MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
ANNUAL BOARD MEETING
VIA LIVE VIDEO TELECONFERENCE
APRIL 23, 2025, AT 10:00 AM EST

At the meeting of the Kentucky Public Pensions Authority held on April 23, 2025, the following members were present: Keith Peercy, George Cheatham, Dr. Merl Hackbart, Lynn Hampton, Prewitt Lane, William O'Mara, William Summers V, and Dr. Patricia Carver. Staff members present were KRS CEO John Chilton, CERS CEO Ed Owens III, Ryan Barrow, Rebecca Adkins, Erin Surratt, Michael Lamb, Kimberly Leet, Victoria Hale, Leigh Ann Davis, Connie Davis, Steve Willer, Anthony Chiu, Brian Caldwell, Ashley Gabbard, Phillip Cook, Sandy Hardin, and Sherry Rankin.

1. Mr. Peercy called the meeting to order.

2. Ms. Hale read the Legal Opening Statement.

3. Ms. Rankin called roll.

4. Mr. Peercy introduced agenda item ***Public Comment.*** Ms. Rankin indicated that there were no public comments.

5. Mr. Peercy introduced agenda item ***Approval of Minutes –KPPA Board for March 20, 2025*** *(Video 00:08:19 to 00:08:41)*. Ms. Hampton made a motion to approve the March 20, 2025, minutes as presented. Mr. O'Mara seconded the motion. The motion passed unanimously.

6. Mr. Peercy introduced agenda item ***Election of Chair*** *(Video 00:08:41 to 00:09:49).* Mr. Barrow initiated the process by opening the floor to nominations. Ms. Hampton nominated Mr. Keith Peercy for Chair of KPPA. With no other nominations presented, Ms. Hampton made a motion to approve Mr. Peercy as Chair of KPPA for the next year. Mr. Summers V seconded the motion. The motion passed unanimously.

7. Mr. Peercy introduced agenda item ***Election of Vice Chair and Committee Assignments*** *(Video 00:09:49 to 00:11:22).* Mr. Peercy initiated the process by opening the floor for nominations for Vice Chair of KPPA. Mr. Lane put forth the nomination of Mr. William O'Mara. With no other nominations presented, Mr. Lane made a motion to approve Mr. O'Mara as Vice Chair of KPPA for the next year. Mr. Cheatham seconded the motion. The motion passed unanimously.

   Regarding committee assignments, Mr. Peercy stated that he and Mr. O'Mara would review the current committee structure to determine if any changes were needed. Mr. Peercy expressed his intent to evaluate these assignments further and provide updates as necessary.

8. Mr. Peercy introduced agenda item ***GASB 68 and GASB 75 Proportionate Share Audits*** *(Video 00:11:22 to 00:12:32).* Mr. Lamb noted that during the previous meeting, a second motion for these audit reports had not been received, requiring the matter to be revisited as a technicality. Mr. Lamb recalled that Blue & Company had previously presented their audit opinion, confirming no changes to the reports or the opinion. He further emphasized that the audit reports had been made available on the website as published documents. The matter was reopened to secure a motion and vote for final approval.

   Ms. Hampton made a motion to approve the GASB 68 and GASB 75 Proportionate Share Audits as presented, and to authorize KPPA staff to publish the audits on the KPPA website. Mr. Cheatham seconded the motion. The motion passed unanimously.

9. Mr. Peercy introduced agenda item ***FY 2026 Hybrid Percentage*** *(Video 00:12:32 to 00:23:56).* Mr. Lamb provided a detailed background, explaining the history and the methodology behind the hybrid percentage allocation, which determines the administrative costs of KPPA between the CERS and KRS systems. For FY 2026, the proposed hybrid percentage allocates 64.35% to CERS and 35.65% to KRS. While some Board members were satisfied with the methodology, others suggested revisiting certain line-item allocations for equity. Two options were proposed: forming a budget work group to review the methodology or approving the current calculation effective July 1, 2025, with the possibility of revisiting it

