

MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
ANNUAL MEETING
VIA LIVE VIDEO TELECONFERENCE
APRIL 25, 2024, AT 10:00 AM ET

At the meeting of the Kentucky Public Pensions Authority held on April 25, 2024, the following Members were present: Keith Peercy, George Cheatham, Prewitt Lane, William O'Mara, Dr. Merl Hackbart, Lynn Hampton, Jerry Powell, and William Summers, V. Staff members present were KRS CEO John Chilton, CERS CEO Ed Owens, III, David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Leigh Ann Davis, Victoria Hale, Lori Casey, Steve Willer, Anthony Chiu, Michael Lamb, Connie Davis, D'Juan Surratt, Kristen Coffey, Ashley Gabbard, Katie Park, Phillip Cook and Sherry Rankin. Others present included Katie Wright with Frost Brown Todd and Ryan Barrow with the Kentucky Office of Financial Management.

Mr. Peercy called the meeting to order.

Mr. Board read the Legal Opening Statement.

Ms. Rankin called roll.

Ms. Rankin advised that one *Public Comment* (Video 00:06:47 to 00:09:15) was received and read the comment aloud.

Submitted by Beth Mary Brueggeman

I request this comment to be made public at the meeting of the Board of Trustees of KPPA. I am a retired classified employee of Kentucky schools. I am friends with retired teachers whom I worked with for almost 20 years. During our employment, all employees selected their health insurance from the same options. Now in retirement, I am aware through research that there is a huge disparity in the plans offered teachers (Renew Active) versus KPPA (Silver Sneakers). Renew Active offers a plethora of in-person, teacher led, daily classes at local gyms (Silver Lake and Better Bodies) and specialty exercise classes (Pure Bare and Club Pilates). Silver Sneakers is primarily on-line and self directed exercise with gyms that offer little (Esporta-two water aerobic) or no (Planet Fitness) weekly classes. They offer seniors to go to very sporadic, already free classes at

Senior Centers. There isn't a senior center in Kenton County. I feel my life and health are of equal importance to all of Kentucky employees. I believe that in-person exercise has safety (assistance with modifications and correction of improper form from instructors) and social benefits, especially for retirees who find themselves trying to fill the void of former work connections. I respectfully ask that the Board of Trustees/Kentucky Retiree Health Plan Committee review and make changes to make plans for all Kentucky employees equitable. We all deserve the same chance at a long, healthy life. Thank you for your consideration of this matter. Sincerely, Beth Brueggeman.

Mr. Powell introduced agenda item ***Approval of Minutes – a) KPPA Board for March 19, 2024; March 21, 2024; March 26, 2024, and March 27, 2024, and February 7, 2024; and b) KPPA Ad Hoc Executive Search Committee for March 1, 2024*** (Video 00:09:16 to 00:10:07). Mr. Powell made a motion and was seconded by Mr. Lane to approve all minutes as presented. The motion passed unanimously.

Mr. Powell introduced agenda item ***Election of Chair*** (Video 00:10:08 to 00:11:40). Mr. Eager requested nominations for KPPA Chair. Ms. Hampton nominated Mr. Jerry Powell for the role of KPPA Chair. Mr. O'Mara seconded the nomination. The Authority declared Mr. Powell the KPPA Chair for the next year by acclamation.

Mr. Powell introduced agenda item ***Election of Vice Chair and Committee Assignments*** (Video 00:11:41 to 00:16:34). Next, Powell requested nominations for CERS Vice-Chair. Mr. Powell nominated Mr. Keith Peercy for the role of KPPA Vice-Chair. Mr. Lane seconded the nomination. The Authority declared Mr. Peercy the KPPA Vice-Chair for the next year by acclamation.

Mr. Powell stated that committee assignments would be finalized at a later date. However, Mr. Powell appointed Mr. O'Mara and Ms. Hampton to the KPPA Ad Hoc Budget Committee so that the budget process may begin. Ms. Hampton requested that Mr. Lane take her place on the KPPA Ad Hoc Budget Committee. Mr. Powell was agreeable to the request. Mr. O'Mara (Chair) and Mr. Lane agreed to serve on the committee. Mr. Powell also appointed himself, Mr. Peercy, and Mr. Cheatham to the KPPA Ad Hoc Regulation Committee. All other committee assignments were postponed.

Mr. Powell introduced agenda item ***ACFR Recommendation*** (Video 00:16:35 to 00:21:03). Mr. Lamb presented a detailed memorandum outlining his research regarding the presentation of the

Annual Comprehensive Financial Report (ACFR). Beginning with fiscal year ended June 30, 2024, he recommended that KPPA contract with an outside certified public accountant to perform two separate financial statement audits and have KPPA publish two separate ACFRs:

- One ACFR for the Kentucky Retirement Systems, inclusive of the Kentucky Employees Retirement System (KERS) and the State Police Retirement System (SPRS), and their related pension and insurance trust plans and;
- One ACFR for the County Employees Retirement System, and their related pension and insurance trust plans.

Ms. Hampton made a motion to accept the recommendation by KPPA Staff to publish two separate ACFRs as presented by the KPPA Division of Accounting. Mr. O'Mara seconded the motion and the motion passed unanimously.

Mr. Powell introduced agenda item *Approval of Employment Contract with Ryan Barrow* (Video 00:21:03 to 00:21:42). Mr. Powell requested a motion to mend the agenda and postpone discussion of the item until Mr. Summers joined the meeting. Ms. Hampton made the motion and was seconded by Mr. Cheatham. The motion passed unanimously.

