

THE KERNEL

A publication of the Kentucky Public Retirees, Inc.

Issue 117

May 2016

Annual Meeting

June 2 & 3, 2016

Time is quickly passing for this year's 33rd Annual Conference in Bowling Green hosted by the State Board. Martha Parrish, President of the Barren River Chapter, and its members are spearheading it. The reservations deadline has been moved to May 8, 2016. To make a reservation contact the Holiday Inn, University Plaza at 270-745-0088. Room rates are \$89 a night which includes two (2) free breakfasts each day. We encourage you, if you have not done so, to make your reservations and send in your registrations to our KPR Manager at P. O. Box 4082, Frankfort, Kentucky 40604 as soon as possible.



Holiday Inn, University Plaza

We have all the speakers confirmed as well as some fantastic entertainment. Among those included are Jason Bailey, regarding the impact of the 2016 legislation on our pensions; Governor Bevin or his Budget Director will be addressing priorities of the Commonwealth; and Bill Thielen, Executive Director of the Retirement Systems, in addition to numerous other interesting speakers. Besides those previously listed in our March Kernel, our entertainment for the banquet on Thursday night will be Barry Silvey, Backroads Bluegrass Comedian; and RoseGayle Hardy Waterfield will again present the Waterfield Awards. We have the Corvette Museum trip planned for those of you wanting to come a day early.



Sloan Convention Center

Last year, the Silent Auction was such a big hit, we are having it again. Anyone wishing to donate an item for the auction may bring it when you come to the meeting. There will be many door prizes. Kathleen Roberts is hand-making another beautiful throw for one of our raffles. Humana and Anthem Blue Cross insurance companies will be set up as vendors at the meeting to talk with you and help with any questions you may have about your insurance.

Let's make this year's meeting a big success. Make your plans now to be with us and show your support for our organization. Call Martha Parrish at 270-535-4985 or email mgparrish1@msn.com for any questions. Hope to see ya'll in Bowling Green!!



Fountain Square Park



President's Perspective

By Paul Guffey

My term as president concludes this June 30. While serving as your president for nearly four years many things have transpired, but many things still remain the same. The Kentucky

Retirement Systems' funds were declining; that continues especially with KERS-NH and the State Police systems. With the passing of the 2016-2018 biennial budget more money has been appropriated for KRS, especially for the KERS - NH system along with SPRS, but it will take more, and according to financial experts that condition will continue for many years. Some things seem to resist improvement.

While public pensions are getting more media exposure, COLAs for public retirees are seldom mentioned and many retirees quickly conclude that they do not expect any raises in their lifetimes. It is still the same, no raises. KPR ramped up its public exposure this past year by having more than 50 members of the General Assembly as guests at chapter meetings plus a rally that packed the Capitol Rotunda last January with appearances by the Governor and many legislators. Still this organization is faced with having to start over every budgetary cycle to influence lawmakers to provide adequate support for the pensions we have earned. The need for lobbying never ends.

Conferences at Cumberland Falls, Louisville, Lexington, and Bowling Green, serve as examples of great host teams and locations. Some highlights include mayors, senators, representatives, and other elected dignitaries including the current Governor as guests and some even delivering enlightened messages. The same will happen June 2-3 when the conference convenes in Bowling Green for the annual gathering of members and guests. I am encouraged that even good things remain much the same.

This non-profit 501(c)(5) corporation is stable and continues to grow in size and influence. Another chapter is being formed bringing the number to 16 chapters which will allow us to cover the entire state. But there is a need for significant growth of membership. Numbers create influence and that remains as a challenge!

KPR is conducting elections at both the chapter and state levels with new terms to begin July 1st. Those elected will determine the organization's priorities and its immediate future. The volunteer leaders will be charged to provide the vision and the will to meet any challenges the future presents. Support and help of members will be especially critical should there be another downturn in the economy and KERS-NH is forced to liquidate all investments and begin issuing monthly pension checks on a "pay as you go" basis. Officers need support of the membership to develop and implement strategies and measures to meet all challenges to the stability of the pension systems.

