

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES ANNUAL MEETING
APRIL 9, 2024, AT 10:00 AM, E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the Meeting of the Kentucky Retirement Systems Board of Trustees held on April 9, 2024 the following members were present: Lynn Hampton, David Adkins, Ramsey Bova, Mary Eaves, Prewitt Lane, Dr. Crystal Miller, Keith Peercy, Pamela Thompson and William Summers, V. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Leigh Ann Davis, Michael Lamb, Steve Willer, Brian Caldwell, Ashley Gabbard, Katie Park, Phillip Cook, and Sherry Rankin.

Ms. Hampton called the meeting to order.

Mr. Board read the Legal Public Statement.

Ms. Rankin called roll.

There being no *Public Comment* submitted, Ms. Hampton introduced agenda item *Approval of Minutes – March 13, 2024 (Video 00:07:13 to 00:07:39)*. A motion was made by Mr. Adkins and seconded by Mr. Summers to approve the minutes as presented. The motion passed unanimously.

Ms. Hampton introduced agenda item *Election of KRS Board of Trustee Officers Chair and Vice Chair (Video 00:07:40 to 00:10:38)*.

Mr. Chilton requested nominations for KRS Chair. Mr. Lane nominated Ms. Lynn Hampton for Chair. Mr. Adkins seconded the nomination. There being no additional nominations or objections, the KRS Board of Trustees declared Ms. Hampton the KRS Chair for the next year by acclamation.

Ms. Hampton requested nominations for Vice-Chair. Ms. Bova nominated Mr. Prewitt Lane for Vice-Chair. Mr. Adkins seconded the nomination. The KRS Board of Trustees declared Mr. Prewitt Lane the Vice-Chair of KRS by acclamation.

Ms. Hampton introduced the *Assignments to KPPA Board, Investment Committee Chair, and Committees* (Video 00:10:39 to 00:11:25). Ms. Hampton advised that there were no requests to change the current assignments to the KPPA Board, Investment Committee Chair, and Committees; therefore, there would be no action taken.

Ms. Hampton introduced agenda item *PPW Board of Directors Election* (Video 00:11:26 to 00:14:52). Ms. Adkins advised that the KRS Board of Trustees must nominate a KERS and a SPRS Representative for the PPW Board of Directors Election.

Mr. Adkins made a motion to nominate Ms. Hampton and Mr. Peercy and to authorize Mr. Willer to vote proxies accordingly. Mr. Summers seconded the motion and the motion passed unanimously.

Ms. Hampton introduced agenda item *ACFR Recommendation* (Video 00:14:53 to 00:25:23). Mr. Lamb presented a detailed memorandum outlining his research regarding the presentation of the Annual Comprehensive Financial Report (ACFR). Beginning with fiscal year ended June 30, 2024, he recommended that KPPA contract with an outside certified public accountant to perform two separate financial statement audits and have KPPA publish two separate ACFRs:

- One ACFR for the Kentucky Retirement Systems, inclusive of the Kentucky Employees Retirement System (KERS) and the State Police Retirement System (SPRS), and their related pension and insurance trust plans and;
- One ACFR for the County Employees Retirement System, and their related pension and insurance trust plans.

Mr. Adkins made a motion to endorse the recommendation by KPPA Staff to publish two separate ACFRs as presented by the KPPA Division of Accounting. Ms. Bova seconded the motion and the motion passed unanimously.

Ms. Hampton introduced agenda item *Investment Update* (Video 00:25:24 to 00:47:46). Mr. Willer presented KERS and SPRS pension portfolio performance data. He also reviewed the KRS asset allocations as of March 22, 2024, and market highlights with the KRS Board of Trustees.

Ms. Hampton introduced agenda item *KPPA Update* (Video 00:47:47 to 01:06:48). Mr. Eager provided the KRS Board of Trustees with a written KPPA Update. First, he asked Mr. Willer to

provide an update on bringing additional investment assets in-house. Mr. Eager orally reported on the status of House Bill 1 and House Bill 6. If signed by the Governor, these bills would yield a positive fiscal impact to KRS, said Mr. Eager.

Mr. Eager reported that the new Executive Director, Ryan Barrow is scheduled to join KPPA as a consultant on May 1, 2024, and begin his role as Executive Director.

Ms. Rebecca Adkins provided a brief update on the process to obtain a KPPA Louisville Office for the KPPA Office of Investments. She announced that the process had been finalized and that the invitation would be issued by the Finance and Administration Cabinet soon. Ms. Hampton expressed the importance of the Louisville Office to support interns within the Office of Investments. Mr. Adkins suggested that the KPPA Internship Program be named in honor of an individual who made noteworthy contributions to the pension system. This allows interns to list their internship as a credential on their resume, said Mr. Adkins.

Mr. Adkins commended Mr. Eager for his competence, expertise, and positive contributions made throughout his eight years of leadership. Mr. Adkins recommended that the KRS Board of Trustees prepare a formal resolution which recognizes Mr. Eager's leadership and contributions. Additionally, a resolution recognizing the Executive Branch and Legislative Branch leaders who made it possible, said Mr. Adkins. These resolutions should be presented in at the next meeting of the KRS Board of Trustees (June 18, 2024). Ms. Hampton directed Mr. Board to work with Mr. Adkins to draft the requested resolutions.

Ms. Hampton introduced agenda item ***KRS Update*** (Video 01:06:49 to 01:14:35). Mr. Chilton provided a brief oral report on the happenings since the last meeting of the KRS Board of Trustees. Mr. Chilton also reminded Trustees to use only their KPPA provided email address when conducting and/or discussing KRS business. Also, to complete their Ethics Disclosure and Trustee Education Requirements.

Ms. Hampton introduced agenda item ***Closed Session*** (Video 01:14:36 to 01:15:14) and requested a motion to enter closed session to discuss pending litigation pursuant to KRS 61.810(c). A motion was made by Ms. Eaves and seconded by Ms. Bova. The motion passed unanimously.

Mr. Board 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 - 00:00:40 to 00:00:49).

Ms. Hampton called the meeting back to open session. There was no action taken by the KRS Board of Trustees.

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 April 9, 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 April 9, 2024, were approved on June 18, 2024.


Chair of the Board of Trustees

I have reviewed the Minutes of the April 9, 2024, Board of Trustees Meeting for content, form, and legality.


Executive Director
Office of Legal Services