MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
QUARTERLY BOARD MEETING
VIA LIVE VIDEO TELECONFERENCE
MARCH 19, 2026, AT 10:00 AM EST

At the quarterly meeting of the Kentucky Public Pensions Authority held on March 19, 2026, the following Board members were present: Keith Peercy (Chair), Dr. Patricia Carver, George Cheatham, Dr. Merl Hackbart, Lynn Hampton, Prewitt Lane, William O'Mara, and William Summers V. Staff members present were KRS CEO John Chilton, CERS CEO Ed Owens III, Ryan Barrow, Erin Surratt, Michael Lamb, Michael Board, Victoria Hale, Leigh Ann Davis, Nathan Goodrich, Carole Catalfo, Connie Davis, Kristen Coffey, Madeline Evans, Steve Willer, Ian Blaiklock, Holly Thompson, Shaun Case, Sherry Rankin, and Mary Hill. Others in attendance included Barabara Dickens, General Counsel for the Finance and Administration Cabinet; Lealan Miller, Kellie Bergey, and Roger Alfaro with Eide Bailly.

1. Mr. Peercy called the meeting to order.

2. Mr. Board read the ***Legal Opening Statement.***

3. Ms. Rankin ***called roll.***

4. Mr. Peercy introduced agenda item ***Public Comment.*** Ms. Rankin indicated there were four (4) public comments.

   Albert Joseph Woosley – *"Please support HB 406 in implementing the additional pension check for KERS and CERS members. Since COLA was taken away it is getting harder to live on a budget that has no changes in the amount received."*

   Susan Wilhoit-Oliver – *"Please support HB 406!"*

   Nancy Pickett – *"This means of a 13th check is necessary. I have been retired 26 years and only got very few cola on* [sic] *beginning and we are dedicated state retires* [sic] *and had a*

yearly cola of which has not been [the] *case. We are so far behind on it a 13th check would not even take care of it but would be appreciated."*

Allen Combs – *"I support the 13th check of Kentucky Retired law enforcement."*

5. Mr. Peercy introduced agenda item ***Approval of Minutes – December 4, 2025.*** *(Video 00:11:39 to 00:12:02)*. Ms. Hampton made a motion to approve the minutes from the meeting held on December 4, 2025. Mr. Lane seconded the motion and it passed unanimously.

NEW BUSINESS *(Video 00:12:15 to 00:24:28)* – At this time, there was a slight change in the agenda to accommodate the schedule of Barabara Dickens. Mr. Barrow introduced Ms. Dickens to speak about the process regarding the procurement of a KPPA office building in Louisville, Kentucky. This procurement process is statutorily managed by the Finance Cabinet and has been in the works for approximately three (3) years due to various setbacks. Ms. Dickens began by explaining that the Finance Cabinet's Real Properties division is responsible for all leased property used by state agencies throughout the Commonwealth. She acknowledged that this process has taken a much longer time than anyone anticipated and cited challenges encountered leasing Class A building space rather than Class B or C, which is the usual practice. She gave her assurances that the project is being worked on, but was limited in what she could discuss as it is currently an open procurement.

Mr. Lane, Ms. Hampton, and Mr. Summers all expressed their frustrations with the process and their hopes that this item is on the top of the Finance Cabinet's priority list. Mr. Barrow added that KPPA has tried to be accommodating and roll with the changes, and he thanked Ms. Dickens for attending and taking questions from Trustees. Ms. Dickens left the meeting after this segment.

6. Mr. Peercy introduced agenda item ***KPPA Audit Committee Report and Recommendations.*** *(Video 00:24:32 to 00:27:39)*. Kristen Coffey introduced Connie Davis to discuss the GASB 68 and GASB 75 Proportionate Share Audits.

    a. GASB 68 and GASB 75 Proportionate Share Audits – Ms. Davis gave an

overview of the reports previously shared with the CERS and KRS boards, noting a clean audit that was approved by each of the boards for their respective plans. She introduced the Eide Bailly representatives present to take any questions, but there were none. Mr. Peercy then asked for a motion to approve the GASB 68 and GASB 75 Proportionate Share Audits for the fiscal year ended June 30, 2025 and to authorize KPPA staff to publish the audits on the KPPA website. Mr. O'Mara made the motion to approve and Ms. Hampton seconded. The motion carried unanimously.

b. ***Ratification of Internal Audit Reports*** – Madeline Evans introduced the four (4) internal audit reports that were previously presented to the boards' Audit Committees. Mr. O'Mara moved to approve the four (4) audits as presented and Ms. Hampton seconded. The motion carried unanimously.