This is my last article for the newsletter as your President; a newly elected president will take over. It has been an interesting journey, and I want to thank you for giving me this opportunity!



Legislative Article

By Larry Totten

The 2016 General Assembly is now history. Much was done in this Session and, perhaps a little surprisingly, much did not get done as it pertained to public pensions

and the Kentucky Retirement Systems.

The state budget in the form of HB 303, finally amended by a free conference committee substitute, was passed in the later hours of the last day of the Session. ARC funding increased significantly over the next two years. Here are the comparisons: KERS NH – 38.77% (FY16), 48.59% (FY17), 49.47% (FY18); KERS H – 26.34% (FY16), 23.82% (FY17), 23.70% (FY18); SPRS – 75.76% (FY16), 89.21% (FY17), 91.24% (FY18)

In addition to the increased ARC percentages, KRS did receive a notable increase in funding. For FY17 beginning on July 1, KERS NH will receive \$58.193 million, KERS H will get \$15 million, and SPRS will receive \$25 million. During the second year of the budget (FY18), KERS NH will receive \$67.574 million, KERS H will get \$10 million, and SPRS will receive \$10 million. All told almost \$186 million in additional funding will come out of the General Fund for the unfunded liabilities within the three pension plans in KRS.

The budget also funded the Kentucky Permanent Pension Fund to the tune of \$125 million transferred from the Public Employee Health Insurance Trust Fund. (This is considerably less than the Governor's original proposal of \$500 million and the Senate's revised amount of \$250 million.) These funds cannot be expended without a directive written into a biennial budget bill, the next one being written in the 2018 General Assembly. An amount of up to \$3 million was allocated for a performance audit of all of the state's retirement systems, which is to be completed during the biennium.

The General Fund Surplus Expenditure Plan for FY17 puts half of any surplus into the Budget Reserve Trust Fund and half into the Kentucky Permanent Pension Fund. For FY18, half will go into the Budget Reserve Trust Fund, one-quarter will go toward the KERS NH unfunded liability, and one-quarter will go to KTRS pension fund. (Estimates of these surpluses have likely been made, just not included in this revenue bill.)

Perhaps the most surprising bill that did not make it to fruition was SB 2, the nicknamed "pension transparency bill." In short, this bill specified reporting requirements, required adherence to purchasing and contract review, and initiated several new administrative guidelines for all three state pension plans.

As time grew short in the Session, several provisions of the original bill were deleted and piggybacked onto other bills in an attempt to get it passed. In the end, the Senate passed all the legislation with these provisions, the House did not. A good guess would be that this will show up again in the 2017 General Assembly.

Legislative Article (cont'd)

HB 300, a bill dealing with elected Trustee vacancies and sponsored by KPR, was introduced in the House by Representative Derrick Graham. This is the third time this particular bill was attempted and we thank him once again for working on our behalf. Once again, it passed the House unanimously but stalled in the Senate State & Local Government Committee. One other bill that bears remarks here is HB 241, the KRS "housekeeping" bill which was also introduced for its third time.

This bill was assigned to the House State Government Committee in January and did not get a hearing. Besides some procedural changes, there were some good items in this bill that remain undone but still needed.

Overall, we are pleased that the Session resulted in the full ARC and additional revenue we promoted at our January Rally.

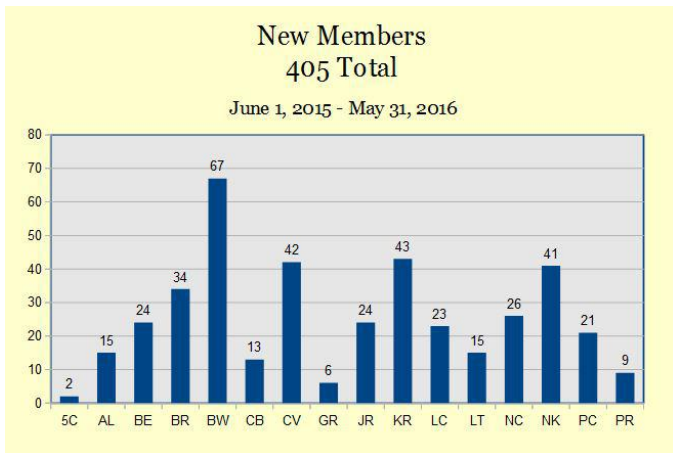
Membership Article

by Betty Hawkins



Our first Annual Membership Contest (June 1, 2015 - May 31, 2016) will soon be ending. As of April 1, 2016, a total of 405 new members have been recruited. The graph below reflects that Bluegrass West has the largest number of new recruits with 67;

Kentucky River is second with 43; and Cumberland Valley is third with 42.



