

# THE KERNEL

A publication of the Kentucky Public Retirees, Inc.

Issue 126

August 2018



## President's Perspective By Larry P. Totten

As I begin my second term as your president, I thought this might be a good opportunity to offer a perspective on our organization.

When I was first sworn in in Bowling Green in 2016, I said that an increase in membership would be my own measure of success. Two years later, on one hand, we have increased our numbers each year, slowly but surely. On the other, however, we've lost members with non-renewals. So, we sit here in mid-2018 at about the same membership level where we were two years ago. I view this with disappointment. With all that has gone on concerning public pensions these past two years, I remain amazed that we have been unable to move the needle very much on membership. We were lucky that, with one exception, public retiree pensions were more-or-less left alone in all of the legislative activity.

Over the past two years there have been many positives for our group. We were able to establish Big Sandy as our 16th chapter, and now all counties are included in one. We've further established ourselves as a credible advocacy organization, recognized by legislators, the media, and KRS. We've testified before the PPOB on multiple occasions and had our op-eds and letters published across the state. With and through our legislative agent we've spoken personally to legislators on pension-related issues and also communicated with them via email and letter. We've enhanced the utility of our Facebook page with frequent postings of information that hopefully is useful to you. Our web page has more information than ever before. We've established a structure by which we could at least launch a legal battle should a triggering situation arise. We've updated our member alert system. We were even successful in getting a law changed governing the filling of vacant elected positions on the KRS Board.

Of all of this we can be proud – but I also have two major concerns. Membership is one and has already been mentioned. The other is in filling our leadership positions. As you may remember, there was one candidate for each position on the state ballot – you were basically being asked to ratify a slate rather than vote for one. Why? Our Nominating Committee was unable to find other candidates. (Cont'd Page 2)



## Annual Meeting

The 2018 KPR Annual Conference was held in Lexington at the Clarion Hotel on June 14-15. There were 102 members/spouses who attended the conference. The focus this year was a mixture of learning about pension issues and frivolity. As an added treat, this year we were celebrating the 35th anniversary of our founding. Members received an updated version of our history and a commemorative gift from the Board.

Our speakers were Jason Bailey (KY Center for Economic Policy) and David Eager (Ex. Dir. of the Kentucky Retirement Systems). We had a panel discussion with four of the six elected members of the KRS Board of Trustees. Members were asked to submit questions, and all of the trustees were given an opportunity to express their opinions on the issues. Mary Hamilton from Frankfort provided a fun presentation titled "Liar, Liar Storyteller!" Funding for this program was provided in part by Kentucky Humanities, Inc. The 2018 Waterfield Awards Banquet was held on Thursday evening, June 14. The awards were presented by Rose Gayle Waterfield Hardy. The 2018 Achievement Award was presented to KPR President Larry Totten, and the Humanitarian Award was presented to Missy McCray, who is a member of the Bluegrass West Chapter. Both well-deserved awards!

Following the banquet and ceremony, members were entertained by magician Roger Wayne. Hats off to J.R. Brown who chaired the Silent Auction! We had over 100 items, all donated by members, chapters, or businesses. The event raised over \$2,500. A special thanks to all of those who helped make this a success. Attendees were asked to fill out an evaluation survey, and these results will help us make next year's event even better. You can review photos by visiting the KPR website. Next year's conference will again be KPR Board sponsored.

## **President's Perspective (Cont'd)**

While our chapter officers and committee chairs are all wonderful volunteers, there has been concern expressed that they sometimes default into repeating in their positions because no one else steps forward to succeed them. I certainly appreciate the dedication these fine people have for KPR and their chapters, and I hope you do as well, but there is a danger if we end up relying on the same people year after year. When this comes back around next spring, please, please, consider stepping forward for an officer position. Without the continuity of members serving then stepping aside with newer leadership stepping forward, we run the serious risk of having important positions vacant sometime in the future. There is support available to help make you successful.

We should not fool ourselves in thinking that pension "reform" is done. SB 151 remains in limbo as of the end of July, but that dealt only with current and future public employees. We've recently seen advocacy for the idea that the only true fix of this crisis is benefit reduction. Add to this those who accuse us of manipulation to get our benefits and/or accuse us of not having earned our current benefits. This issue will remain with us until the last recipient of a defined benefit passes on. And, the effect that any new retirement plan may have on future hiring of public employees remains to be seen.

As I start these next two years as your president, I want to say that I have been honored to serve in this position over the last two. I very much appreciate the friendships that have been formed through my membership in this organization. It certainly has been interesting. Who knew we would have to fight for our pensions so hard? First and foremost, we must remember, despite what might be said otherwise, our pensions are not a handout – WE EARNED IT!

## **Retirement System Update by Larry Totten**

There has been a full array of meetings at KRS over the past few months. Most active has been the Investment Committee. New asset allocations have been adopted accounting for the differences in cash and liquidity needs between the KERS NH/SPRS plans and all the others. It's also been noted that some investment managers have refused, or are returning, KRS funds due to disclosure requirements required under SB2/13RS. Investment policies have been reviewed and modified as needed. And, as KRS has been pulling funds from its equity portfolio as part of asset re-alignment, new investments are being considered.

