

THE KERNEL

A Publication of the Kentucky Public Retirees

Issue 112

March 2015

KPR State Board Will Host the 2015 Annual Meeting In Lexington – Horse Capital of the World

The 2015 Kentucky Public Retirees Annual Meeting will be held June 25 and 26 at the Clarion Hotel in Lexington. The Hotel is located at 1950 Newtown Pike, directly off Interstate 64. We have contracted room rates of \$79 a night, single or double, and it includes a free hot breakfast. Reservations can be made by calling 859-233-0512 informing them you are with the Kentucky Public Retirees. June 10 will be the cutoff date for making reservations. The state Quarterly Board Meeting will be held on Wednesday, June 24 at 3:00 p.m. in the Barbaro Room.



The conference is a State Board sponsored event with Sarah Hurst and Shirley Clark serving as co-chairs. We have planned a very interesting program this year. The opening general session will begin at 10:00 a.m. on Thursday, June 25. We have invited Mayor Jim Gray and Lt. Governor Crit Luallen to provide opening remarks. Our morning session speaker will be Stephen M. Vest, Publisher & Editor-in-Chief of *Kentucky Monthly Magazine*. Mr. Vest speaks on life lessons with a mixture of humor added in. Jason Bailey, Director, Kentucky Center of Economic Policy (KCEP) will be our first speaker in the afternoon. Since 1998, Mr. Bailey has worked as a researcher addressing economic issues in the Commonwealth. He also served as a member of the Governor's Blue Ribbon Commission on Tax Reform.

We have invited state legislators Senator Robert Stivers, President of the Senate; Representative Greg Stumbo, Speaker of the House; Senator Joe Bowen, Chairman of the Senate State and Local Government Committee; and Representative Brent Yonts, Chairman of the House State Government Committee to serve in a panel discussion on retirement issues.

Following the panel discussion, there will be a leadership session for those KPR members and officers wanting to be more involved with leadership roles in their chapters and on the state level.

Our Foundation Awards will be given at the banquet on Thursday night, with a very funny comedian, Laura Freire, being our guest entertainment. The annual business meeting will start at 9:00 a.m. Friday.

Please save the dates, register early, and plan to be with us for a very interesting and entertaining conference. There will be a silent auction held, lots of door prizes, and raffles of some nice items. Let's make this our largest attendance ever! **See you there!!!!**

Harry Lee Waterfield Awards

Deadline for Nominations: May 15, 2015



The Harry Lee Waterfield Awards are presented at our Annual Meeting banquet in June each year to honor two outstanding members of Kentucky Public Retirees. These two awards (the Achievement Award and the Humanitarian Award) are presented by Ms. Rose Gayle Waterfield Hardy, daughter of the late former Lieutenant Governor of Kentucky.

All KPR members are invited to submit nominations for either award. To be considered, a nominating message must include the nominee's name, background information, the specific award for which he/she is being nominated, and a detailed narrative explaining why the person deserves the award. Email nominations to the Chair of the Foundation Awards Committee, June Pugh, cjpugh@windstream.net (or mail to 1103 Cherry Grove Road, Flemingsburg, KY 41041).

Potential recipients must be members of KPR to qualify for either award.

2015 Kentucky Public Retirees 32nd Annual Conference Registration Form

Dates: June 25-26, 2015 (State Board Meeting: June 24th)

Clarion Hotel, 1950 Newtown Pike, Lexington, KY 40511

Reservations: Call 859-233-0512 and mention KPR

The reservation deadline is June 10.

Room Rates: Single or Double Room – \$79.00 (includes free breakfast vouchers for each day)

The fees must be paid to attend the meetings 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) _____		
Guest _____		
Chapter _____	Number _____	Total _____
Registration	\$20.00	_____
Banquet	\$25.00	_____
Totals		_____

Complete this form and send your check as soon as possible to: KPR, P. O. Box 4082, Frankfort, KY 40604
For additional information contact Conference Chairs: Sarah Hurst sarahhurst@aol.com or Shirley Clark sclark@dcn.net



President's Perspective by Paul Guffey “A Warm-up Session?”

We've seen a dramatic increase recently in activity and interest regarding the dire condition of the Kentucky Retirement Systems (KRS), especially KERS-nonhazardous. Hopefully, the 2015 "Short Session" of the General Assembly will have been a warm-up to the "Long Session" in 2016. Next year's session beginning in January will be the full budget session that will convene 60 days rather than 30 and will deal with developing the 2016 biennial budget. Will a long-term solution to the underfunding of KERS-nonhazardous be a priority?