Winners will be recognized and prizes will be awarded at the Annual Business Meeting on Friday, June 3. The individual who recruits the largest number of new members will receive \$50, second place will receive \$35, and third place will receive \$15. The chapter which has the largest percentage increase in membership since June 1, 2015, will receive \$25. There will be a random drawing prize of \$25 for any member who has recruited a new member. Everyone has an opportunity to win. When recruiting members, please make sure the person you recruit enters your name as the referral on the space provided on the membership application.

Any membership application received after May 31, 2016, will be entered in next year's contest.

Our spousal membership is continuing to grow. We presently have 165 spousal members. Spouses have everything to gain by joining: (1) helping to protect your spouse's future benefits, (2) safeguarding your benefits in the event of the death of your spouse, (3) learning more about the issues which affect your spouse's retirement, and (4) having the opportunity to participate in group activities, events, and meetings. Please consider enrolling your spouse today; membership is free for the remainder of 2016; annual dues are \$15.

There are a number of members who have not paid their 2016 dues. Non-paying members will be removed from the membership roll effective May 31, 2016. You will no longer receive this quarterly newsletter or important email alerts. Please renew your membership today! We understand that many of our members are involved with other personal matters and do not have enough time to be an active KPR member. We need your support even if your personal time is limited. Our membership numbers are extremely important as we continue to lobby the legislature regarding the funding of our pensions.

Retirement System Update

by Larry Totten

Since the last newsletter, there has not been any meetings of the Kentucky Retirement System Board of Trustees or any of its committees. There are several pieces of legislation pending during this last day of the 2016 General Assembly, but these will be captured in a later document.

The KRS Board of Trustees will hold its annual meeting on April 21, at which time it is anticipated that two new Gubernatorial Appointed Trustees will be seated. One of these new members is required to have investment experience so we will see what that entails.

The March meeting of the Public Pension Oversight Board was cancelled due to budget deliberations, but there will be one later this month.



Visit our Facebook page often to keep up with current events affecting retirees.

Kentucky Public Retirees is mentioned in the April issue of "Visions" (KET program magazine) as one of the phone volunteer groups. Jefferson-Regional Chapter is excited and pleased to have initiated this effort on behalf of KPR and also helping KET by volunteering to help with their Telefund. We had fourteen volunteers representing Jefferson Regional, including Larry Totten, Betty Hawkins, Lexie Southworth and Vicki Cunigan from the Bluegrass West Chapter who joined in helping them. In five hours we helped them raise \$20,442.00. Hopefully, when KPR participates again we can increase this figure. Rebecca Heckler, member of Jefferson Regional Chapter, initiated the idea and coordinated the March 5th event which was very successful.



2016 Kentucky Public Retirees 33RD Annual Conference Registration Form

Dates: June 2-3, 2016

Holiday Inn, University Plaza, 1021 Wilkinson Trace, Bowling Green, KY

Reservations: Call 270-745-0088 and mention KPR

The reservation deadline is May 8.

Room Rates: Single or Double Room - \$89.00 (includes two free breakfast vouchers for each day)

The fees must be paid to attend the meeting and banquet.

Please enclose a check payable to Kentucky Public Retirees with this form.