7. Mr. Peercy introduced agenda item ***KPPA Ad Hoc Regulation Committee Report and Recommendations Certification letter for 105 KAR 1:145 and 105 KAR 1:147.*** *(Video 00:27:50 to 00:31:35)*. Mr. Goodrich provided an update on the proposed changes to regulations previously approved by the Committee, including adding definitions and technical changes to 105 KAR 1:001. The goal is to add chapters and divide existing regulations within Title 105 for clarity and efficiency. He also briefly explained an update to the Trustee education regulations. Mr. Peercy asked for a motion to approve regulations 105 KAR 1:001 (Definitions) and 105 KAR 1:440 (Trustee Education Programs) as presented and to approve the filing of these regulations with the Office of the Regulations Compiler at LRC. Mr. Lane moved for approval and Ms. Hampton seconded, adding she appreciated the hard work by staff that worked on these changes and asked for clarification about the results. Mr. Goodrich explained that the process may be difficult at first, but the changes should make a positive impact on both the quantity of regulations and the quality of the subsequent reviews. The motion carried unanimously.

8. Mr. Peercy introduced agenda item ***Administrative Budget to Actual*** *(Video 00:31:39 to 00:41:29)*. Mr. Lamb gave a brief update on the KPPA Administrative Budget and noted that

it looks to remain at or under budget overall, with 44.1 % of the fiscal year budget spent through Q2.

9. Mr. Lamb moved directly into a discussion of the hybrid percentage allocations and how they are calculated for each system and noted changes in the allocations over the past four (4) years, as well as some changes for the FY 2027 allocation that were made following Workgroup discussions. Mr. Lamb specifically noted the expanded duties for the Compliance Officer resulting in the change to a 50/50 allocation as well as adjustments for employees in Communications as their duties are not driven solely by membership numbers.

   Following his presentation, Mr. Lamb asked for a motion to approve the Workgroup recommendation for the FY 2027 Hybrid Percentages to be effective July 1, 2026. Dr. Hackbart made a motion to accept the recommendation and Mr. Lane seconded. Mr. O'Mara expressed appreciation for the hard work done by Mr. Lamb and his team and Dr. Hackbart and Ms. Hampton agreed. The motion passed unanimously.

10. Mr. Peercy introduced agenda item ***Optional Break.*** *(Video 00:41:33 to 00:41:39).* As there was no break needed, the meeting proceeded.

11. Mr. Peercy introduced agenda item ***Investment Department Update.*** *(Video 00:41:40 to 00:46:03).* Mr. Willer provided a summary of the previously held Investment Committee meetings including the approval of Staff's and Wilshire's recommendation to adopt a neutralizing approach for benchmarking the performance on Private Equity allocation and composite benchmarks for Q2. He noted that all portfolios outperformed their respective benchmarks for the quarter. Mr. Willer also mentioned lower management fees negotiated by Joe Gilbert for approximate savings of $4.6 million. His presentation concluded with brief updates on upcoming RFPs that will be initiated in the coming months.

12. Mr. Peercy introduced agenda item ***KPPA Executive Director Report*** *(Video 00:46:06 to 00:50:14).* Mr. Barrow spoke about some of the latest changes and updates at KPPA, specifically mentioning a breaking legislative update on the House budget bill that has been

monitored closely as it moves through the legislative process. He noted that this bill adds supplemental funding to the KRS insurance fund as well as a 13th check for KRS retirees. This bill does not include CERS but HB 406, including its 13th check provision for CERS, is still active and also being closely monitored.

