

MINUTES OF MEETING NO. 341  
BOARD OF TRUSTEES  
KENTUCKY RETIREMENT SYSTEMS  
April 3, 2008 at 9:00 A.M., E.T.  
Board Room  
Perimeter Park West, 1270 Louisville Road  
Frankfort, Kentucky 40601

Item 1

At the Annual Meeting of the Board of Trustees held on April 3, 2008, the following members answered to their names: Randy J. Overstreet, Chair, Patricia R. Ballenger, Lynn T. Harpring, Bobby D. Henson, Susan S. Horne, Nikki R. Jackson, Vince Lang, Walter Pagan and W. Lewis Reynolds, III.

In addition, staff members present were Robert M. Burnside, Executive Director, Amy Doss Fields, Recording Secretary, William A. Thielen, Gerri D. Miller, Adam C. Tosh, Todd Coleman, J. Eric Wampler, Sarah Webb, Becky Stephens, Charlene Haydon, Suzanne Howe, Shawn Sparks, Chris Clark, Joe Gilbert, Bo Cracraft, Brent Aldridge, Laura Miller, Richard Schultz, Donna Beckley, and Scarlett Consalvi. Also present were Rebecca Heckler and Mary Helen Peter, Kentucky Public Retirees and Ed Davis, Kentucky Fraternal Order of Police.

Item 2

It was moved by Mr. Reynolds, seconded by Mr. Lang and carried by the Board to approve the Minutes of Meeting numbers 337 and 338, with the following correction to the Minutes of Meeting number 337:

Page 2, Item 6 should read "It was moved by Ms. Horne, seconded by Mr. Harpring and carried by the Board to accept the Audit Report *with modifications.*"

Item 3

Mr. Overstreet presented the memorandum "*Statement of Bylaws and Committee Organization and Election of Officers.*" Mr. Overstreet advised that the Board must elect a Chair and Vice-Chair.

Mr. Overstreet turned the proceedings over to Mr. Burnside for nominations for Chair of the Board of Trustees.

Mr. Burnside announced that the floor was open for nominations for Chair. Mr. Pagan nominated Mr. Overstreet to serve as Chair of the Board for the ensuing Board year or until a successor is elected. Mr. Lang seconded the nomination.

It was moved by Mr. Henson, seconded by Mr. Reynolds and carried that nominations for Chair cease.

There being no discussion, a vote was called for, and Mr. Overstreet was elected Chair of the Board of Trustees of Kentucky Retirement Systems.

Mr. Overstreet opened the floor for nominations for Vice Chair.

Mr. Harpring nominated Mr. Pagan to serve as Vice Chair of the Board for the ensuing Board year or until a successor is elected. Mr. Lang seconded the nomination.

It was moved by Mr. Henson, seconded by Mr. Reynolds and carried that nominations for Vice Chair cease. There being no discussion, a vote was called for and Mr. Pagan was elected Vice Chair of the Board of Trustees of Kentucky Retirement Systems.

Item 4

Mr. Overstreet presented the memorandum "Employee Service Awards" and noted that at the annual meeting KRS employees are recognized at five-year intervals for long and distinguished service.

The following employees received their five-year service award:

Sharon Banta	Accounting
Vonda Donoho	Accounting
Todd Coleman	Accounting
Amy Fields	Administration
Sherry Bowman	Disabilities
Anne Baker	Employment Services
Ellen Baker	Employment Services
Erin Surratt	Employment Services
Jean Hutcherson	Employment Services
Kristy Tolson	Employment Services
Robert Hanks	Employment Services
Marlane Robinson	Human Resources
Amanda Powell	Information Technology
Andy Franklin	Information Technology
Phillip Cook	Information Technology
Angela Stevens	Legal
Anita Blanton Smith	Membership Support
Shannon Bellamy	Membership Support
Bethany Hampton	Retiree Services
Carolyn Harris	Retiree Services

The following employees received their ten-year service award:

Kristy Bramblett	Accounting
Linda McMurray	Accounting
Pamela Spencer	Disabilities
Suzanne Thompson	Employment Services
Tara LeCompte	Employment Services
Tracy Allnutt	Equity Assets
Mark Lenz	Information Technology
Brenda Poe	Membership Support
Cheri Collins	Retiree Services
David Riddle	Retiree Services
Jennifer Chesser	Retiree Services
Kathy Satterley	Retiree Services
Lisa Hilton	Retiree Services
Lisa Perry	Retiree Services
Michelle Rodgers	Retiree Services

The following employees received their fifteen-year service award:

Shari Barber	Accounting
Andra Deaton	Employment Services
Bob Sircy	Employment Services
Rebecca Stephens	Employment Services
Michael Fehr	Retiree Services

The following employees received their twenty-year service award:

John Davis	Information Technology
Steve Mackey	Retiree Health Care

#### Item 5

Mr. Overstreet presented the memorandum "Kentucky Retirement Systems Progress Report for Calendar Year 2007."

Kentucky Retirement Systems consists of thirteen divisions organized under three Chief Officers.

Gerri Miller, Chief Benefits Officer  
Division of Disabilities, Charlene Haydon, Director  
Division of Field Services, Sarah Webb, Director  
Division of Employment Services, Becky Stephens, Director  
Division of Membership Support, Suzanne Howe, Director

Bill Thielen, Chief Operations Officer

Division of Office Support, Donna Beckley, Director  
Division of Accounting, Todd Coleman, Director  
Division of Communications, Scarlett Consalvi, Director

Adam Tosh, Chief Investments Officer  
Division of Alternative Investments, Brent Aldridge, Director  
Division of Fixed Assets, Laura Miller, Portfolio Manager  
Division of Equity Assets, Bo Cracraft, Director  
Compliance, Joe Gilbert, Compliance Officer

These individuals were in attendance to review the past year's performance and provide strategic plans for the future.

