

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
SPECIAL CALLED MEETING
MEETING VIA LIVE VIDEO TELECONFERENCE
OCTOBER 17, 2023, AT 11:30 AM ET**

At the Special Called Meeting of the Board of the Kentucky Public Pensions Authority held on October 17, 2023, the following members were present: Keith Percy (Chair), Dr. Merl Hackbart, Lynn Hampton, William O'Mara, Betty Pendergrass, 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, Kristen Coffey, Mike Lamb, Connie Davis, Steve Willer, Shaun Case, Katie Park, and Sherry Rankin.

Mr. Percy called the meeting to order.

Mr. Board read the Legal Opening Statement.

Ms. Rankin called roll.

There being no *Public Comment*, Mr. Percy introduced agenda item *Chief Auditor Contract (Video 00:07:06 to 00:32:02)*. The Authority approved to offer the contract for the Chief Auditor position to Ms. Kristen Coffey on September 28, 2023. Mr. Board stated that Ms. Coffey requested amendments to the contract; therefore, a meeting of the KPPA was required to discuss/approve the desired modifications. Mr. Board advised that minor typographical errors were corrected. He reviewed each requested amendment with the Authority Members.

1) A reference to the Charter for the Division of Internal Audit:

Ms. Coffey requested that a reference to the Charter for the Division of Internal Audit be added to the contract as it describes how the Chief Auditor is to conduct herself in carrying out the Charter mandate, said Mr. Board. He suggested that the requested reference to the Charter for the Division of Internal Audit be inserted under Section 1. Duties of the contract. The Authority requested that the reference be inserted into the sentence, "*Employee will report to the Board of the Kentucky Public Pensions Authority Board and shall perform her duties and discharge her responsibilities competently, carefully and faithfully as required herein and in the KPPA Policies,*

as applicable.”

Ms. Pendergrass proposed that the reference include the parenthetical phrase, *as amended*, to include any future amendments to the Charter for the Division of Internal Audit document.

The KPPA was in favor of these modifications.

2) Section 5. Early Termination of Employment, A. Termination for Cause:

Ms. Coffey noted that the third paragraph had an undefined cause, “... *“Cause” shall include but not be limited to...*” and may be replaced with the Charter reference.

Similar language is included in the contracts of the KPPA Executive Director and the CEOs of the Kentucky Retirement Systems (KRS) and County Employees Retirement System (CERS), said Mr. Board. After discussion, the Authority Members did not amend the language.

3) Section 5. Early Termination of Employment, B. Termination without Cause: It was requested that the language be softened or removed as it constructs an at-will situation as opposed to a contractual commitment with a term. Ms. Coffey added that if the section cannot be removed, updating the language to reflect a contract situation would suffice.

Mr. Board reported that the current language is included in the contracts of the KPPA Executive Director and the CEOs of the Kentucky Retirement Systems (KRS) and County Employees Retirement System (CERS). However, a parachute provision is included in each of those contracts.

It was noted that KPPA Division Directors do not have contractual agreements with parachute provisions; they are non-merit, at-will employees and are subject to Chapter 18A. The Authority Members discussed options for the inclusion of a parachute provision.

Ms. Hampton made a motion to accept the first amendment and the second amendment to the Chief Auditor contract as suggested by Ms. Kristen Coffey and amended by the Authority Members. Additionally, set the contract parachute provision at six months. Mr. Summers seconded the motion.

Ms. Pendergrass advised that the motion made regarding the seconded amendment to the contract was not the will of the Authority. Mr. Board confirmed the consensus of the Authority Members; (1) make the amendment requested in the opening paragraph under Duties; (2) make no changes to Section 5. Early Termination of Employment, A. Termination for Cause; and (3) add language for a six-month parachute provision to Section 5. Early Termination of Employment, B. Termination without Cause.

Ms. Hampton and the KPPA agreed; therefore, Ms. Hampton revised her motion. Ms. Hampton made a motion to amend Section 1. Duties to add clarifying language and to amend Section 5. Early Termination of Employment, B. Termination without Cause to add a parachute provision of six-months to the Chief Auditor contract. Mr. Summers seconded the motion. The motion passed unanimously.

Mr. Board stated that he would make the above amendments to the contract as soon as possible and provide the updated contract to Ms. Coffey.

Mr. Peercy introduced agenda item ***Closed Session (Part 1 - Video 00:32:03 to 00:32:50)***. Mr. Powell made a motion and was seconded by Ms. Pendergrass to enter closed session for the purpose of litigation. 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, 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.

Closed Session (Part 2 - Video 00:00:22 to 00:00:36). Mr. Peercy stated that there was no reportable action as a result of the closed session discussion.

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 October 17, 2023, 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 October 17, 2023, were approved on December 6, 2023.


KPPA Chair


Executive Director

I have reviewed the Minutes of the October 17, 2023, Kentucky Public Pensions Authority Meeting for content, form, and legality.


Executive Director. Office of Legal Services