

Kentucky Retirement Systems

## PPOB TRUSTEE ELECTION/APPOINTMENT OVERVIEW

David Eager Executive Director

Oct 22, 2018

## AGENDA

- **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

## **61.645** – ELECTED TRUSTEE STATUTE REFERENCES



(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**

### (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

(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

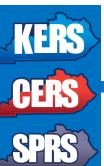
(5)(e) A university professor, teaching investments or related studies

## **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**

- 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**

- 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**

- 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 %
<u>A MERS</u>	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	SPRS - 2011	2,521	907	23%

### RECOMMENDED CHANGES TO REDUCE COST AND IMPROVE PARTICIPATION

- 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.