

**MINUTES OF MEETING
BOARD OF TRUSTEES COUNTY EMPLOYEES RETIREMENT SYSTEM
SPECIAL CALLED MEETING APRIL 1, 2021 AT 2:00 P.M.
VIA LIVE VIDEO TELECONFERENCE DUE TO SB 150,
SIGNED INTO LAW BY THE GOVERNOR ON MARCH 30, 2020,
AND EXECUTIVE ORDER 2020-215 DECLARING A STATE OF EMERGENCY
EFFECTIVE MARCH 6, 2020 DUE TO COVID-19**

At the meeting of the County Employees Retirement System Board of Trustees held on April 1, 2021 the following members were present: Betty Pendergrass (Chair), Joe Brothers, George Cheatham, Michael Foster, JT Fulkerson, Merl Hackbart, William O'Mara and Jerry Powell. Patricia Carver was also present. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Kathy Rupinen, Carrie Bass, Victoria Hale, Steven Herbert, Kristen Coffey, Connie Pettyjohn, Shaun Case, Phillip Cook, and Alane Foley.

Mr. David Eager called the meeting to order.

Ms. Kathy Rupinen read the Special Called Meeting COVID-19 statement due to SB 150.

Mr. David Eager introduced agenda item *Swearing-In Ceremony*. Ms. Alane Foley, as Notary, swore in all Trustees. Alane proceeded to take the Roll Call.

There was no public comment submitted.

Mr. Eager introduced agenda item *Chair Election*. Mr. O'Mara nominated Ms. Pendergrass as Chair, the nomination was seconded by Mr. Powell. With no further nominations, Mr. Cheatham made a motion and Dr. Hackbart seconded to elect Ms. Pendergrass as the Chair of the County Employees Retirement System Board of Trustees. The motion passed unanimously.

Ms. Pendergrass thanked the CERS Ad-Hoc Planning Committee and internal staff for all their hard work during this transition. Ms. Pendergrass also welcomed Mr. Webber, who was attending via Facebook, to the meeting and thank him for his efforts on the legislation to create the separate CERS governance structure.

Ms. Pendergrass introduced agenda item *Vice-Chair Election*. Mr. O'Mara nominated Mr. Powell as Vice-Chair, the nomination was seconded by Dr. Hackbart. With no further nominations, Dr. Hackbart made a motion and Mr. Fulkerson seconded to confirm Mr. Powell as the Vice-Chair of the County Employees Retirement System Board of Trustees. The motion passed unanimously.

Ms. Pendergrass introduced agenda item *Ratification of CERS Election Results*. Mr. Powell made a motion and Mr. Fulkerson seconded to ratify the election results calculated by Yes Elections and audited by Dean Dorton. The motion passed unanimously.

Ms. Pendergrass introduced agenda item *CERS Trustee Vacancy*, Dr. Patricia Carver was elected by the members as the third CERS elected Trustee and her term normally would start on November 1, 2021. The CERS Trustee, David Rich, who would be serving until October 31, 2021 has tendered his resignation effective March 31, 2021 to allow Dr. Carver to start her term immediately. Ms. Pendergrass expressed appreciation on behalf of the CERS Board and CERS members for Mr. Rich's commitment to the Board and members and his hard work during his tenure on the Board. State law requires that the CERS Board send a vacancy notice to the membership regarding the vacancy. Ms. Pendergrass would like to amend the notice with two parts, 1) request comments regarding allowing Dr. Carver to extend her term and start serving immediately and 2) details on how to submit an application if someone would like to apply for the March 31-Oct 31, 2021 term. The Board approved a deadline for submitting applications no later than April 29, 2021. The Board discussed how to distribute the notice via email, KPPA website, KPPA Facebook page, employers and employee groups. Mr. O'Mara made a motion and Mr. Fulkerson seconded to approve the notice with changes discussed. The motion passed unanimously.

Ms. Pendergrass introduced agenda item *KPPA Appointments* and combined *Committee Assignments* in the discussion. Ms. Pendergrass has discussed options with each Trustee and developed the following appointments. Dr. Hackbart (Chair), Mr. O'Mara, Mr. Cheatham, Mr. Powell and Mr. Fulkerson will serve on the Investment Committee. Mr. O'Mara (Chair), Mr. Cheatham, Mr. Fulkerson and Mr. Brothers will serve on the Finance Committee. Retiree Health Plan Committee will be discussed further at the KPPA Board meeting. Ms. Pendergrass, Jerry

Powell, and one other Trustee will serve on the DAC/AAC. One additional Trustee will be appointed later and Ms. Pendergrass asked for volunteers. Mr. Foster (Chair) and Dr. Hackbart will serve on the Actuarial Committee and Ms. Pendergrass will appoint one other person later. This list is subject to change once the Trustee vacancy is filled. Ms. Pendergrass as Chair of the CERS Board, Dr. Hackbart as the Investment Committee Chair, are automatically appointed to the KPPA Board. Ms. Pendergrass also appointed Mr. O'Mara and Mr. Powell to serve on KPPA.