What will KPR be doing after the close of this session until the 2016 General Assembly? Much of what is done depends on the actions of members. How many calls, letters, emails, or in-person contacts will we make?

KPR is now sending emails to approximately 2700 members, not just those who have signed up for alerts. The Facebook page has postings of a broad range of pertinent information and more viewers are beginning to interact. This is good news. Hopefully, periodic updates will be sent via USPS to the approximately 1300 members who do not have email addresses. This organization will continue to expand its communication with members, within the parameters of our limited funds.

What will KPR be doing after the close of this session until the 2016 General Assembly? First, more members are needed. The larger our numbers, the more influence we will have with legislators. This could be a bellwether year for recruiting more members, since more than ever before, public retirees are becoming more aware that their KERS-nonhazardous benefits are not guaranteed for the long-term. The KPR Board is diligently attempting to get the news out to influence new retirees to join our ranks. What will you as an individual member do to help recruit new members? What will you do to influence legislators?

Here are some ideas to help you get more involved: attend the KPR Annual Conference and become fired-up; recruit new members; attend chapter meetings and become an active volunteer; contact local legislators by phone, email, letter or directly; invite local legislators to speak during chapter meetings; initiate ongoing dialog with local legislators; volunteer to be a leader of the local chapter phone-tree; send cards and notices to chapter members; write letters to local newspapers; monitor the KPR Facebook page and offer feedback; go to Frankfort to speak directly with legislators in their offices; and attend rallies in Frankfort at the direction of KPR's Board.

There are many other areas for you to become involved. It does “take a village,” and everyone has a very important role to play, no matter how big or small. However you choose, we encourage you to become active and involved in KPR membership. Please do not hide your head in the sand, ignoring the future.

“That man is idle who can do something better.”
Ralph Waldo Emerson



Legislative Article by Shirley Clark

At the writing of this report, there are six days left in the session before the legislators return home for a 10-day break. They return for two days on March 23 to vote on more bills or override the Governor’s vetoes, if any. Thus far, it has been a very busy session, and although there is no final report at this time, I will address some very important bills which KPR supported, and two which at this time have passed out of their respective chambers. None of the bills we have followed have passed both chambers.

HB 287 introduced by Representative Derrick Graham on behalf of KPR passed the house 90-0 on February 27 and has been sent to the Senate. This is the bill that allows the ELECTED KRS trustees to elect a replacement to fill out a term if a vacancy of one of those members occurs while they are serving. The current law allows all the board members to elect that replacement, and we believed this bill is only fair. Since elected members have no input in replacing an appointed member vacancy, only those elected members should replace an elected vacancy.

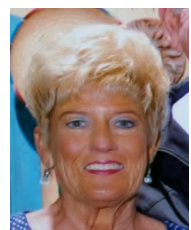
SB 94 was the bill introduced by Senator Joe Bowen and others to establish limitations of the debt service not to exceed 6 percent. For each biennium where the debt service is reduced, the savings would be calculated and transferred to the nonhazardous employee unfunded liability trust fund which would be a supplemental contribution over and above the actuarial required contribution each year. Although this is not a solution to the underfunding problem, it would provide the system with an infusion of money to help with the cash flow balance. This bill passed the Senate 28-8 on February 27, and has been sent to the House.

Two other bills we followed and supported are shown below but at this time have only passed in the House:

HB 47 adds the legislators, judicial and teachers retirement plans to the Public Pension Oversight Board’s review responsibilities. Although it also allowed employees and retirees to serve on this board, a Senate committee substitute deleted this provision.

HB 62 allows certain employers participating in KRS to cease participation in the system, but they must pay the full actuarial cost of discontinuing. A Senate amendment provides that if an agency discontinues participation, financing will be over a period not to exceed 20 years, and the System may pursue legal action to recoup any installment payments not made.

There were many other bills affecting retirement. We followed each one of them, but either remained neutral, supported, or did not oppose them. A complete final report will be sent out to all of our members as soon as the session has ended on March 24.



