth Smith, Victoria Hale, Carrie Bass, Shaun Case, Phillip Cook, Steve Willer, Lisa Perry and Alane Foley. Also in attendance were Tracey Garrison, Larry Loew and Carla Whaley from Humana as well as Danny White and Janie Shaw from GRS.

Mr. Harris called the meeting to order.

Ms. Alane Foley called roll.

Mr. Harris opened the meeting by stating the order of some agenda items would be changing. Item #6 *Approval of the CERS Health Insurance Trust Documents* will be moved to Item #4.

We received a written statement from Mr. Jim Carroll for *Public Comment*. Ms. Alane Foley read the following statement from Mr. Carroll:

As president of Kentucky Government Retirees, I commend the Kentucky Retirement Systems staff for its outstanding work during difficult conditions arising from the pandemic. We appreciate that live streaming is the only alternative currently available for conducting public meetings. However, we point out that it is impossible for members of the public to meaningfully follow board deliberations that rely on board materials that are impossible to read on the computer screen. We point out that in the past, KRS board materials were posted online in advance of meetings. We

request that the board consider resuming that practice so that KRS stakeholders can fully participate in public meetings as envisioned by the Open Meetings law. Thank you, Jim Carroll, President, Kentucky Government Retirees.

Mr. David Eager and Mr. Harris both thanked Mr. Carroll for his support and feedback. KRS will now begin posting meeting material to the website prior to meetings for the public. In addition, in the future, meeting minutes will provide greater detail to improve transparency.

Mr. Harris introduced agenda item *Approval of Minutes- September 10 and 16, 2020*. A motion was made by Mr. Fulkerson and was seconded by Mr. Chilton to approve the minutes as presented. The motion passed unanimously.

Mr. Harris introduced agenda item *Approval of the CERS Health Insurance Trust Document*. Mr. Harris introduced Mr. Christopher Sears from ICE Miller. Mr. Sears and Ms. Kathy Rupinen provided details and answered questions from the Trustees regarding the Private Letter Ruling from the IRS, which would establish the qualified tax status of the insurance trust fund. Ms. Pendergrass suggested that the three current CERS Trustees work alongside the KRS Legal Division to prepare the document for submission to the IRS. Mr. Harris, Ms. Pendergrass and Mr. Powell suggests an ad hoc committee for the CERS Health Insurance Trust Document preparation.

Mr. Harris introduced agenda item *Draft 2020 Actuarial Valuations*. Mr. Harris introduced Mr. Danny White and Ms. Janie Shaw from GRS. They provided the valuation results as of June 30, 2020 for KERS-NH, KERS-H, CERS-NH, CERS-H and SPRS. This was provided for information purposes only at this time.

Mr. Harris introduced agenda item *Retiree Health Plan Committee Update*. Mr. Rich and Ms. Connie Pettyjohn provided an update to the Trustees from their November 10, 2020 meeting and reviewed an informational presentation from Humana regarding the KRS Medicare Eligible Pharmacy Review for 2021, Cohere Health, 2022 STAR Ratings, 2020 Dental Utilization and 2021 COVID Support. This was provided for informational purposes only.

Mr. Harris introduced agenda item *Investment Committee Report and Recommendations*. Mr. Lane addressed the Trustees and explained that the Investment Committee will be updating the way they report to the Board, this should make investment performance easier to review. Mr. Lane then provided a performance update and provided details on the Investment Policy Statement, which was approved at the Investment Committee Meeting on November 4, 2020. Mr. Cheshire moved and was seconded by Mr. Fulkerson to ratify the Investment Policy Statement as adopted by the Investment Committee. The motion passed with the majority vote, 15(Y) and 1(N).

Mr. Harris introduced agenda item *Audit Committee Report*. Mr. Chilton advised that the Audit Committee met on November 5, 2020. The following agencies are requesting hazardous duty coverage:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
Hardin County Fiscal Court Director	Emergency Medical Services	06/01/2020
Hardin County Fiscal Court	Emergency Medical Services Deputy Director	07/01/2020
Shelby County Fiscal Court	Captain/Emergency Medical Technician (EMT)	12/01/2020
Shelby County Fiscal Court	Chief of Operations/EMT	12/01/2020
Shelby County Fiscal Court	Deputy Chief of Operations/ EMT	12/01/2020
Shelby County Fiscal Court	Sergeant/Emergency Medical Technician (EMT)	12/01/2020
Anchorage Middletown Fire and EMS	Fire Recruit – Career	09/01/2020
Office of the Attorney General	Forensic Computer Examiner I	12/01/2020
Office of the Attorney General	Forensic Computer Examiner II	12/01/2020
Office of the Attorney General	Forensic Computer Examiner III	12/01/2020

Ms. Pendergrass made a motion and was seconded by Mr. Fulkerson to ratify the approval of the hazardous duty position requests listed above. The motion passed unanimously.

Ms. Adkins will present the Financial Reports, GASB 67 and GASB 74 at the December meeting.

Mr. Harris introduced agenda item *Legislative Update and KRS Update*. Mr. Eager discussed fixed allocation BR 424, HB 484, retirement trends and a KRS staffing update. KRS Executive Staff met with Governor Andy Beshear on October 30, 2020. Ms. Erin Surratt provided details of that meeting including updating the Governor on how KRS staff is working from home, training new employees and providing customer service to the Retirees.

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

Mr. Harris 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 and to discuss the potential appointment of an employee, pursuant to KRS 61.810(1)(f). It is necessary to enter closed session because of the sensitive nature of the material to be considered regarding this employee. All public attendees exited the meeting.

Mr. Harris had to leave the meeting during Closed Session. Mr. Peercy served as Chair for the remainder of the meeting.

Mr. Peercy called the meeting back in to Open Session.

Mr. Brothers had concerns regarding public communication regarding significant internal personnel activity at KRS. With the recent resignations of the CIO and Deputy CIO, he wanted to know the reason behind that resignation. Mr. David Eager and Mr. Lane addressed the concern stating that the change was based on career opportunities. KRS Investment staff is working with Mr. Lane (Investment Committee Chair) while a replacement CIO search is underway.

Mr. Rich made a motion and was seconded by Mr. Lane to adjourn the meeting, to meet again on December 3, 2020 or upon the call of the Executive Director or the Chair of the Board of Trustees. The motion passed unanimously.

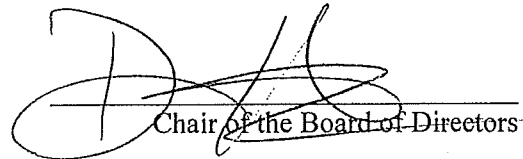
Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held November 12, 2020 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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.

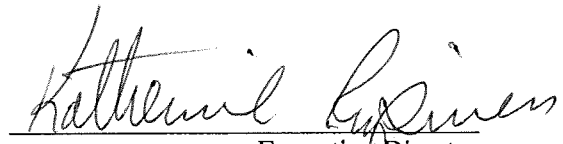

Recording Secretary

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 431, held on November 12, 2020 were approved on December 3, 2020.


Chair of the Board of Directors

/s/ David Eager
Executive Director

I have reviewed the Minutes of the November 12, 2020 Board of Trustees Meeting for content, form, and legality.


Executive Director
Office of Legal Services