Ms. Pendergrass introduced agenda item *CERS Ad-Hoc Planning Committee Report*. Ms. Pendergrass submitted this report to the last Ad-Hoc Planning Committee meeting on March 24, 2021. She has incorporated changes discussed in that meeting into the report and it is now a part of the official meeting material.

Ms. Pendergrass introduced agenda item *CEO & General Counsel*, and presented the job descriptions that were discussed during the ad-hoc planning committee meetings. These job descriptions are now ready for approval. Mr. Fulkerson made a motion and Mr. Powell seconded to approve the CEO & General Counsel job descriptions as presented. The motion passed unanimously.

Ms. Pendergrass introduced agenda item *Bylaws*. Ms. Pendergrass asked the Trustees to review the following items:

- 1) Section 1.2 Item D – Personnel Management Policy,
- 2) Section 1.2 Item O – Collaboration with KPPA for Business Continuity and Disaster Recovery,
- 3) Section 1.3 Item H – Chief Executive Officer interaction with Investment Staff and Managers,
- 4) Section 1.3 Item O – Chief Executive Officer Collaboration with KPPA Administrative Staff,
- 5) Section 2.2 Item C – Finance Committee Hazardous Duty Position Approval Language,
- 6) Section 2.2 Item E – Investment Committee Composition (Possible Robert's Rules Exception), and
- 7) Section 2.2 Item G – Retiree Health Plan Committee Structure.

The Board discussed each of these items and suggested minor edits to the language in each section. Ms. Pendergrass asked Mr. Powell to provide more background on the Retiree Health Plan Committee Structure. He explained how the Board of Trustee had previously interacted with the Retiree Health Care staff, the Personnel Cabinet's Kentucky Employees Health Plan (KEHP), and an advisory group that assists KEHP. Mr. Powell then made a motion and Mr. Brothers seconded to have a Joint Retiree Health Plan Committee with the KRS Board of Trustees. CERS Board could also appoint an Ad-Hoc Committee when necessary. The motion passed unanimously.

Ms. Pendergrass introduced agenda item *Board & Committee Meeting Schedule*. CERS meetings are scheduled on Mondays and Wednesdays. The Board discussed having these meetings at 2:00 PM ET, so that Trustees in western Kentucky could meet after lunch. There was also a discussion regarding virtual meetings if/when meetings resume the in-person format.

Ms. Pendergrass introduced agenda item *Investment Management*. Mr. Powell advised there was nothing new to report since his report to the Ad-Hoc CERS Transition Planning Committee. Dr. Hackbart will Chair the Investment Committee.

Ms. Pendergrass introduced agenda item *Actuarial Planning*. Mr. O'Mara recommended that the Board provide actuarial training for the new Trustees. Mr. O'Mara, Mr. Eager, and Danny White (GRS) have already worked on a training session. There will be an Actuarial Training Session on April 27, 2021 at 2:00 p.m. with GRS presenting. Mr. Eager also advised that he will send the Trustees a copy of the book *Penchant for Pensions*, by Leslie L. Thompson and Pamela M. Feely.

Ms. Pendergrass advised that Committee Chairs have the availability to call special called meetings when needed. These meetings require a 24-hour notice to the public. The CERS Board will meet again on April 21, 2021, for the "annual" meeting. Ms. Pendergrass may call additional special Board meetings as the Board continues its organizational planning.

Mr. Fulkerson made a motion and Mr. Powell seconded to adjourn the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held April 1, 2021 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

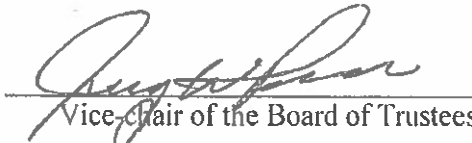
CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the 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

We, the Chair of the Board of Directors of the Kentucky Retirement Systems and Vice-Chair of the Board of Directors of the County Employees Retirement System, do certify that the Minutes of Meeting held on April 1, 2021 were approved on April 21, 2021.


Chair of the Board of Trustees


Vice-Chair of the Board of Trustees

I have reviewed the Minutes of the April 1, 2021 Board of Trustees Meeting for content, form, and legality.


Executive Director
Office of Legal Services