Mr. Powell introduced agenda item *KPPA Strategic Plan* (Video 00:21:43 to 00:32:29). Ms. Adkins provided a brief update on the KPPA Strategic Planning process.

Mr. Powell introduced agenda item *KPPA Update* (Video 00:32:30 to 00:44:16). Mr. Eager provided a written KPPA Update. However, he provided an oral update on legislation and obtaining an office space in Louisville for the KPPA Office of Investments. Additionally, he advised that the new KPPA Executive Director, Ryan Barrow, will be meeting with several key KPPA staff members and legislators. Mr. Eager invited the Authority Members to reach out to Ms. Rankin to schedule a meeting with Mr. Barrow.

****Mr. Summers entered the meeting****

Ms. Hampton announced that Mr. Barrow may not be able to begin his service as Executive Director until mid-June. She expressed concern that a two-week transition period would not be sufficient. Therefore, Ms. Hampton asked Mr. Eager to postpone his retirement until July 31, 2024. Mr. Eager agreed; therefore, a draft contract will be presented to the Authority in June, said Mr. Board.

Ms. Hampton made a motion to add an addendum to Mr. Eager's current contract extending his service by one month. The motion was seconded by Mr. Summers and passed unanimously.

Mr. Powell introduced agenda item *Approval of Employment Contract with Ryan Barrow* (Video 00:44:17 to 01:04:38). Ms. Katie Wright with Frost Brown Todd updated the Authority Members on the contract negotiations with Ryan Barrow. She presented and reviewed a draft personal service contract for Executive Director. The most recent prior contracts with the Executive Director have been for 2-year terms; however, Mr. Barrow requested a 3-year contract term. Mr. Barrow presented his reasoning for the requested term length.

The Authority Members wished to follow suit with other current personal service contracts held with the KPPA. Mr. Peercy made a motion to approve the the employment contract for the position of Executive Director with Ryan Barrow as presented with an expiration date of June 30, 2026, for a 2-year term. Mr. Summers seconded the motion and the motion passed unanimously.

Mr. Powell introduced agenda item *KPPA Service Recognition Awards* (Video 01:04:39 to 01:15:09). Ms. Lori Casey, Division Director of Human Resources, presented the KPPA Service Recognition Awards. She congratulated those celebrating 5, 10, 15, 20, and 25 years of service to KPPA.

Mr. Powell introduced agenda item *New Business* (Video 01:15:10 to 01:46:34). Mr. Cheatham proposed that the KPPA bylaws be amended to allow CERS and KRS Trustees outside of the KPPA to be participants on KPPA Committees. Mr. Board advised that these changes are permitted. Additionally, Mr. Cheatham wished to increase the number of members on KPPA Committees to allow to greater participation and increase expertise. The KPPA Chair would appoint one additional CERS Trustee and one additional KRS Trustee based the recommendation of the respective Board Chairs, said Mr. Cheatham.

Mr. Powell proposed the following: (1) direct KPPA Staff to research and propose amendments to the KPPA bylaws allowing members from the CERS Board of Trustees and KRS Board of Trustees to be part of the committees of KPPA and that the chair of KPPA committees be KPPA members; however, the other members may be from CERS or KRS; and (2) direct KPPA Staff to research and propose amendments to the KPPA bylaws expanding each KPPA committee by two members.

Mr. Cheatham made a motion to direct KPPA Staff to research and propose amendments to the KPPA bylaws allowing non-KPPA members to serve on the KPPA committees, research the possibility of those members being non-voting ex officio members, and expand the KPPA Audit Committee by two members: one from the KRS Board of Trustees and one from the CERS Board of Trustees. Ms. Hampton seconded the motion and the motion passed unanimously.

Mr. Board advised that the KPPA Audit Committee is scheduled to meet prior to the next meeting of the KPPA; therefore, KPPA committees must continue to abide by the current bylaws until the requested amendments are reviewed and approved.

Mr. Powell introduced agenda item *Closed Session (Video 01:46:35 to 01:47:40)*. Mr. Cheatham made a motion and was seconded by Dr. Hackbart to enter closed session to discuss pending litigation. The motion passed unanimously.

Mr. Powell read the following closed session statement: A motion having been made in open session to move into a 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 matters, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the KPPA's litigation strategy and preserving any available attorney-client privilege.

All other attendees exited the meeting.

Closed Session (Video - Part 2 - 00:01:00 to 00:01:19). Mr. Powell called the meeting back to open session and stated that there would be no action taken as result of the closed session discussion.

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

Copies of all documents presented are incorporated as part of the Minutes of the KPPA held April 25, 2024, 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 Board 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.

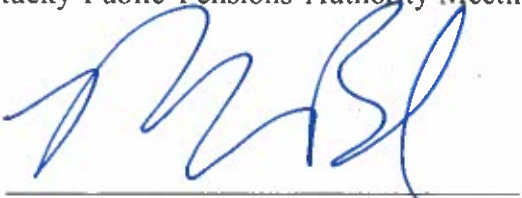

Recording Secretary

We, the Chair of the Kentucky Public Pensions Authority and Executive Director, do certify that the Minutes of Meeting held on April 25, 2024, were approved on June 27, 2024.


KPPA Board Chair


Executive Director

I have reviewed the Minutes of the April 25, 2024, Kentucky Public Pensions Authority Meeting for content, form, and legality.


Executive Director, Office of Legal Services