You can download a copy of this form from our website - www.kentuckypublicretirees.org

Member Name (s) _____ Chapter _____

Guest (s) _____

	Number	Total
Registration \$20 each	_____	_____
Banquet \$30 each	_____	_____
Corvette Museum Tour \$6 each	_____	_____
Totals	_____	_____

Complete this form and send it and your check as soon as possible to:

KPR
P. O. Box 4082
Frankfort, KY 40604

For additional information or questions contact the Conference Chair:
 Martha Parrish at mgparrish1@msn.com

KENTUCKY PUBLIC RETIREES 33RD ANNUAL MEETING

June 2 - 3, 2016

Holiday Inn, University Plaza, 1021 Wilkinson Trace, Bowling Green, KY

Agenda

Wednesday, June 1, 2016

3 pm - 5 pm	Registration Desk Bowling Green attractions (on your own)
3:00 pm	Corvette Museum tour
7 pm	Dinner (on your own)

Thursday, June 2, 2016

8 am - 2 pm	Registration Desk
9 am - 5:30 pm	Silent Auction
10 am	Opening General Session Opening Remarks - Martha Parrish, Annual Meeting Chair Invocation - Rev. Jeffery Reynolds, Bowling Green First Baptist Church Pledge of Allegiance - Warren Central High School Color Guard Welcome to Bowling Green - Mayor Bruce Wilkerson Welcome to Warren County - County Judge/Executive Mike Buchanon
10:30 am	"The Impact of 2016 Legislation on Pensions and the Commonwealth's Economy"- Jason Bailey, Kentucky Center for Economic Policy
11:30 am	Lunch
1 pm	"Priorities for the Commonwealth" Governor Matt Bevin and John Chilton, Budget Director
2:15 pm	"Managing Your Retirement Assets" - Nat Jordon, Edward Jones
3:15 pm	Break
3:30 pm	"State of Ky Retirement Systems" - Bill Thielen, KRS Executive Director
5 pm	Reception - Music and Cash Bar
6 pm	Awards Banquet Invocation - Mark Rudd Dinner Harry Lee Waterfield Awards - RoseGayle Waterfield Hardy Entertainment - Barry Silvey, Backroads Bluegrass Comedian Silent Auction Purchases
8:30 pm - 11:30 pm	Music and Cash Bar

Friday, June 3, 2016

8 am - 9 am	Registration
9 am - 11:30 am	Business Meeting - Paul Guffey, KPR President, presiding
11:30 am	Adjournment

Chapter News

Barren River - The Barren River Chapter meeting in February was related to the annual meeting to be held in June and discussion centered on legislation pertaining to state retirees. Members of the chapter volunteered to help any way they could to make the meeting a big success.

In March, our speaker was Mr. Brian Towles, the CMS Coordinator with the Kentucky Retirement System, who discussed our Humana and Anthem Blue Cross Insurance. Brian shared a lot of information with our members as well as answering questions. Information about the March state board meeting was presented. Our membership has grown to 160 members.



Martha Parrish and Brian Towles

Bluegrass East - Our March speaker was Sarah Zeller with the Kentucky Center for Economic Policy. She discussed tax revenues versus tax expenditures. She informed us that Kentucky gives away more tax breaks than it takes in.

Our April speaker was Larry Totten, State Legislative Chair, who gave an update on



Larry Totten and Doug Price

legislative matters. The chapter participated in the Kentucky Water & Wastewater conference held in Louisville on March 21 to recruit new members and support KPR.

Bluegrass West - Shawn Sparks spoke at the March meeting, and updated us on the status of the major bills affecting retirees. Shawn is always a very informative speaker. Our membership chair advised us that at the end of February, our chapter had 1012 members.



Shawn Sparks addresses BW members

David Peden, Chief Financial Officer of KRS will be speaking on the financial status of the system at our April meeting. The May meeting has been changed to May 24 due to the VFW building being used as a polling place on election day.

Covered Bridge - Shawn Sparks was our speaker for the April meeting. He filled everyone in on the details of the 2016 session. Shawn also complimented the Organization on all the contacts made and thought it made a great difference. It was agreed we should send thank you notes to all the Legislators and the Governor who initiated the support for our pensions.

We voted to amend the bylaws of our chapter as requested, and a nominating committee was named to select new officers for the upcoming 2016-2017 year.

Cumberland Valley - The guest speaker for our March meeting was Larry Totten, State Legislative/KRS liaison. He brought us up to date on the current status of bills dealing with KRS that are currently introduced this session. He also updated us on the budget provisions in the budget bill requested by Governor Bevin.

