

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES SPECIAL CALLED MEETING
JANUARY 30, 2024, AT 10:00 AM, E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the Meeting of the Kentucky Retirement Systems (KRS) Board of Trustees held on January 30, 2024 the following members were present: Lynn Hampton (Chair), Ramsey Bova, Mary Eaves, Dr. Crystal Miller, Keith Peercy, Pamela Thompson, and William Summers, V. Staff members present were KRS CEO John Chilton, David Eager, Rebecca Adkins, Erin Surratt, Victoria Hale, Steve Willer, Anthony Chiu, Brian Caldwell, Ashley Gabbard, Katie Park, Shaun Case, and Sherry Rankin. Others present included Criag Morton, Chris Tessman, and David Lindberg with Wilshire Advisors.

Ms. Hampton called the meeting to order.

Ms. Hale read the Legal Public Statement.

Ms. Rankin called roll.

Ms. Rankin advised that one (1) **Public Comment** was submitted and the comment aloud:

Submitted by Mark Doran

I'm a retired CERS member. My employer and I both contributed to a plan that was 100% funded during the majority of my career, then the unfunded liability exploded when it was my turn to benefit. I totally understand the underfunding concerns and the necessity to address them, but our last COLA was 2011. No one can really expect retirees to live on a stagnated benefit forever. I understand the legislative responsibilities and legislative actions regarding CERS in the past 15 years, the funding responsibilities and the CERS Board relationship. In short, it's built a red-tape system of no accountability to the CERS retirees. My question to you is how do you plan to represent retirees regarding a cost-of-living adjustment. Currently, a COLA would require funding from the contributing participants, yet the CERS Board has recently been decreasing contributions instead. Consideration should be given to options to tweak legislation for COLA

funding or work within the existing system for retirees. The legislature won't move without your input and we're depending on you to represent us all. What help do you offer us. An actual response would be appreciated.

Ms. Hampton introduced agenda item ***Investment Committee Report and Recommendations*** (Video 00:07:38 to 00:34:10). Ms. Bova stated that the KRS Investment Committee held a Special Called meeting on January 18, 2024.

The recommendation made by the KPPA Office of Investments to invest up to \$75 million in Closed-End Funds Separately Managed Accounts to be managed by Saba Capital Management subject to successful contract negotiations was approved by the Committee. This investment would be part of the Real Return asset allocation and would be allocated proportionally across all Pension and Insurance portfolios, said Mr. Willer.

In addition, the recommendation made by the KPPA Office of Investments and Wilshire to revise Section III Asset Allocation Guidelines of the Kentucky Retirement Systems Investment Policy Statement Adopted March 2, 2022, was approved. Mr. Willer reviewed the approved changes to the Asset Allocation with the KRS Board of Trustees.

Mr. Peercy made a motion to ratify the Investment Committee's approval of the revisions to the KRS' Asset Allocation. Ms. Bova seconded the motion and the motion passed unanimously.

Ms. Bova made a motion to ratify the Investment Committee's approval to invest up to \$75 million with Saba Capital Management. Ms. Thompson seconded the motion and the motion passed unanimously.

Closed Session – None.

There being no further business, Ms. Hampton ***adjourned*** the meeting.

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 30, 2024, were approved on March 13, 2024.

Chair of the Board of Trustees

I have reviewed the Minutes of the January 30, 2024, Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services