

**MINUTES OF MEETING
BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS
January 14, 2022 AT 10:00 AM ET
VIA LIVE VIDEO TELECONFERENCE**

At the meeting of the Kentucky Retirement Systems Board of Trustees held on January 14, 2022 the following members were present: Keith Peercy (Chair), Bruce Brown, John Cheshire, Raymond Connell, Joseph Grossman, Lynn Hampton, Prewitt Lane, and Larry Totten. Staff members present were KRS CEO John Chilton, David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Steven Herbert, Victoria Hale, Andrea Freadreacea, Ashley Gabbard, Shaun Case, Glenna Frasher, Phillip Case and Sherry Rankin. Others in attendance included Benjamin Lewis and Janet Jakubowicz with Dentons Bingham Greenebaum; and Kathryn Gabhart, Executive Director of Executive Branch Ethics Commission.

Mr. Peercy called the meeting to order.

Mr. Michael Board read the Legal Public Statement.

Ms. Sherry Rankin called roll.

There being no public comment, Mr. Peercy introduced agenda item *Employment of KRS Legal Counsel*. KRS CEO John Chilton began by indicating that one of the directives in the Statutes for the creation of the Kentucky Retirement Systems Board, includes the hiring of a CEO and Legal Counsel for the Board. After a diligent search for a firm that was free of conflict that would deem them unqualified to represent our Board, Mr. Chilton announced his recommendation of Benjamin Lewis and Janet Jakubowicz with the firm Dentons Bingham Greenebaum, LLP, to be hired as the Legal Counsel for the Kentucky Retirement Systems Board. Both Janet Jakubowicz and Benjamin Lewis were able to provide their background and legal focuses in their legal practice. Mr. Lane commented that in his former capacity with a previous employer, he was given information about the firm's abilities and how pleased the employer was with the legal representation provided by Ms. Jakubowicz. Ms. Hampton questioned whether Ms. Jakubowicz had reviewed the current litigation involving the Board and if any conflicts were discovered. Ms. Jakubowicz indicated that even though an in depth review had not been done, verification was completed with respect to conflicts of interest, and none were discovered that would hinder the representation of this Board.

Ms. Jakubowicz stated that other lawyers in the firm have historically represented other state agencies, including Kentucky Community and Technical College System (KCTCS) and the University of Louisville. She indicated that if either of those agencies, along with the Kentucky Retirement Systems were ever adverse to one another in litigation, that the firm would not represent any of those entities in that litigation. Mr. Connell questioned if this firm would be taking over any current litigation being handled by outside counsel, or is this hire to satisfy the statutory requirement. Mr. Chilton indicated that in discussions with Ms. Jakubowicz and Mr. Lewis, it was stated that they would work closely with the KPPA legal staff, in parallel to the work on the current litigation matters being handled by outside counsel. Mr. Connell then questioned the type of work that the firm would be handling. Mr. Chilton indicated that the Board is currently involved in litigation and that advice would be sought from Ms. Jakubowicz and Mr. Lewis on how to proceed in those cases. Mr. Board also responded that cases involving fiduciary and trust issues, as well as employer participation and investment litigation, have routinely been handled by outside counsel. Ms. Hampton asked about the procurement rules pertaining to the hiring of counsel. Mr. Chilton provided his understanding that in this situation it could mean the statutory hiring, or the approach being taken here in engagement of a law firm. He stated that there are no procurement rules or procedures that apply in this circumstance. Mr. Board indicated that in the statutes, namely, KRS 61.645(9) (a), directs the Board of Trustees to appoint through a contract for services, a Chief Executive Officer and a General Counsel, and shall fix the compensation and terms of employment without the limitation of KRS Chapters 18A, 45A, and 64.640. Mr. Board explained that 45A is the state's Model Procurement Code which govern the way these services are procured. However, according to this statute, these positions are exempt from those usual procurement procedures. Mr. Grossman questioned that based on the knowledge of the scope of the litigation in our present cases and any future cases, did Mr. Lewis feel qualified to represent this Board. Mr. Lewis affirmed their qualifications for representation and stated that if something falls outside of their expertise, the expertise is within their firm and the ability to pull in that expertise at any point is available at any time. Mr. Totten asked for clarification in regards to the no retainer fee and hourly compensation rate of \$350.00 per hour. Mr. Chilton stated that there is no retainer fee, and that billing would occur on a monthly basis at a flat hourly rate of \$325.00 for all professionals in the firm. Mr. Totten made a motion and seconded by Mr. Connell to retain Dentons Bingham Greenebaum, LLP as General Counsel for the Board of Kentucky Retirement Systems. The motion passed unanimously.

Mr. Peercy introduced agenda item *Executive Branch Ethics Training*. Mr. Board introduced Ms. Katie Gabhart, Executive Director of the Executive Branch Ethics Commission, who presented the Trustee Ethics Training material. Ms. Gabhart presented a power point presentation on Trustee Ethics, as well as reviewing the Guide to Executive Branch Code of Ethics. Afterwards, Ms. Gabhart stated that this training fulfills the mandatory training requirement for officers in major management. Mr. Board announced that the KPPA Ethics Officer is Jillian Hall, one of our Staff Attorneys in the Non-Advocacy Division of the Office of Legal Services.

Mr. Grossman made a motion and seconded by Ms. Hampton 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 January 14, 2022 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 January 14, 2022 were approved on March 2, 2022.


Chair of the Board of Trustees

I have reviewed the Minutes of the January 14, 2022 Board of Trustees Meeting for content, form, and legality.


Executive Director
Office of Legal
Services