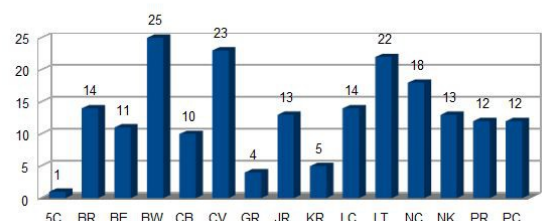
Membership Article by Betty Hawkins

Congratulations and thanks to all KPR members who have recruited new members during the months of January and February. As I write this article, we have three more months remaining in the membership contest which will end May 31, 2015. Winners will be recognized at the Annual Business Meeting in Lexington on June 26, 2015. At the

present time, Bluegrass West has recruited the largest number of new members, Cumberland Valley is second, and Lincoln Trail is third. (See graph at the right.)

Many members have enrolled their spouses as new members. Since the beginning of 2015, 77 spouses have joined. I certainly encourage all members to continue to enroll your spouses and also to actively recruit other new members as well. In addition to continued funding of our retirement system, an anticipated legislative goal for the 2016 Legislative Session will be a cost of living adjustment. Our membership numbers certainly dictate the success of any current and future legislative goals. We must continue to increase our membership numbers.

**197 New KPR Members in 2015
By Chapter**



Membership dues statements were mailed and should have been received sometime during the first week of January. Not everyone will receive a statement due to the multiple year payment option. As of March 1, 824 members have not paid their 2015 dues. Second notices will be mailed the first week of March. To check the status of your payment, you may email our Administrative Manager at kprmanager@gmail.com or you can call 502-437-9408 and leave a message. Members now have the option of paying their \$15 membership fee a number of ways: 1) paying online by going to the KPR website and clicking on the dues payment tab and paying by Paypal or credit card; 2) mailing your personal check or money order to KPR, P. O. Box 4082, Frankfort, KY 40604; or you may personally pay the money to your local chapter treasurer at your next chapter meeting. The local treasurer will mail the dues payments to the business office address.

Many local chapter meetings were canceled during January and February due to inclement weather. We all need to work harder to recruit new members and encourage present members to renew their 2015 memberships. Recruiting new members and retaining current members for your chapter are vitally important to KPR's success and mission.

Retirement System Update by Larry Totten

Over the past few months, there have been several meetings by KRS, its committees, and the Public Pension Oversight Board.

The Investment Committee met on November 5th and heard presentations regarding investment opportunities, approving the proposals sending them to the full Board for consideration. The Committee met again on February 3rd with much discussion surrounding the relatively “flat” investment returns for the first half of the year. Two investment managing firms were terminated due primarily to staff turnover, and those funds would be re-allocated within their asset class. Division staffing was discussed as was the Manager Fee Report that had just been posted on the KRS website. Next big news in this Committee will be the Asset Liability Study due in May which will determine how KRS will invest its funds over the next few years.

The Audit Committee met on November 19th at which KRS’ auditing firm presented a final draft for the FY14 audit, pending final Board approval. The audit confirmed the 21.0% net asset level for KERS N/H. Unaudited financial statements for the 1st Quarter of FY15 showed a decrease in plan assets for all pension and insurance funds. The Committee met again on February 5th and, once again, the financials reflected “flat” investment returns. Overall, the net asset value of the five pension funds decreased by some \$428 million; KERS N/H share of this was right under \$166 million. In other business, the Committee approved issuing an RFP for an actuarial audit.

The Retiree Health Care Committee met on November 19th and January 22nd, both meetings dealing primarily with the RFP to be issued for a Medicare Advantage plan for eligible employees. The next policy will initially cover the three years, 2016-2018, with three potential one-year renewals. Evaluating the bids will be the primary focus of this group for 2015.

The Board of Trustees met on December 12th at which the recommendations from the various committees were approved. The Board received the Actuarial Evaluation for FY14 (posted online). The most significant action taken at this meeting was the approval of the Experience Study which, in part, recommended a decrease in the investment assumed rate of return from 7.75% to 7.5%. This change, approved by the Board, has far-reaching ramifications as KRS works out its funding issues. The Board met again on February 24th. The most interesting part of this meeting was the presentation of a “what if” report on the effects of an infusion of a \$5 billion pension obligation bond into KERS N/H. This led to a short, but telling, discussion on the role of the KRS Board and management has adopted in the advocacy for additional funding for KERS N/H. Basically, Board Chair Thomas Elliott and KRS Director Bill Thielen stated that KRS is the administrative body responsible for managing KRS as required by law and with the funding provided. Its further role is to provide information to the Governor and Legislature and other stakeholders (i.e., pension recipients) for whatever dialogue in which they wish to engage. Vince Lang, a KERS Trustee, voiced his opinion that the Board could do something more but the discussion did not go any further.

