

**CERS Board of Trustees Special Board
Meeting May 10, 2021, 2 p.m. ET (1 p.m. CT)
Live Video Conference/Facebook Live**

AGENDA

- 1. Call to Order**
- 2. Roll Call** Alane Foley
- 3. Public Comment**
- 4. CERS Elected Trustee Vacancy*** Betty Pendergrass
Jerry Powell
- 5. Committee Appointments** Betty Pendergrass
 - a. Joint Health Care
 - b. Joint Audit
 - c. DAC/AAC
 - d. Actuarial
- 6. Job Descriptions & Recruitment*** Betty Pendergrass
 - a. Chief Executive Officer
 - b. General Counsel
- 7. Adjourn**

*Board may take action on these items.



KENTUCKY PUBLIC PENSIONS AUTHORITY

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Kentucky Public
Pensions Authority

To: County Employees Retirement System Board of Trustees

From: Kristen N. Coffey, CICA *KNC*
Division Director, Internal Audit Administration

Date: May 10, 2021

Subject: Comments from Members on CERS Vacancy

The County Employees Retirement System (CERS) Board of Trustees currently has a vacant elected position for a term that expires on October 31, 2021. Kentucky Revised Statute 78.782 provides that any vacancy, which may occur in an elected position, shall be filled by appointment by a majority vote of the remaining elected trustees.

From April 5, 2021 to April 29, 2021, the CERS Board of Trustees sought comments from CERS members about the proposal to use the 2021 CERS Election results to fill this vacancy. CERS members also had until April 29, 2021 to submit an application to be considered for the vacancy.

1. Forty-four (44) comments were received from the CERS membership.
 - a. Forty-three (43) members supported using the election results to fill the vacancy. Two of these supporting comments were received from individuals who were on the ballot during the 2021 CERS Election.
2. One (1) member expressed concern over the appointment of an individual. This person did not specifically state that he opposed the method the CERS Board of Trustees was suggesting to use when making the appointment.

This information is presented for review and discussion. CERS Board may choose to take action after this discussion.

Attachment

Summary of Comments from CERS Members

	Agree with Process to Appoint Trustee?		Agree with Process to Appoint Trustee?
Received 4/6/21		Received 4/7/21	
Comment #1	Yes	Comment #29	Yes
Comment #2	Yes	Comment #30	Yes
Comment #3	Yes	Comment #31	Yes
Comment #4	Yes	Comment #32	Yes
Comment #5	Yes	Comment #33	Yes
Comment #6	Yes	Comment #34	Yes
Comment #7	Yes	Comment #35	Yes
Comment #8	Yes	Comment #36	Yes
Comment #9	Yes	Comment #37	Yes
Comment #10	Yes	Comment #38	Yes
Comment #11	Yes	Comment #39	Yes
Comment #12	Yes	Comment #40	Yes
Comment #13	Yes		
Comment #14	Unknown	Received 4/8/21	
Comment #15	Yes	Comment #41	Yes
Comment #16	Yes	Comment #42	Yes
Comment #17	Yes		
Comment #18	Yes	Received 4/22/21	
Comment #19	Yes	Comment #43	Yes
Comment #20	Yes		
Comment #21	Yes	Received 4/26/21	
Comment #22	Yes	Comment #44	Yes
Comment #23	Yes		
Comment #24	Yes		
Comment #25	Yes		
Comment #26	Yes		
Comment #27	Yes		
Comment #28	Yes		
		Total Yes	43
		Total Unknown	1
		Total Comments	44



NOTICE OF REQUEST FOR PROPOSALS

The CERS Board of Trustees, created on April 1, 2021, is seeking proposals for a Chief Executive Officer who be responsible for all functions relating to efficient operations of the CERS Board of Trustees, develop policies and procedures, and collaborate with the KPPA Administrative staff to implement critical system administration duties. The CEO will also develop core mission statement and organize Board's strategic planning. The CEO will report directly to the CERS Board of Trustees. A detailed job description is available on the CERS Board page of the KPPA website, [CERS - Kentucky Public Pensions Authority](#).

