

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
MEETING VIA LIVE VIDEO TELECONFERENCE
APRIL 27, 2023, AT 10:00 AM ET**

At the meeting of the Kentucky Public Pensions Authority held on April 27, 2023, the following Members were present: Jerry Powell (Chair), Prewitt Lane, William O'Mara, Betty Pendergrass, Dr. Merl Hackbart, Lynn Hampton, and Keith Percy. Staff members present were KRS CEO John Chilton, CERS CEO Ed Owens, III, David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Lori Casey, Steve Willer, Anthony Chiu, Brian Caldwell, Michael Lamb, Connie Davis, Kristen Coffey, D'Juan Surratt, Ashley Gabbard, Victoria Hale, Leigh Ann Davis, Jillian Hall, Jessica Beaubien, Ann Case, Katie Park, Glenna Frasher and Sherry Rankin.

Mr. Powell called the meeting to order.

Mr. Board read the Legal Public Statement.

Ms. Rankin called roll.

There being no *Public Comment*, Mr. Powell introduced agenda item *Approval of Meeting Minutes – March 14, 2023 (Video 00:06:00 to 00:06:31)*. Ms. Pendergrass made a motion and was seconded by Mr. Lane to approve the minutes as presented. The motion passed unanimously.

Mr. Powell introduced agenda item *Election of Chair (Video 00:06:32 to 00:07:38)*. Mr. Powell thanked the Authority Members for their support during his term as Chair. Mr. Eager commended Mr. Powell for his service to the Authority and requested nominations for Chair. Ms. Hampton nominated Mr. Keith Percy for the position of Chair. Mr. Powell seconded the nomination. Ms. Pendergrass made a motion to close nominations and to approve Keith Percy as Chair of the KPPA for the next year. The motion was seconded by Mr. Powell and passed unanimously.

Mr. Percy introduced agenda item *Election of Vice-Chair and Committee Assignments (Video 00:07:39 to 00:09:24)* and opened the floor for nominations for the position of Vice-Chair. Ms. Pendergrass nominated Mr. Jerry Powell for the position of Vice-Chair. Ms. Hampton seconded the nomination. Ms. Pendergrass made a motion to close nominations and to approve Jerry Powell as Vice-Chair of the KPPA for the next year. The motion passed unanimously.

Mr. Percy indicated that the one (1) standing KPPA Committee was full; therefore, there was no discussion of committee assignments.

Mr. Percy introduced agenda item *Implementation of HB 587 (Video 00:09:25 to 00:57:40)*. Mr. Michael Board presented a memo describing the implementation of HB 587 which will become effective on June 28, 2023. Mr. Board advised the KPPA of several action items that must be completed to fully implement HB 587. Additionally, the KPPA Office of Legal Services proposed a timeline to complete these items.

There was extensive discussion of whether to form a KPPA Audit Committee or appoint a KPPA liaison, as suggested by Mr. Powell, to manage the required administrative duties. Ms. Pendergrass suggested that a KPPA Personnel Committee be established to address human resources related issues associated with the KPPA Division of Internal Audit. Ms. Pendergrass made a motion to create a KPPA Personnel Committee to handle human resource issues for the KPPA Division of Internal Audit and the Executive Director. Additionally, to transition the CERS and KRS Joint Audit Committee to an Audit Committee of the KPPA. Dr. Hackbart seconded the motion.

Ms. Hampton made a motion to table the motion made by Ms. Pendergrass to further review and evaluate all options. Mr. Lane seconded the motion. A roll call vote was taken: four (4) ayes; three (3) nays; and one (1) absent. Therefore, the motion was tabled.

Mr. O'Mara made a motion to establish a KPPA Audit Committee with four (4) Authority Members. Ms. Pendergrass seconded the motion. Mr. Board advised that the current members of the CERS and KRS Joint Audit Committee are also KPPA Members; therefore, those Members (Ms. Pendergrass, Mr. O'Mara, Ms. Hampton, and Mr. Summers V.) may stay on the new KPPA Audit Committee if it is the will of the Authority. Additionally, the Joint Audit Committee would remain until the effective date of the legislation (June 28, 2023). There was also discussion of creating a KPPA Ad Hoc Audit Committee. Circling back to the motion made by Mr. O'Mara, Mr. Board advised that the proposed KPPA Audit Committee may meet prior to the effective date of HB 587 to discuss the implementation of the legislation but should not overlap the work of the CERS and KRS Joint Audit Committee. Further, Mr. Board reminded the Members that the law does not affect the Audit Committee, but the Internal Auditor position and transitioning that reporting structure to the KPPA. The motion passed unanimously. Ms. Pendergrass, Mr. O'Mara, and Ms. Hampton stated that they

would be willing to serve on the KPPA Audit Committee. Mr. Percy appointed Mr. Summers, V. who was absent.

There was additional discussion of creating a KPPA Ad Hoc Audit Committee. Mr. Percy stated that the already established KPPA Audit Committee should meet and provide recommendations to the KPPA at its next regular meeting on June 28, 2023. Ms. Adkins advised the Authority Members that the position of Internal Auditor does not need to be filled by June 28, 2023.

Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:220*** (Video 00:57:41 to 00:59:08). Ms. Jessica Beaubien presented the item. 105 KAR 1:220 is an amended administrative regulation detailing the process for employment and medical staff reviews for recipients of a disability retirement allowance to determine if the recipient's disability retirement allowance should be continued or discontinued. This regulation also details time periods for medical and employment review requirements, reporting gainful employment, and appeal rights. There was no discussion or questions regarding the regulation. Ms. Pendergrass made a motion to approve regulation 105 KAR 1:220 as presented, and to direct staff to file the regulation with the Office of the Regulations Compiler at LRC. The motion was seconded by Mr. Powell passed unanimously.

Mr. Percy introduced agenda item ***KPPA Update*** (Video 00:59:09 to 01:05:13). Mr. Eager provided the KPPA with a written report. He briefly reviewed strategic planning, staffing, housekeeping bill, Public Pensions Oversight Board (PPOB), CEM benchmarking, Government Officials Newsletter, working with legislation, IT security, All employees' meetings, and Microsoft 365 conversion.

Mr. Percy introduced agenda item ***KPPA Service Recognition Awards*** (Video 01:05:14 to 01:10:50). 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.

Mr. Percy introduced agenda item ***New Business*** (Video 01:10:51 to 01:11:00) – None.

Mr. Percy introduced agenda item ***Closed Session*** (Video 01:11:01 to 01:12:00). Ms. Pendergrass made a motion and was seconded by Mr. Powell to enter closed session for the purpose of litigation. The motion passed unanimously.

Mr. Percy 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, 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.

Coming back into open session, Mr. Peercy stated that the Board would be taking no action as result of the closed session discussions.

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 Board held April 27, 2023, except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

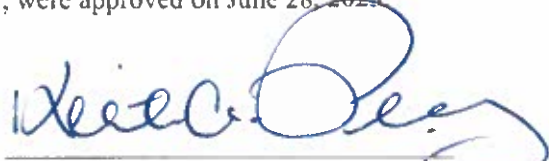
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CERTIFICATION

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 KRS 61.805-61.850 were met in conjunction with this meeting.


Recording Secretary

We, the Chair of the Board of Kentucky Public Pensions Authority and Executive Director, do certify that the Minutes of Meeting held on April 27, 2023, were approved on June 28, 2023.


KPPA Board Chair


Executive Director

I have reviewed the Minutes of the April 27, 2023, Kentucky Public Pensions Authority Meeting for content, form, and legality.


Executive Director, Office of Legal Services