Recent court rulings regarding Seven County Services have not been favorable to KRS’ efforts to delay their bankruptcy process, but the appeals continue. The case brought against KRS by the city of Fort Wright had oral arguments made on February 24th with a ruling to be forthcoming.

The Public Pension Oversight Board of the Legislature has had four recent meetings. All of these meetings opened with a review of KRS investment performance presented by David Peden, Chief Investment Officer. The November 24th meeting dealt primarily with the draft recommendations this group will make to the full Legislature. At the December 15th meeting, an “almost final” Board report was approved containing the recommendations previously announced. Bill Thielen presented the FY14 actuary and audit reports which generated discussion about the funded level at which KERS N/H may “bottom out” (14.92% in the next 2-4 years).

Alert System Update – Members no longer have to sign up to receive “alert” emails. All members who have provided KPR a valid email address will receive occasional emails regarding items of importance. It's simple to unsubscribe to the emails if you do not wish to receive them.

Randy Overstreet ends his final term in March on the KRS Board of Trustees. Randy will have served as a SPRS trustee for 20 years (5 terms). The majority of these years, he served as Chairman of this Board. The Kentucky Public Retirees would like to thank Randy for all of his dedicated service to the retirees all over the state. He served with distinction, and we appreciate his service and hard work for all these many years. We are losing a valuable member of the KRS Board.



--- Chapter News ---

Barren River At the December meeting, Robin Hartman, KPR Public Relations Consultant, gave an informative presentation on methods being developed to increase membership and public knowledge of the organization. Ms. Hartman encouraged all members to “like” the KPR Facebook page. The page is updated frequently with pertinent information for retired state workers. She also discussed the KPR business cards and new brochure.

In January, Dawn Jones with the Bowling Green Parks & Recreation Dept., Silver Sneakers Fitness Program was the speaker. She stressed the need for physical exercise and that a recent study found that seniors who engaged in some form of minimal exercise at least three days a week cut their risk of developing Alzheimer's and other forms of dementia by 40 percent. The February meeting was canceled due to inclement weather.



Dawn Jones

Bluegrass East At our December meeting, we had our Christmas musical program. Bennie Rainwater sang and accompanied himself on the guitar. Members brought gifts for the veterans at Thomson-Hood Veterans Home which were delivered by Eva Jane Jacobs and Irene Anderson-Smith. The January speaker was Rick McHale from Humana who gave an interesting talk about insurance updates and answered many questions. In February we had fun playing Bingo. At each of the meetings we had updates on what's going on in the Legislature.



Betsy Nolan as "Maxine"

Bluegrass West In December, Betsy Nolan portraying "Maxine the Shoebox Lady" entertained our chapter with about 68 in attendance for our Christmas program. In January, Steven R. Valance, M.D., P.H.D., delivered a presentation about cancer. Dr. Valance was instrumental in helping the emergency department of Frankfort Regional Hospital obtain Level III trauma verification from the American College of Surgeons in 2013. He currently serves as the hospital's Trauma Medical Director. Our February meeting was canceled due to adverse weather conditions.

Covered Bridge At our December meeting, we had a large crowd and were entertained by the FCHS Choir under the direction of Sheila Lamb. Sheila is also a member of the Cancer Care Club and is shown in the photo at right accepting a check for \$200 from Bob Gossett, Treasurer, along with cancer survivors from our chapter.



Sheila Lamb receives award

In February our guest speaker, Mary Rushing, Fleming County's librarian, presented an interesting presentation on the many programs and advantages of visiting the local library. The presentation was inspiring and offered our retirees many opportunities if they would spend time at the library. Afterwards everyone enjoyed a delicious lunch served by the staff at the bowling lanes.

Cumberland Valley In December, we met at David's Steak House in Corbin, Kentucky. Chapter President John Harris chaired the meeting. Paul Guffey, KPR State President was the guest speaker. He gave the chapter an update on the latest information in regard to what is going on with KPR, especially with matters dealing with our pension systems.



January CV Meeting

In February, our meeting was held at the Golden Corral Restaurant in London, Kentucky. The guest speaker was David Peden, Chief Investment Officer for the Kentucky Retirement Systems.

Green River The guest speaker for our December meeting was Leslie Wilson who is associated with the Green River Area Development District. GRADD provides a number of programs related to seniors under the umbrella of their Area Agency on Aging and Independent Living. Some services are provided directly, while others are a collaborative effort. They include on-site and home delivered meals, health and fitness programs, transportation assistance, information and referral services, and in-home care services.

