



Kentucky Retirement Systems

# PPOB TRUSTEE ELECTION/APPOINTMENT OVERVIEW

**David Eager**  
**Executive Director**

Oct 22, 2018

# AGENDA

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1. Elected Trustees
2. Appointed Trustees
  - Qualifications
3. Recent election statistics
4. Current Trustees (bios on our website\*)
5. How elections work
6. KRS recommended change proposed for the 2019 General Assembly

*\* [https://kyret.ky.gov/About/Meet\\_the\\_Board%20of%20Trustees/Pages/default.aspx](https://kyret.ky.gov/About/Meet_the_Board%20of%20Trustees/Pages/default.aspx)*

# 61.645 – ELECTED TRUSTEE STATUTE REFERENCES

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(1)(b) Three **CERS** members elected by their members



(1)(c) One **SPRS** member elected by their members



(1)(d) Two **KERS** members elected by their members

# 61.645 – APPOINTED TRUSTEE STATUTE REFERENCES

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## **(1)(e) Ten Trustees appointed by the Governor**

- 1. One knowledgeable about the impact of pensions on local government**
- 2. One appointed by the Governor from a list of three submitted by Kentucky League of Cities**
- 3. One appointed by the Governor from a list of three submitted by Kentucky Association of Counties**
- 4. One appointed by the Governor from a list of three submitted by Kentucky School Board Association**
- 5. Six shall have investment experience and be Governor appointees**

**(1)(a) The Secretary of the Personnel Cabinet**

# **61.645 – INVESTMENT EXPERIENCE DEFINED** (1)(e) (5)(a-e)

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**(5)(a) A portfolio manager acting as fiduciary**

**(5)(b) A professional securities analyst or investment consultant**

**(5)(c) A current or retired employee or principal of a trust institution, et al., acting in an investment-related capacity**

**(5)(d) A CFA in good standing**

**(5)(e) A university professor, teaching investments or related studies**

# CURRENT BOARD OF TRUSTEES



## 11 Governor

### Appointed Members:

- 1. David L. Harris**, *Chair*  
Investment Experience
- 2. W. Joe Brothers**  
KY School Board Association
- 3. John E. Chilton**  
Governor Appointment
- 4. William S. Cook**  
Investment Experience
- 5. Kelly Downard**  
Investment Experience
- 6. John R. Farris**  
Investment Experience
- 7. J.T. Fulkerson**  
KY League of Cities
- 8. David M. Gallagher**  
KY Association of Counties
- 9. Matthew Monteiro**  
Investment Experience
- 10. Neil P. Ramsey**  
Investment Experience
- 11. Thomas B. Stephens**  
Personnel Cabinet Ex-officio



## 6 Member

### Elected Members:

- 12. Campbell Connell**, KERS
- 13. Sherry Lynn Kremer**, KERS
- 14. Keith Peercy**, *Vice Chair*, SPRS
- 15. Betty Pendergrass**, CERS
- 16. Jerry W. Powell**, CERS
- 17. David Rich**, CERS

# BOARD RESPONSIBILITIES

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- **Most are on at least two committees in addition to the regular Board**
- **Most attend at least 14 meetings a year**
  - **The investment committee met 12 times over a 14 month period**
  - **All have a minimum of 2-3 hours of meeting preparation**
- **Non-state employee members are compensated at \$190/meeting**
  - **State employee members receive no compensation**
- **All are fiduciaries and subject to personal liability**
- **All are working together for the betterment of KRS**

# HOW ELECTIONS WORK

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- 1. Executive Director notifies the Board in writing of the election procedures at the February meeting.**
- 2. KRS distributes a notice to the membership seeking applications.**
- 3. Applications are received. The cut-off is 7/31.**
  - Submit application, resumé, and background check release**
- 4. Informational meeting by 8/31.**
- 5. Personal information forwarded to the Attorney General to determine Constitutional compatibility.**
- 6. The Board may nominate up to three eligible candidates for each vacancy before 9/30.**






# HOW ELECTIONS WORK

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- 7. Last day to file petition to be placed on the ballot is 11/30.**
- 8. Ballots are prepared by 12/31**
- 9. Ballots are mailed 1/20.**
- 10. Return ballots must be postmarked by 3/1 and mailed to the external auditor.**
- 11. Ballots tabulated by 3/15. External auditor certifies the votes.**
- 12. Winners begin to serve 4/1.**

# PAST BALLOT MAILINGS

	System	Ballot Mailed (Eligible Voters)	Ballots Returned	Voting %
	KERS - 2018	132,551	11,310	9%
	CERS – 2017 (Special Election)	223,764	10,148	5%
	CERS – 2017 (Regular Election)	227,829	24,416	11%
	SPRS - 2011	2,521	907	23%

# **RECOMMENDED CHANGES TO REDUCE COST AND IMPROVE PARTICIPATION**

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- 1. Have the three CERS elections on the same day**
  - Move the 10/31 election to 3/31**
  - This will save the cost of one election. The cost for the 2017 CERS election was \$97,271.**
- 2. Permit electronic balloting**
  - Current email coverage about 50% and growing**
  - Would initially save an estimated \$25,000-\$40,000 per election in mailing costs depending on if it is a KERS or a CERS election. SPRS savings would be minimal.**