The guest speaker at the April meeting of Cumberland Valley was Brittney Telves, Humana's Medicare Representative. She spoke regarding the various plans and Humana Vitality which we have as a member of Humana. Legislation in this year's session was discussed by our Legislative Chair, David Cornett.

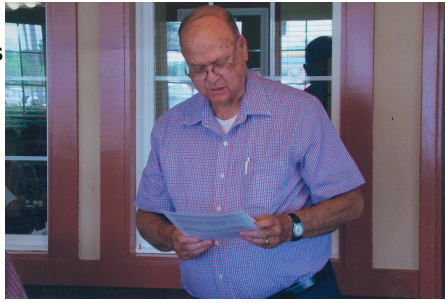
Jefferson Regional - Our April meeting was held at our new location, Kosair Shriners on Bardstown Road. Representative Tom Riner was our speaker, and shared the legislative status. He encouraged us to contact our Senators and Representatives, along with the Leadership of both houses and insist they negotiate a compromise on a budget by the deadline. He passed out information on KRS of facts and figures detailing their administration, actuarial soundness, cash flow issues, investments, and performance along with other information.

Beverly Zehnder, the membership chair reported we now have 249 members. She and others set up at the Crowne Plaza with North Central Chapter to recruit new members, and did have some success. Our President, Nikki Henderson, gave an update on the quarterly board meeting held in March, and encouraged members to attend the annual meeting in Bowling Green.

Lake Cumberland - Michael Keck, who is running for the State Senate in Pulaski County, was our speaker for March. He spoke mainly on the retirement system and what could be done about funding it.

Lake Cumberland (cont'd)

We would like everyone to know about Ray Brittain, who is one of our most dedicated members, not only to the Chapter but also to the State Organization. Ray is having major health problems with experiencing no movement of his legs. He has gone through two treatments at the hospital in Lexington, and is currently in rehab for the second time at Cardinal Hills. I want to personally thank Ray for the good job he has done over the years, and ask everyone to keep him in their prayers.



Ray Brittain

North Central - The Chapter's speaker for March was Chris Tobe, a former member of the KRS board, author and noted whistle blower. He gave a presentation of the current and future of the Retirement Systems.

The April speaker was Shawn Sparks, Director of Planning and Constituent Services at KRS, who spoke on all the legislation related to retirement.



Shawn Sparks

He told us 75 bills were introduced that would impact KRS and six of them had been passed and signed by the Governor. In May, our speaker will be Kevin Gibson, a Louisville based free-lance writer. He will be discussing new books he has written.

Northern Kentucky - In March our speaker was Dr. Patricia Mahabir, who is the Executive V.P of Gateway Community and Technical College. Gateway is one of sixteen colleges combined under the Kentucky Community & Technical College Systems. It serves 3,500 students. Milton Mains discussed legislation and encouraged members to keep up with it, and the budget bill. This can be done on the KPR Facebook page. Mellissa Artopoeus continues to work at contacting publications and getting our meeting announcements in several newspapers.

Pennyrile - In February, the Pennyrile Chapter had Martha Parrish, Chair of the Annual meeting in Bowling Green, to speak on the June conference. In March, Kelly Forbes spoke on the YMCA programs for seniors, the 9-11 Heroes Run and Patrick Rudd Project, which honors local soldiers killed in action by supporting military, law enforcement and other first responders. Our April speaker will be Jim McMurtrie representing Baptist Health.

Purchase - Our special guest was State Representative Gerald Watkins. Gerald shared information on the session, some positive and some not so positive. He was encouraged that a budget would be passed, and that our critical needs would be considered and addressed!

We were most pleasantly surprised when our KPR candidate for President was in attendance. Larry shared his plans and ideas to move KPR even farther into the main stream of the political arena, especially as it pertains to retirees and future retiree's health and welfare! There was a question and answer session where Larry was able to answer many concerns of our members. He also discussed the possibility of setting up a legal defense fund so we could be proactive if the need were to ever arise.

We discussed the State Conference and made the decision to provide a basket filled with locally produced merchandise for the Silent Auction since ours was the highest selling item at the 2015 conference!