Our speaker for January was Robin Hartman, Marketing Consultant for KPR. She shared ideas and tools to increase membership by making more people aware of KPR and promoting the organization. She outlined some marketing strategies and things we might use to help us increase membership.

Jefferson Regional In December, David Peden, Chief Investment Officer for the Kentucky Retirement Systems, was our guest speaker. In January, Tom Wine was our guest speaker. Mr. Wine is a KPR member and Jefferson County Judge Executive/Commonwealth Attorney. Condolences were extended to Joe Conway whose wife, Peggy, had passed away while in care at the Masonic Home. Flowers were sent in her memory. She had always supported the chapter and attended meetings with Joe.

Lake Cumberland In January, Doug Eads with Somerset Parks and Recreation presented information on parks and recreational opportunities available in Somerset.



John Engle, June Waters and Doug Eads



Tom Wine

Lincoln Trail In December, "Touch of Class" entertained with Christmas music while we ate lunch. Members participated in a sing along. In January, Hardin County Sheriff John Ward presented his "Safer Streets – Stronger Community" program. In February, Christina Turner, Clinical Administrative Manager, Lincoln Trail District Health Department spoke concerning Humana Vitality benefits.



"Touch of Class"

North Central In January, a delegation of North Central members met with State Senator Morgan McGarvey in his office to discuss pending legislation. We felt that it was a very fruitful dialog. We also met productively with numerous other legislators during January and February. In February, our speaker was James P. Benassi, an attorney and expert in disability cases of all kinds.

Northern Kentucky At our meeting in December, Cathy Kunkel-Mains led us in the "Left Right" Christmas game. In January, Norb DeJaco from the Society of St. Vincent DePaul, gave a very educational presentation on the origins of St. Vincents. Did you know it came to America with immigrants in the late 19th Century? Did you know that it continues today to afford each of us the opportunity to do as the Scriptures tell us, "to take care of the poor." In February, Carl Biery, author of "Eyewitness to Disasters", led us through his first-hand accounts of many of the disasters in our area over the 46 years that he has volunteered with the Red Cross.



David Madison, Tom Moore, Gretchen Morgan

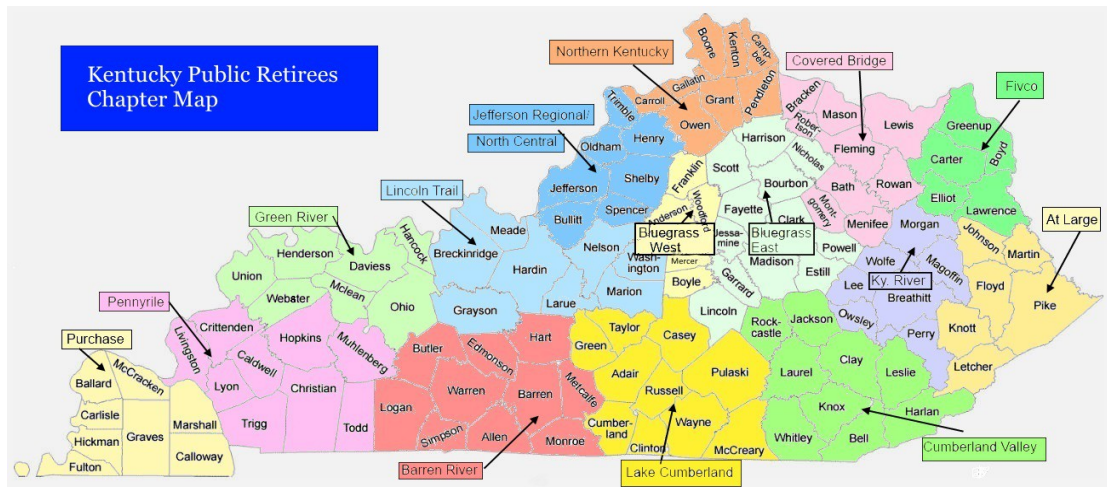
Pennyrile The Light of Chance is a youth arts and wellness program created by WKU alumni Eric Logan from Madisonville. It provides programming in Bowling Green and Madisonville. Parent NaKeshia Matchem presented positive results for her children from the program and helped our group celebrate the holiday with Christmas carols. During the meeting members discussed the call tree for the Legislature and prefiled bills.

