

**MINUTES OF MEETING  
KENTUCKY PUBLIC PENSIONS AUTHORITY  
MEETING VIA LIVE VIDEO TELECONFERENCE  
MARCH 14, 2023, AT 10:00 AM ET**

At the meeting of the Board of the Kentucky Public Pensions Authority held on March 14, 2023, the following members were present: Jerry Powell (Chair), Prewitt Lane, William O'Mara, Betty Pendergrass, Dr. Merl Hackbart, Lynn Hampton, Keith Percy, 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, Steve Willer, Michael Lamb, Connie Davis, Kristen Coffey, D'Juan Surratt, Ashley Gabbard, Victoria Hale, Leigh Ann Davis, Elizabeth Smith, Liza Welch, Ann Case, Shaun Case, Katie Park, and Sherry Rankin. Others presented included Allen Norvell with Blue and Co.

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 – December 7, 2022 (Video 00:06:47 to 00:07:23)*. Ms. Hampton made a motion and was seconded by Mr. Lane to approve the minutes as presented. The motion passed unanimously.

Mr. Powell introduced agenda item *Joint Audit Committee Report and Recommendations (Video 00:07:24 to 00:10:42)*. Ms. Kristen Coffey reported that the Joint Audit Committee met on February 28, 2023. Ms. Connie Davis provided background information on the results of the GASB 68 and GASB 75 Proportionate Share Audit for Fiscal Year Ended June 30, 2022. She announced that Blue and Co. had submitted an unmodified/clean opinion. The results of the GASB 68 and GASB 75 Proportionate Share Audit were accepted as presented by the CERS and KRS Boards of Trustees, said Ms. Davis. Ms. Pendergrass made a motion to approve the results of the GASB 68 and GASB 75 Proportionate Share Audit for Fiscal Year Ended June 30, 2022, and to order publication of the reports on KPPA's website. Ms. Hampton seconded the motion and the motion passed unanimously. The KPPA Board of Trustees had no additional questions regarding the items discussed at the Joint Audit Committee meeting.

Mr. Powell introduced agenda item ***Quarterly Financial Statements*** (Video 00:10:43 to 00:18:09). Mr. Mike Lamb presented the quarterly financial reports to the KPPA Board of Trustees. He reviewed the Combining Statement of Fiduciary Net Position of the Pension Funds as of December 31, 2022. Next, Mr. Lamb briefly reviewed the Combining Statement of Changes in Fiduciary Net Position of the Pension Funds for the six-month period ending December 31, 2022, Combining Statement of Fiduciary Net Position of Insurance Funds as of December 31, 2022, and the Combining Statement of Changes in Fiduciary Net Position of Insurance Funds for the six-month period ending December 31, 2022, with the KPPA Board of Trustees. Mr. Lamb went on to present the CERS, KERS, and SPRS Pension and Insurance Funds Contribution Reports for six-month period ending December 31, 2022. Lastly, he briefly presented the KPPA Administrative Budget FY 2022-2023 for the six-month period ending December 31, 2022, CERS Outstanding Invoices by Type and Employer, and Penalty Invoices Report.

***\*\*\*Dr. Hackbart entered the meeting\*\*\****

Mr. Powell introduced agenda item ***Investment Department Update*** (Video 00:18:10 to 00:42:51). Mr. Willer presented the Investment Review and Update for the quarter ending December 31, 2022. He reported that both the CERS and KRS Investment Committees approved three new real return mandates. These actions were ratified by the CERS and KRS Board of Trustees. Additionally, the Investment Committees approved the “re-up” investment of \$250 million (KRS) and \$75 million (CERS) into the Adams Street Partners Senior Private Credit Fund III, and up to an additional total up to \$250 million (KRS) and \$75 million (CERS) investment into a co-investment side car vehicle to be allocated proportionally across plans. Mr. Willer also gave a brief update on proxy policy implementation and the impact of Silicon Valley Bank (SVB).