The CERS Board anticipates that this position will be a part-time position and is seeking proposals for hourly rates for a personal service contract. Proposals should include a description of the applicant's qualifications, experience, and professional credentials, three professional references, and permission to conduct a background check prior to the Interview process. The CERS Board is looking for candidates with experience in pension, governmental, and/or investment management, plus actuarial and legislative analysis to assist the CERS Board with its public employee retirement system governance responsibilities.

Proposals, including the references and permission for the background check, should be submitted to Mr. Powell, jerry.powell@kyret.ky.gov, no later than **5pm on May 12, 2021**.



Position Description Chief Executive Officer CERS Board of Trustees

SUMMARY OF DUTIES

Responsible for all functions relating to efficient operations of the CERS Board of Trustees, develops policies and procedures; collaborates with KPPA Administrative staff; serves as legislative liaison; and develops a strategic plan for governance of CERS.

CERS BOARD MISSION

Develop core mission statement and organize Board's strategic planning. Develops collaborative team strategy with KRS and KPPA Board and staff. Develop relationships with key stakeholders. Recommend policy revisions to improve costs, efficiency, and effectiveness. Recommend communications improvements for members and stakeholders. Furnishes written reports, as requested by the CERS Board.

INVESTMENT OVERSIGHT

Coordinate with KPPA CIO and investment staff to oversee CERS Investment portfolio. Review monthly investment performance reporting and collaborate with CERS Investment consultant(s) to monitor investment strategy. Ensure that materials and advisor communications are organized for CERS Investment Committee and Board discussions of investments.

ACTUARIAL ANALYSIS

Facilitate Board's discussion of actuarial assumptions, annual valuations, studies, and presentations to PPOB. Coordinate with Actuary selected by KPPA to complete annual actuarial valuation and periodic experience studies. Monitor CERS compliance with statutory requirements for actuarial analysis and reporting. Facilitate Actuarial Analysis required for proposed legislation.

LEGISLATIVE LIAISON

Collaborate with stakeholders to develop legislative goals. Monitor legislation that impacts CERS. Develop reporting & communication to PPOB. Develop CERS Board biennial budget request for CERS approval. Coordinate with KPPA to integrate CERS Board budget with the KPPA Administrative biennial agency budget request. Respond to legislative inquiries for actuarial or financial data.

PROCUREMENT COORDINATION

Prepares, or oversees preparation of, Request for Proposals for various contractual services. Serves as the liaison with the CERS outside advisors. Represents CERS Board on task forces, committees, councils or meetings as assigned. Plans, develops, initiates and evaluates research projects. Analyze CERS cash flow reporting. Develop SAFR reporting strategy.

COMPLIANCE

Confer with General Counsel. Provide technical assistance, advice and interpretation of rules and regulations, policies/procedures to legislators, CERS Board & Committees for CERS plan management. Coordinates with KPPA Executive Director to implement administrative policies. Develops and implements policy/procedures to ensure compliance with state and federal laws, rules and regulations.

OTHER DUTIES

Performs other duties as assigned.

Position Description Chief Executive Officer CERS Board of Trustees (Continued)

QUALIFICATIONS AND EXPERIENCE:

The following list is not the minimum qualifications, but does outline the types of qualifications and experience that CERS Board will consider to evaluate candidates. Candidates should describe their specific expertise, training, or experience with any of these areas in their proposal.

- Bachelor's degree in the fields of Accounting, Public Administration, Finance, Law, or a field related to governmental management or governing board administration.
- Professional certifications in finance, accounting, pension, or investment management, such as a CPA, CMA, CFA, Accredited Fiduciary, Certified Retirement Administrator, or a related profession.
- Significant management experience with governing board organization, pension administration, financial services, legislative analysis, educational development, and/or governmental management operations.
- Understanding of the fiduciary role of Trustees and a CEO for management of a public employee retirement system.
- Knowledge of federal and Kentucky laws and regulations governing open meetings, open records, ethics, public pension systems, governmental accounting, auditing, finance, retirement benefits administration, actuarial science and institutional investing.
- Experience communicating with stakeholders, legislators, and the media in a governmental environment.