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Mr. Clark, Mr. Gilbert, Mr. Aldridge, Mr. Cracraft, Ms. Laura Miller, Ms. Beckley, Ms. Webb, Ms. Stephens, Ms. Howe, Ms. Consalvi and Ms. Haydon departed.

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#### Item 6

Mr. Overstreet presented the memorandum "Hazardous Position."

The Board requested that staff perform additional research to determine the certification requirements for law enforcement officers, firefighters, and emergency medical technicians/paramedics, and to identify any relevant standards or policies that other state retirement systems may utilize.

It was moved by Mr. Harpring, seconded by Mr. Henson and carried by the Board to defer the position of Court Security Officer, Franklin County Fiscal Court, to a future meeting.

#### Item 7

Mr. Overstreet presented the memorandum "Legislative Update."

Staff advised the Board of retirement related legislation, noting that the majority of the bills have not seen significant movement, including KRS' housekeeping bill. The Clancy Barnes Act was passed and would provide that any retiree, age 65 or over, may apply before the end of the year to have their retirement check mailed rather than direct deposit.

Staff advised the Board that House Bill 600 House Committee Substitute would establish a new defined benefit tier for future employees, apply a rule of 85, and implement a different oversight structure for KRS with a committee overseeing investment strategy and policy. The Senate Committee Substitute incorporated changes that would create a separate Board for CERS, revamp the current KRS Board, and put classified school employees in KERS. The Senate Committee Substitute also provided that each employee would contribute one percent of their income into an annuity savings

plan that would be managed with KRS' investments. The Senate's proposal also included additional funding. The Senate Committee Substitute went back to the House and then to a Conference Committee. The bill then went to a Free Conference Committee, which met this week, but has not scheduled to meet again.

The Board discussed the need to have increased communications with the membership during the legislative session and identified the agency's internet website as a potential medium to utilize in the future.

This memorandum was presented for informational purposes.

### Item 8

Mr. Overstreet presented the memorandum "Committee Appointments."

Mr. Overstreet appointed the following committees:

#### DISABILITY APPEALS COMMITTEE

Susan S. Horne, Chair  
Bobby D. Henson  
Vince Lang

#### ADMINISTRATIVE APPEALS COMMITTEE

Susan S. Horne, Chair  
Bobby D. Henson  
Vince Lang

#### INVESTMENT COMMITTEE

Susan S. Horne, Chair  
Patricia R. Ballenger  
Lynn T. Harpring  
Bobby D. Henson  
Randy J. Overstreet

#### HUMAN RESOURCES COMMITTEE

Walter J. Pagan, Chair  
W. Lewis Reynolds III  
Randy J. Overstreet

#### AUDIT COMMITTEE

Patricia R. Ballenger, Chair  
Lynn T. Harpring  
Susan S. Horne

#### LEGISLATIVE AND BUDGET COMMITTEE

Bobby D. Henson, Chair

Nikki R. Jackson  
Vince Lang  
Susan S. Horne  
Randy J. Overstreet

RETIREE HEALTH PLAN COMMITTEE

Bobby D. Henson, Chair  
Patricia R. Ballenger  
Nikki R. Jackson  
Vince Lang  
Randy J. Overstreet

Item 9

Mr. Overstreet presented the memorandum “Statements of Investment Policy – Pension Funds and Insurance Funds.”

This memorandum was presented for informational purposes.

Item 10

Mr. Overstreet presented the memorandum “Conflict of Interest Statement.”

Pursuant to the KRS Conflict of Interest and Confidentiality Policy, Conflict of Interest Statements were distributed to Board members for completion.

This memorandum was presented for informational purposes.

Item 11

Mr. Overstreet presented the memorandum “Fiduciary Issues Report.”

Mr. Wampler reviewed the memorandum and attached documents.

This memorandum was presented for informational purposes.

Item 12

Mr. Overstreet presented the memorandum “Fiduciary Liability Insurance Renewal.”

Staff advised that the existing fiduciary liability insurance policy will expire April 25<sup>th</sup>. The Kentucky Office of Insurance issued a Request for Proposal with an April 17<sup>th</sup> deadline for responses. Once that deadline has passed, staff can determine what will be offered.

It was moved by Mr. Harpring, seconded by Ms. Ballenger and carried by the Board to authorize staff to renew its fiduciary liability insurance coverage.

Item 13

There being no further business, the meeting was adjourned at 12:33 P.M., E.T., to meet on May 15, 2008 at 9:30 A.M., E.T., or upon the call of the Chair, Executive Director, or at the request of five members of the Board.

CERTIFICATION

I, Amy Doss Fields, do certify that I was present at this meeting and that I have recorded above the action of the Board on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.605 through 61.850 were met in connection with this meeting. Finally, I certify that the Minutes and supporting materials have been forwarded to each member of the Board and have been included in the permanent records of the Board.

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Amy Doss Fields  
Recording Secretary

We, the Chair and the Executive Director of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting No. 341 were approved by the Board on May 15, 2008.

Signed: \_\_\_\_\_

Chair

Signed: \_\_\_\_\_

Executive Director

I, J. Eric Wampler, have reviewed the Minutes of Meeting No. 341 for form, content and legality.

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General Counsel