MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES MEETING
NOVEMBER 13, 2024, AT 10:00 AM, E.T.
VIA LIVE VIDEO TELECONFERENCE

At the Meeting of the Kentucky Retirement Systems Board of Trustees held on November 13, 2024, the following members were present: Lynn Hampton (Chair), Ramsey Bova, Mary Eaves, Prewitt Lane, Dr. Crystal Miller, Keith Peercy, and Pamela Thompson. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, Ryan Barrow, Rebecca Adkins, Erin Surratt, Connie Pettyjohn, Michael Board, Victoria Hale, Leigh Ann Davis, Michael Lamb, Connie Davis, D'Juan Surratt, Steve Willer, Ashley Gabbard, Sandy Hardin, Shaun Case, and Sherry Rankin. Others present included Tracey Garrison, Carla Whaley, and Larry Loew with Humana; Danny White, Janie Shaw, and Krysti Kiesel with GRS; and Benjamin Lewis and Janet Jakubowicz from Dentons Bingham Greenebaum.

1. Ms. Hampton called the meeting to order.

2 Mr. Board read the Legal Public Statement.

3. Ms. Rankin called roll.

   Ms. Rankin noted no ***Public Comment*** was submitted.

4. Ms. Hampton introduced agenda item ***Approval of Minutes – September 12, 2024*** *(Video 00:06:49 to 00:07:43).* A motion was made by Ms. Eaves and seconded by Dr. Miller to approve the meeting minutes from September 12, 2024 as presented. The motion passed unanimously.

5. Ms. Hampton introduced agenda item ***Review of Draft 2024 Actuarial Valuation*** *(Video 00:07:43 to 00:50:30).* Mr. White, Ms. Shaw, and Ms. Kiesel from GRS presented the

2024 Valuation Results and addressed questions from the Trustees. In conclusion, Ms. Shaw highlighted that the increase in active members and payroll is a positive indicator of the System's financial health and that of the participating employers. She emphasized the importance of the state and participating employers continuing to make the actuarially contributions each year to enhance the System's financial security.

A motion was made by Mr. Lane and seconded by Mr. Peercy to accept the 2024 Actuarial Valuation as presented. The motion passed unanimously.

6. Ms. Hampton introduced the ***Joint Retiree Health Plan Committee Report*** *(Video 00:50:30 to 00:58:53).* Ms. Pettyjohn reported that the Joint CERS and KRS Retiree Health Plan (RHP) Committee convened on October 21, 2024. During this meeting, they reviewed an informative presentation from Humana regarding 2025 Pharmacy Review and Pharmacogenomics. Ms. Pettyjohn provided an overview of the 2025 Formulary changes, open enrollment, and retiree engagement and outreach efforts. Ms. Eaves inquired about the eligibility of retirees and employees to use the Health Savings Account (HSA) with enrollment in the Kentucky Employees Health Plan (KEHP) High Deductible Health Plan. Ms. Pettyjohn responded she would investigate this matter and follow up with the Board members.

7. Ms. Hampton introduced agenda item ***KRS Update*** *(Video 00:58:53 to 01:00:48).* Mr. Chilton reported that their last meeting in October was almost entirely focused on investment decisions. The last regularly scheduled quarterly meeting was held in September, and the next one is planned for December 4, 2024, which will primarily cover the annual report. Since the last quarterly meeting, Mr. Chilton has been working on various matters that will be discussed in closed session.

He mentioned that there will be changes in reporting, specifically related to Trustee education, which will be addressed in a future meeting. This includes aligning all members on the same education cycle and related topics. Additionally, a KPPA group has been organized to focus on accounts receivable from various employers, examining amounts and

collectability. This initiative will be presented in the future. Mr. Chilton indicated most of the work he has been involved with pertains to discussion topics for the closed session.

8. Ms. Hampton introduced agenda item ***New Business*** *(Video 01:00:48 to 01:02:29).* Ms. Hampton discussed the Continuing Professional Education (CPE) requirements, emphasizing the importance of aligning everyone on the same CPE cycle for greater efficiency. She acknowledged that Ms. Ashley Gabbard provides timely reminders about required actions. Ms. Hampton also highlighted that there are two mandatory courses for everyone: one on ethics and another on IT data security. She reminded the group that these courses, required by the legislature, can be completed online and are not time-consuming. If anyone has questions, Ms. Gabbard is available to assist.

9. Ms. Hampton introduced agenda item ***Closed Session*** *(Video 01:02:29 to 01:03:44)* and requested a motion to enter closed session to discuss pending litigation pursuant to KRS 61.810(c). A motion was made by Dr. Miller and seconded by Mr. Lane. The motion passed unanimously.

Ms. Hampton read the following statement and the meeting moved into closed session: 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. All public attendees exited the meeting.

Closed Session *(Video - Part 2 - 00:00:28 to 00:00:47)*

Ms. Hampton called the meeting back to open session and stated that there was no action taken by the KRS Board of Trustees as result of the Closed Session.

10. There being no further business, Ms. Hampton ***adjourned*** the meeting.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held November 13, 2024, 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 Trustees 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

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on November 13, 2024, were approved on December 4, 2024.

C Lynn Hampton

Chair of the Board of Trustees

I have reviewed the Minutes of the November 13, 2024, Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services

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ADDENDUM
ACTION ITEMS

Action Items:

A motion was made by Mr. Lane and seconded by Mr. Peercy to accept the 2024 Actuarial Valuation as presented. The motion passed unanimously.

Actionable Items:

Ms. Eaves inquired about the eligibility of retirees and employees to use the Health Savings Account (HSA) with enrollment in the Kentucky Employees Health Plan (KEHP) High Deductible Health Plan. Ms. Pettyjohn responded she would investigate this matter and follow up with the Board members.