Mr. Powell introduced agenda item ***Election Services RFP*** (Video 00:42:52 to 00:44:42). Ms. Coffey stated that KPPA has worked with an election services vendor for the past 3 years to administer the Trustee election. She advised that the current contract for election vendor services expires in August 2023. To ensure a new contracted vendor is in place prior to the start of the next election cycle, KPPA staff is preparing a Request for Proposal (RFP) for an election vendor. The estimated posting date of the RFP is August or September 2023, with an estimated award date of January 2024, said Ms. Coffey.

Mr. Powell introduced agenda item **MMRO Analysis** (Video 00:44:43 to 01:07:17). Ms. Erin Surratt presented the informational MMRO Analysis. She noted several areas of concern within the KPPA Medical Review process. To resolve these areas of concern, KPPA issued a Request for Information (RFI) in January 2019 to explore the option of outsourcing the disability review process. After a thorough review of the responses submitted, it was decided that it would be beneficial to move forward with issuing a Request for Proposal (RFP) which was posted in October 2019. After the RFP process, a two-year contract was awarded to MMRO on August 17, 2020, said Ms. Surratt. Ms. Surratt presented a cost-benefit analysis and highlighted the major functions to be outsourced, pre-MMRO challenges, and the benefits of MMRO implementation. The total savings is \$1,181,016 and cost of the vendor after savings is \$418,984, said Ms. Surratt. She assured the KPPA Board of Trustees that KPPA Staff were not negatively impacted by the MMRO contract.

Mr. Powell introduced agenda item **Budget Planning** (Video 01:07:18 to 01:10:45). Ms. Rebecca Adkins reported that the Board of Trustees defined a work group of one CERS Trustee and one KRS Trustee to work with KPPA Staff and the CERS and KRS CEOs on budget items for FY2023. Ms. Adkins asked the KPPA Board of Trustees if they would like to establish a similar work group for the upcoming fiscal year. Recommendations to the KPPA Board of Trustees are needed in June 2023 for the FY2024 Administrative and Investment Budgets, FY2023 Separation Expenses, Biennial Budget Request for FY2025 and FY2026, and Budget Policy. Mr. Powell wished to appoint Ms. Lynn Hampton (KRS) and Mr. Bill O'Mara (CERS) to the Budget Planning work group.

Mr. Powell introduced agenda item **KPPA Update** (Video 01:11:46 to 01:27:18). Mr. Eager provided the KPPA Board of Trustees with a written KPPA Update report. During the meeting, he briefly reviewed staffing, retirements, 2023 Employee Survey, Invalid Address Project, Milliman Actuarial Audit update, legislative update, and Strategic Plan RFP update.

Mr. Powell wished to discuss agenda item **New Business** (Video 01:27:19 to 01:27:30) – None.

Mr. Powell introduced agenda item **Closed Session** (Video 01:27:31 to 01:28:32). Mr. Powell asked the KPPA Board of Trustees if there were any questions regarding the Closed Session materials. There were no questions; therefore, Mr. Peercy made a motion and was seconded by Ms. Pendergrass to table closed session discussions. The motion passed unanimously.


Mr. Powell opened the floor for *adjournment*. Mr. Peercy made a motion and seconded by Mr. O'Mara to adjourn the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the KPPA Board held March 14, 2023, except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

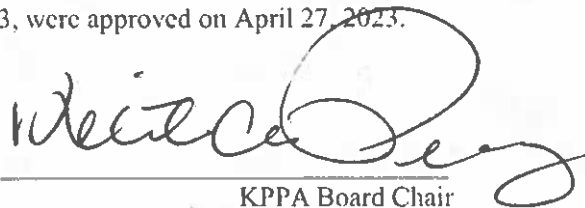
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## CERTIFICATION

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 March 14, 2023, were approved on April 27, 2023.

  
KPPA Board Chair

  
Executive Director

I have reviewed the Minutes of the March 14, 2023, Kentucky Public Pensions Authority Meeting for content, form, and legality.

  
Executive Director, Office of Legal Services