Harry Lee Waterfield Awards

Deadline for Nominations: May 15, 2015

The Harry Lee Waterfield Awards will be presented at our Annual Meeting on June 2nd in Bowling Green honoring two outstanding members of Kentucky Public Retirees. Ms. RoseGayle Waterfield Hardy, daughter of the late former Lieutenant Governor of Kentucky, will present the awards. Members are encouraged to submit nominations for either award before May 15, 2016.

To be considered, the nominee must be a KPR member. The nominating message must include the nominee's name, background information, the specific award for which he or she is being nominated, and a detailed narrative explaining why the person deserves the award.

Email all nominations to June Pugh, Chair of the Foundation Committee to cjpugh@windstream.net or mail to 1103 Cherry Grove Road, Flemingsburg, Ky. 41041.





Kentucky Public Retirees
P. O. Box 4082
Frankfort, KY 40604
kprmanager@gmail.com

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Lexington, KY
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Chapter Meeting Locations

Barren River Chapter

10 AM (CT), 3rd Monday
BRADD Center
177 N. Graham Avenue Rd
Rd—N side of B. Green)
Bowling Green, KY
Contact Martha Parrish
(270) 535-4985 for information

Bluegrass East Chapter

12:00 PM (ET), 2nd Wednesday
Golden Corral
185 E. New Circle Road
Lexington, KY
Contact Doug Price
859-797-7600 for information

Bluegrass West Chapter

11:30 AM (ET), 3rd Tuesday
VFW Franklin County Post 4075 104
E. Second St.
Frankfort, KY
Contact Kay Hines
(502) 227-9998 for information

Covered Bridge

11:00 AM (ET), 2nd Thursday
Double 'S' Bowling , 150 Foster St.
Flemingsburg, KY
Contact June Pugh
(606) 849-2651 for information

Cumberland Valley

11:30 AM (ET), 2nd Tuesday
Please Note:
*Meeting locations vary, please
Contact John Harris at
(606) 877-0079 for information

Fivco Chapter

11:30 AM (ET), 3rd Monday
Giovanni's on Greenup Avenue
Ashland, KY
Contact Morris Wells
(606) 465-5784 for information

Green River Chapter

12:00 PM (CT), 2nd Wednesday
Ryan's Steakhouse 4500 Frederica
Owensboro, KY
Contact Bill Horton
(270) 684-8059 for information

Jefferson Regional

11:30 AM (ET), 1st Wednesday
Kosair Shriners
4120 Bardstown Road
Louisville, KY
Contact Nikki Henderson
(502) 439-5407 for information

Kentucky River Chapter

3rd Friday of each month
*Meeting locations vary, please
Contact Mark Wireman
(606) 666-5978 for information

Lake Cumberland Chapter

11:30 AM (ET), 3rd Monday
Golden Corral Restaurant
South 27 across from Lowes
Somerset, KY
Contact John Engle
(606) 305-2104 for information

Lincoln Trail Chapter

11:30 AM (ET), 2nd Monday
Golden Corral
1835 N. Dixie Highway
Elizabethtown, KY
Contact Judith Leshner
(270) 872-3497 for information

North Central Chapter

11:30 AM (ET), 2nd Wednesday
Jumbo Buffet—back room
(Stoneybrook
Shopping Center)
2731 S. Hurstbourne Parkway
Louisville, KY
Contact Charles Klunder
(502) 454-3493 for information

Northern Kentucky Chapter

11:45 AM (ET), 2nd Monday
Golden Corral
Orphanage Rd. at KY Rt. 17
Fort Wright, KY (I - 275, Exit 80)
Contact Linn Schmidt
(859) 746-8289 for information

Pennyrile Chapter

11:30 AM (CT), 4th Thursday
Country Cupboard Restaurant
518 McCoy Avenue
Madisonville, KY
Contact L. Peyton Adams
(270) 871-9295 for information

Purchase Chapter

10:30 AM (CT), 1st Thursday
Pizza Inn, Joe Clifton Drive
Paducah, KY
Contact Tom Moore
(270) 898-7289 for information



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