Purchase Our guest speaker in January was Gretchen Morgan, an 11-year veteran of the Paducah Police Department and newly appointed public

relations officer for the department. Our guest speaker in February was Rick McHale, representative for Humana Insurance. Our March speaker is scheduled to be Sandra Farthing, a certified dietician for Lourdes Hospital. Roxie Tempus has been named new Chapter Membership Chairperson. She is the spouse of member Gary Tempus.



NaKeshia Matchem



Chapter Meeting Locations

<u>Barren River Chapter</u> 10 AM (CT), 3rd Monday EVERY MONTH BRADD Center 177 N. Graham Avenue (off Plum Springs Rd—N side of B. Green) Bowling Green, KY Contact Martha Parrish (270) 535-4985 for information	<u>Fivco Chapter</u> 11:30 AM (ET), 3rd Monday Giovanni's on Greenup Avenue Ashland, KY Contact Morris Wells (606) 465-5784 for information	<u>Lincoln Trail Chapter</u> 11:30 AM (ET), 2nd Monday Ryan's Family Steakhouse 1034 Executive Drive On US 62, just West of I-65 Elizabethtown, KY Contact Judith Leshar (270) 872-3497 for information
<u>Bluegrass East Chapter</u> 12:00 PM (ET), 2nd Wednesday Golden Corral 185 E. New Circle Road Lexington, KY Contact Eva Jane Jacobs (859) 858-3456 for information	<u>Green River Chapter</u> 12:00 PM (CT), 2nd Wednesday (lunch at 11:30 am CT) Ryan's Steakhouse 4500 Frederica St. Owensboro, KY Contact Bill Horton (270) 684-8059 for information	<u>North Central Chapter</u> 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
<u>Bluegrass West Chapter</u> 11:30 AM (ET), 3rd Tuesday VFW Franklin County Post 4075 104 E. Second St. Frankfort, KY Contact Lexie Southworth (502) 695-3910 for information	<u>Jefferson Regional</u> 11:30 AM (ET), 1st Wednesday Ryan's Family Steakhouse (Piccadilly Square) 5338 Bardstown Road Louisville, KY Contact Nikki Henderson (502) 439-5407 for information	<u>Northern Kentucky Chapter</u> 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
<u>Covered Bridge</u> 11:00 AM (ET), 2nd Thursday Double 'S' Bowling 150 Foster St. Flemingsburg, KY Contact June Pugh (606) 849-2651 for information	<u>Kentucky River Chapter</u> 3 rd Friday of each month *Meeting locations vary, please Contact Tony Watts (606) 666-2767 for information	<u>Pennyryle Chapter</u> 11:30 AM (CT), 4th Thursday Country Cupboard Restaurant 518 McCoy Avenue Madisonville, KY Contact L. Peyton Adams (270) 871-9295 for information
<u>Cumberland Valley</u> 11:30 AM (ET), 2nd Tuesday Please Note: *Meeting locations vary, please Contact John Harris at (606) 877-0079 for information	<u>Lake Cumberland Chapter</u> 11:30 AM (ET), 3rd Monday Golden Corral Restaurant South 27 across from Lowes Somerset, KY Contact John Engle (606) 305-2104 for information	<u>Purchase Chapter</u> 10:30 AM (CT), 1st Thursday Pizza Inn Joe Clifton Drive Paducah, KY Contact Tom Moore (270) 898-7289 for information



Kentucky Public Retirees
P. O. Box 4082
Frankfort, KY 40604
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[**kprmanager@gmail.com**](mailto:kprmanager@gmail.com)

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Lexington, KY
Permit No. 1478



Remember to visit the KPR website and our Facebook page for important updates
www.kentuckypublicretirees.org



Kentucky Public Retirees Application Form

*Applicants MUST qualify by being a member of one or more of the following systems or the spouse of a current KPR member.
(please circle all that apply):

KERS CERS SPRS Spouse

- ☐ Membership dues FREE 1st year* (membership runs Jan-Dec. Free dues end 12/31 of the year).
☐ New members - I want to pay for my 2nd year now. Dues are \$15 per year.
☐ Existing members - annual renewal dues of \$15 is enclosed.
☐ I agree to receive dues notices by email. ☐ I agree to receive the Kernel newsletter by email.
To receive dues notices or the Kernel by email, you must provide an email address below.

Remember you can now pay online.

Mail to: **Kentucky Public Retirees**
P. O. Box 4082
Frankfort, KY 40604

Date _____

Name _____ Chapter (if known) _____

Address _____

City _____ State _____ Zip _____

County _____ Telephone (_____) _____

Email Address _____ Referred by _____

(All information will be kept confidential.)