next year. The proposal was left open for discussion and questions. The Board commended Mr. Lamb and his staff for their clear and comprehensive presentation on the hybrid percentage methodology. Mr. O'Mara proposed a three-part process: first, to approve the hybrid percentage calculation as presented, effective July 1, 2025; second, to assign staff to research specific issues that had been raised; and third, if necessary, to form a work group in the future for further discussions. He emphasized that such in-depth conversations would require time and multiple meetings. Dr. Hackbart sought clarification on whether the additional suggestions were part of the motion, which was confirmed as not being included. With no further discussion, Mr. O'Mara made the motion to approve the FY26 hybrid percentage of 64.35% for the CERS and 35.65% for the KRS to be applied to the administrative expenses of KPPA and to continue to allow the CERS and KRS Boards to determine the split for the plans under their administrative purview as presented. Ms. Hampton seconded the motion. The motion passed unanimously.

10. Mr. Peercy introduced agenda item ***KPPA Strategic Plan*** *(Video 00:23:56 to 00:31:12).* Rebecca Adkins provided an update on the KPPA Strategic Plan, detailing its implementation progress over the past year. The plan focuses on four areas: organizational excellence, customer service delivery, infrastructure, and key resources. Various initiatives within these areas were highlighted, including enhanced director training, improved customer service processes, effective use of surveys, exploration of artificial intelligence for efficiency, and leadership mentoring programs. Ms. Adkins also mentioned the issuance of a Request for Proposal (RFP) for a technical assessment to identify improvements in KPPA's operations.

11. Mr. Peercy introduced agenda item ***KPPA Update*** (*Video 00:31:12 to 00:31:46*). Mr. Barrow provided a concise update on the KPPA, noting that the main Strategic Plan update had already been covered in Rebecca Adams' presentation. The remaining updates had been previously addressed in prior meetings and were included in the meeting packet for reference. The brevity of the update was acknowledged and appreciated, with no questions or further comments raised.

12. Mr. Peercy introduced agenda item ***KPPA Service Recognition Awards*** *(Video 00:31:46 to 0034:30)*. Ms. Kimberly Leet, Assistant Director of Human Resources, presented the KPPA Service Recognition Awards. Since the last annual meeting, 34 employees have reached significant employment milestones, reflecting their dedication and the positive work environment at KPPA. An award ceremony was scheduled for later that day to honor these employees with certificates, service pins, and a celebratory gathering. The milestones recognized included: 5 years (6 employees), 10 years (6 employees), 15 years (5 employees), 20 years (2 employees), 25 years (10 employees), 30 years (3 employees), and 35 years (1 employee). The presentation highlighted the importance of recognizing and celebrating the longevity and contributions of KPPA staff.

13. Mr. Peercy introduced agenda item ***New Business*** (*Video 00:34:30 to 0034:50)*. No new business was brought forward for discussion.

12. Mr. Peercy introduced agenda item ***Closed Session*** *(Video 00:34:50 to 00:35:12)*. Mr. Peercy informed the Board that, following discussions with Mr. Michael Board, there was no perceived need for a closed session. Unless any Board members felt otherwise, a closed session would not be held. No objections were raised, and the meeting proceeded without a closed session.

13. There being no further business, Mr. Peercy ***adjourned*** the meeting.

Copies of all documents presented are incorporated as part of the Minutes of the KPPA held April 23, 2025, except documents provided during a closed session conducted pursuant to the Open Meetings Act and exempt under the Open Records Act.

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CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Board on the various items considered by it at this meeting. Further, I certify that all requirements of KRS61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

We, the Chair of the Kentucky Public Pensions Authority and Executive Director, do certify that the Minutes of Meeting held on April 23, 2025, were approved on June 26, 2025.

Keith Pearcy

KPPA Board Chair

Executive Director

I have reviewed the Minutes of the April 23, 2025, Kentucky Public Pensions Authority Meeting for content, form, and legality.

Executive Director, Office of Legal Services