Mr. Barrow highlighted the successful Team Kentucky Internship Program ("TKIP") that will bring in five (5) students for internships from May to July 2026. He specifically addressed an earlier comment from Ms. Hampton regarding interns within the investment department and stated that one (1) of KPPA's interns this summer will be with Investments, reporting to Joe Gilbert. Mr. Barrow gave kudos to Lori Casey and the KPPA Human Resources team for their hard work and interest in bringing in summer interns. Dr. Carver inquired if the internships were paid and it was affirmed that they are.

13. Mr. Peercy introduced agenda item ***New Business – Resolution for Cooperation.*** *(Video 00:50:46 to 01:01:56).* Mr. O'Mara began by explaining the Resolution for Cooperation between all three (3) boards and the management teams, focusing on good governance and best practices for making well-informed decisions. He read the resolution in full (it may be found in the presentation materials) and moved to adopt. Ms. Hampton seconded the motion and then provided her remarks during the discussion period.

She began by giving a brief history of the statutory requirements for Board cooperation for efficient and effective management and oversight. Ms. Hampton noted three (3) amendments submitted to the Kentucky legislature without any discussion with the KRS or KPPA Boards. She cited CERS CEO, Mr. Ed Owens' interpretation of the statues that KPPA reports to each of the Boards as the reason why CERS goes directly to the legislature rather than presenting to the KPPA Board for action. Ms. Hampton stated that the KRS understanding is that CERS and KRS are under the "umbrella" of KPPA, which is responsible for the administration of the entire organization. She described the organization as "two branches of the same tree" and stated a need for clarification.

Ms. Hampton mentioned two (2) meetings held by the Boards in which they hoped to resolve

some of their differences but made little progress. They decided to consult their attorneys for help with the interpretation. However, this meeting did not happen as the attorney for CERS was unable to make it. Ms. Hampton noted the positive growth in the funding status of the KRS retirement assets both before and during her tenure as KRS Chair. She stated that the resolution meets needs of all three (3) Boards, specifically mentioning how all three (3) should work together for continued progress and thus was unanimously adopted at the KRS Board meeting held the week before.

Mr. Cheatham stated that he did not disagree with much of what Ms. Hampton said and specifically noted cooperation on budget, hybrid allocations, and the expansion of the Joint Audit Committee. He then stated that regarding areas where the Boards do not have a shared interest, the CERS Board has no intention of "outsourcing, shirking, or delegating our fiduciary responsibility to anyone that doesn't have those interests or responsibilities to our members." Mr. Cheatham noted that the issues that Ms. Hampton addressed were legal issues and it is his understanding that the attorney for CERS has advised their Board it was not in their best interest to continue discussions regarding cooperation until it is determined what, if any, legal avenues may need to explored to resolve these issues. He further stated that the Boards are three (3) branches of the same tree, but KPPA, as a Board, is not a system and only CERS and KRS are systems that have a fiduciary responsibility to their members. He noted that KPPA's Board only has a responsibility for oversight and administration and he does not support the resolution as it is drafted.

Following this discussion, Mr. Peercy asked for a vote to adopt the resolution. The motion passed with six (6) yeas and two (2) nays.

14. Mr. Peercy introduced agenda item ***Closed Session*** *(Video 01:01:56 to 01:03:03).* Mr. Summers made a motion to enter into closed session to discuss pending litigation and a personnel matter. Ms. Hampton seconded the motion. The motion passed unanimously.

Mr. Peercy 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). Closed session is necessary because of the necessity of protecting the confidentiality of the KPPA's litigation strategy and preserving any available attorney-client privilege as well as protecting the employee's confidentiality.

All other attendees exited the meeting.

Closed Session. *(Video 2 - 00:01:08 to 00:00:27)* Mr. Peercy called the meeting back to open session and stated that there would be no action taken as result of the closed session discussion, but made a clarification on the voice vote for the Resolution for Cooperation. It was noted that Dr. Hackbart had dropped off of the meeting and the vote was five (5) yeas and two (2) nays.

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

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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 Kentucky Public Pensions Authority and Executive Director, do certify that the Minutes of Meeting held on December 4, 2025, were approved on March 19, 2025.

Keith Peercy

KPPA Board Chair

Executive Director

I have reviewed the Minutes of the December 4, 2025, Kentucky Public Pensions Authority Meeting for content, form, and legality.

Executive Director, Office of Legal Services