



Kentucky Retirement Systems

PPOB TRUSTEE ELECTION/APPOINTMENT OVERVIEW

David Eager
Executive Director

Oct 22, 2018

AGENDA

1. Elected Trustees
2. Appointed Trustees
 - Qualifications
3. Recent election statistics
4. Current Trustees (bios on our website*)
5. How elections work
6. KRS recommended change proposed for the 2019 General Assembly

**https://kyret.ky.gov/About/Meet_the_Board%20of%20Trustees/Pages/default.aspx*

61.645 – ELECTED TRUSTEE STATUTE REFERENCES



(1)(b) Three **CERS** members elected by their members



(1)(c) One **SPRS** member elected by their members



(1)(d) Two **KERS** members elected by their members

61.645 – APPOINTED TRUSTEE STATUTE REFERENCES

(1)(e) Ten Trustees appointed by the Governor

- 1. One knowledgeable about the impact of pensions on local government**
- 2. One appointed by the Governor from a list of three submitted by Kentucky League of Cities**
- 3. One appointed by the Governor from a list of three submitted by Kentucky Association of Counties**
- 4. One appointed by the Governor from a list of three submitted by Kentucky School Board Association**
- 5. Six shall have investment experience and be Governor appointees**

(1)(a) The Secretary of the Personnel Cabinet

61.645 – INVESTMENT EXPERIENCE DEFINED (1)(e) (5)(a-e)

(5)(a) A portfolio manager acting as fiduciary

(5)(b) A professional securities analyst or investment consultant

(5)(c) A current or retired employee or principal of a trust institution, et al., acting in an investment-related capacity

(5)(d) A CFA in good standing

(5)(e) A university professor, teaching investments or related studies

CURRENT BOARD OF TRUSTEES



11 Governor

Appointed Members:

1. **David L. Harris**, *Chair*
Investment Experience
2. **W. Joe Brothers**
KY School Board Association
3. **John E. Chilton**
Governor Appointment
4. **William S. Cook**
Investment Experience
5. **Kelly Downard**
Investment Experience
6. **John R. Farris**
Investment Experience
7. **J.T. Fulkerson**
KY League of Cities
8. **David M. Gallagher**
KY Association of Counties
9. **Matthew Monteiro**
Investment Experience
10. **Neil P. Ramsey**
Investment Experience
11. **Thomas B. Stephens**
Personnel Cabinet Ex-officio



6 Member

Elected Members:

12. **Campbell Connell**, KERS
13. **Sherry Lynn Kremer**, KERS
14. **Keith Percy**, *Vice Chair*, SPRS
15. **Betty Pendergrass**, CERS
16. **Jerry W. Powell**, CERS
17. **David Rich**, CERS

BOARD RESPONSIBILITIES

- **Most are on at least two committees in addition to the regular Board**
- **Most attend at least 14 meetings a year**
 - **The investment committee met 12 times over a 14 month period**
 - **All have a minimum of 2-3 hours of meeting preparation**
- **Non-state employee members are compensated at \$190/meeting**
 - **State employee members receive no compensation**
- **All are fiduciaries and subject to personal liability**
- **All are working together for the betterment of KRS**

HOW ELECTIONS WORK

- 1. Executive Director notifies the Board in writing of the election procedures at the February meeting.**
- 2. KRS distributes a notice to the membership seeking applications.**
- 3. Applications are received. The cut-off is 7/31.**
 - Submit application, resumé, and background check release
- 4. Informational meeting by 8/31.**
- 5. Personal information forwarded to the Attorney General to determine Constitutional compatibility.**
- 6. The Board may nominate up to three eligible candidates for each vacancy before 9/30.**

HOW ELECTIONS WORK

7. Last day to file petition to be placed on the ballot is 11/30.
8. Ballots are prepared by 12/31
9. Ballots are mailed 1/20.
10. Return ballots must be postmarked by 3/1 and mailed to the external auditor.
11. Ballots tabulated by 3/15. External auditor certifies the votes.
12. Winners begin to serve 4/1.

PAST BALLOT MAILINGS

	System	Ballot Mailed (Eligible Voters)	Ballots Returned	Voting %
	KERS - 2018	132,551	11,310	9%
	CERS – 2017 (Special Election)	223,764	10,148	5%
	CERS – 2017 (Regular Election)	227,829	24,416	11%
	SPRS - 2011	2,521	907	23%

RECOMMENDED CHANGES TO REDUCE COST AND IMPROVE PARTICIPATION

- 1. Have the three CERS elections on the same day**
 - **Move the 10/31 election to 3/31**
 - **This will save the cost of one election. The cost for the 2017 CERS election was \$97,271.**
- 2. Permit electronic balloting**
 - **Current email coverage about 50% and growing**
 - **Would initially save an estimated \$25,000-\$40,000 per election in mailing costs depending on if it is a KERS or a CERS election. SPRS savings would be minimal.**