

MINUTES OF MEETING NO. 339
BOARD OF TRUSTEES
KENTUCKY RETIREMENT SYSTEMS
January 24, 2008 at 10:00 A.M., E.T.
Board Room
Perimeter Park West, 1270 Louisville Road
Frankfort, Kentucky 40601

Item 1

At the Special Called Meeting of the Board of Trustees held on January 24, 2008, the following members answered to their name: Randy J. Overstreet, Chair, Walter J. Pagan, Lynn T. Harpring, Bobby D. Henson, Vince Lang, and Tim Longmeyer, Personnel Cabinet, proxy for Nikki R. Jackson.

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 E. Coleman, J. Eric Wampler, Shawn Sparks, Jennifer Steele, Richard Schultz, and Jennifer Jones. Also present were Crystal Pryor, Governor's Office, Mary Helen Peter, Kentucky Public Retirees, Michael Kurtsinger, Fire Commission, and Frank Willey, Legislative Research Commission.

Mr. Overstreet advised that Mr. Longmeyer was sitting in for Ms. Jackson. An Attorney General's ruling from Scott White, Assistant Deputy Attorney General, advises that KRS 18A.035(1) provides that the Secretary "...may from time to time designate in writing an employee of the cabinet to act for him in case of his absence or inability from any cause to discharge the powers and duties of his position. In this case, the powers and duties of the secretary shall devolve upon his designee."

Item 2

Mr. Overstreet presented the first item on the agenda, "Discussion of, and action on, Legislative Issues affecting Kentucky Retirement Systems."

The Board was advised that the Governor's Office contacted the Executive Director in regard to obtaining input from the KRS Board of Trustees concerning how to address future retirement benefit changes and unfunded liability issues. Staff presented a draft statement based on the format of the 2003 statement the Board provided to the General Assembly regarding possible plan design changes.

Patricia R. Ballenger entered the meeting.

The Board discussed the draft *Statement of the Kentucky Retirement Systems Board of Trustees Regarding Options Designed to Address System Unfunded Liabilities and Rising Plan Costs* and the Cavanaugh Macdonald Consulting letter dated January 22, 2008. Discussion emphasized the necessity of addressing the existing unfunded liabilities.

Susan S. Horne entered the meeting.

Mr. Harpring advised that he could not support the statement unless something in a defined contribution context is included.

It was moved by Mr. Pagan, seconded by Mr. Lang, and carried by the majority to submit the *Statement of the Kentucky Retirement Systems Board of Trustees Regarding Options Designed to Address System Unfunded Liabilities and Rising Plan Costs* and the Cavanaugh Macdonald Consulting letter dated January 22, 2008 to the Governor's Office.

Mr. Harpring dissented.

Mr. Lang departed.

Item 3

Mr. Overstreet presented the next item on the agenda, "Legislative Committee Report to the Board regarding Housekeeping Bill."

Mr. Wampler reviewed the memorandum "Summary of Housekeeping matters for the 2008 Legislative Session."

It was moved by Mr. Pagan, seconded by Mr. Henson, and carried by the Board to authorize staff to seek a sponsor for the proposed legislation and move forward with the legislative process.

Item 4

There being no further business, the meeting was adjourned at 12:19 P.M., E.T., to meet on February 21, 2008 at 9:00 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.

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. 339 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. 339 for form, content and legality.

General Counsel