NOTICE OF REQUEST FOR PROPOSALS

The CERS Board of Trustees, created on April 1, 2021, is seeking qualifications for legal services of a General Counsel who will serve as the primary legal advisor to the CERS Board of Trustees and CERS Chief Executive Officer. In addition, the CERS General Counsel may collaborate with the KPPA Legal staff as defined in the CERS Board of Trustees Statement of Bylaws and Committee Organization. The General Counsel will report directly to the CERS Board of Trustees.

A detailed job description is available on the CERS Board page of the KPPA website, [CERS - Kentucky Public Pensions Authority](#). In addition, a copy of the CERS Board of Trustees Statement of Bylaws and Committee Organization is available on the KPPA website, *{I'll add this link after Communications posts the Bylaws adopted 4/21}*. The CERS Board is seeking proposals for hourly rates for a legal services retainer contract. Proposals should include a description of the applicant's qualifications, experience, and professional credentials, three professional references, and permission to conduct a background check prior to the Interview process. The CERS Board is looking for individuals or firms with legal experience related to pension, governmental, and/or investment management. In addition, an understanding of actuarial and legislative analysis is preferred to assist the CERS Board with its public employee retirement system governance responsibilities.

The commonwealth of Kentucky does not discriminate on the basis of race, color, religion, national origin, sex, age, disability, sexual orientation, gender identity, genetic information or veteran status. Reasonable accommodations are provided upon request.

Proposals, including the references and permission for the background check, should be submitted to Mr. Powell, jerry.powell@kyret.ky.gov, no later than **5pm on May xx, 2021**.



Position Description General Counsel CERS Board of Trustees

SUMMARY OF DUTIES

Serves as the primary legal advisor to the CERS Board of Trustees and CERS Chief Executive Officer and assists with the collaboration with the KPPA Legal staff.

LEGAL ANALYSIS

Provides legal analysis of issues relating to the CERS Board of Trustees, and provides legal and policy advice. Attends and participates in meetings where legal analysis and judgment is critical to planning and decision-making. Provides advice and consultation to other legal staff within the organization. Develops and participates in training programs. Drafts legal policy and makes recommendations. Coordinates with KPPA General Counsel on administrative issues affecting the CERS plan administration or CERS Board of Trustees.

LEGAL REPRESENTATION

Represents CERS in all phases of civil litigation and coordinates legal services with KPPA Legal as well as outside legal counsel.

CONTRACT REVIEWS

Drafts and reviews CERS Board of Trustees contracts and CERS Board of Trustees business procedures for legal sufficiency. Drafts and/or reviews major agreements between the organization and other entities, both public and private. Prepares reports for board. Responds to member inquiries. Handles more significant legal issues before CERS.

QUALIFICATIONS AND EXPERIENCE

The following list outlines the types of qualifications and experience that CERS Board will consider to evaluate candidates. Candidates should describe their specific expertise, training, or experience with any of these areas in their proposal.

- Juris Doctor from an accredited law school and license to practice law in the Commonwealth of Kentucky upon hire.
- Broad and extensive experience of five or more years in the practice of law relating to retirement systems, employee benefits, investments and financial markets, or a closely related field.
- Previous General Counsel experience, and/or law firm experience in advising public pension plans will be view favorably.
- Litigation experience will be viewed favorably.
- Knowledge of federal laws, Kentucky laws, tax laws, and regulations pertaining to issues that confront public pension plans (i.e. including, but not limited to, tax compliance, SEC, and/or fiduciary duties)
- Knowledge of the principles and practice of administrative law.
- General familiarity with Kentucky state government processes and procedures.
- Experience working for and with a governing Board; understanding the appropriate roles and responsibilities of the Board and the General Counsel.
- Experience working with stakeholders, elected officials, and the media in the governmental environment.