The Audit Committee reviewed an audit of the pension liabilities that individual employers are required to carry on their books. Standard quarterly reports were reviewed as was the work done by the Audit Division's staff. It was also noted that preliminary work had begun on the FY18 financial and performance audit to be completed by Auditor of Public Accounts Office. The Retiree Health Plan Committee heard from Humana on 2017 plan performance as well as some issues that could affect rates charged KRS for retiree coverage in 2019. Next year will be the first of up to three one-year extensions of the contract with Humana, and plans are being made as to the RFP process for health insurance for 2022 and beyond.

All of the committee work was reviewed by the Board at its meeting in June. David Eager was given a two-year contract as executive director. Eager commented on the work being done in-house to implement SB 151, should it become law, and HB 362, the "opt out" bill for KRS's quasi-governmental units. This work will be expensive, mostly in labor and overtime.

More extensive reporting on all of these meetings has been posted on the KPR Facebook page.

## **Legislative Chair Update by Larry Totten**

The Public Pension Oversight Board (PPOB) met twice in June. The first hearing was a recap of investment returns and cash flows from all of the pension plans. Executive Director David Eager also reported to the group on progress in implementing the provisions of SB 151. The second meeting consisted primarily of a review by LRC staff on how well the pension plans have implemented the directives from SB 2/17RS. Eager and Board Chair David Harris reviewed the new Asset Allocation Plan adopted by KRS. Additionally, the PPOB members assigned to the sub-committee charged with studying CERS separation from KRS were named.

The biggest legislative unknown out there at the end of July is the fate of SB 151, the pension reform bill. Unless the Supreme Court rules otherwise, the bill stands as unconstitutional and is, therefore, unenforceable – no pension reform. If this remains the case, the big question then is the Governor's reaction. Will he call a special session to attempt to re-pass the bill with the same legislators that passed it in the spring, or leave it to the 2019 General Assembly, no doubt with several new members, to take it on again? Unless a special session is called, the legislature will not meet again until January 8, 2019.

No bill requests directly dealing with pensions have been pre-filed as of the end of July. There has been one bill request made (BR 29) that would establish sports wagering and assign 60% of the proceeds generated to the KERS, NH, and TRS pension systems (presumably in equal shares).



## Membership Article

### By Betty Hawkins

We are pleased to announce the winners of the 2018 Annual Membership Contest which began June 1, 2017, and ended May 31, 2018. A total of 371 new members were recruited during the contest period. This is a significant increase from the 262 new members recruited during last year's contest.

John Harris, vice president of the Cumberland Valley Chapter, won the second place prize of \$40. John recruited 16 new members. John was unable to attend the Annual Conference.



Martha Parrish, president of the Barren River Chapter, won the first place prize of \$60. Martha recruited 33 new members.



David Cornett, president of the Cumberland Valley Chapter, won the third place prize of \$20. David recruited 11 new members.



Shirley Fallin, Pennyrile Chapter, received a \$15 random drawing prize.



Carolyn Rogers won the second random drawing prize. June Pugh, Covered Bridge Chapter president, accepted the check for Carolyn.

Congratulations to all those who recruited members. KPR appreciates your participation. You are encouraged to immediately start recruiting members for the 2019 contest (June 1, 2018, through May 31, 2019).

We are pleased to announce that KPR statewide membership for this time period has increased 0.94% from last year. During this same time period last year, the total membership percentage had decreased. Even though we are in a plus situation now, considering the availability of eligible members, none of us should be satisfied. This is where your help and support are needed. Everyone networking together, even at a minimal pace, will cause our numbers to increase. Please do your part to increase our numbers. Ask someone to join today. Sign up those spouses who are not members. Remember they are the beneficiaries of your retirement benefits. They have as much at stake as you do to protect those benefits. Anyone needing help with the paper work to sign up a new member, please do not hesitate to contact me at: [betty.hawkins49@gmail.com](mailto:betty.hawkins49@gmail.com) or give me a call at 502-321-0649.

## Chapter News

**Barren River** - The Barren River Chapter met on May 21, 2018, at the BRADD (Barren River Area Development District) at 10:00 a.m. The election of the officers was held. The only change in our officers is Carter Parker, who will be serving as our new secretary. President Martha Parrish gave a report on the Annual KPR Meeting to be held in Lexington on June 1. Because of the KPR Annual Meeting in June, there was no chapter meeting that month.

At the July meeting, our chapter had 18 members in attendance. President Parrish shared all the information she received at the Quarterly Board Meeting, the Business Meeting, and the Annual Meeting program. Each member in attendance received the schedule of speakers planned for the remainder of 2018. This information will be shared with all members via email and has been mailed to members without email by regular mail. We currently have 184 members. Each meeting we serve refreshments and draw for a door prize.

**Bluegrass East** - The Bluegrass East Chapter of Kentucky Public Retirees held its monthly meeting July 11 at Golden Corral in Lexington. The guest speaker was Shawn Sparks. Mr. Sparks is the Communication Director for the Kentucky Retirement Systems.

During his presentation, Mr. Sparks talked about several bills that were presented during the 2018 Kentucky Legislative Session, including:

HB 185 (designation of default beneficiary and adjustment to benefits in line-of-duty death benefit) which passed;

HB 151 (Pension Reform [Sewer Bill]) passed, but is currently under legal challenge;

HB 355 (Revenue Bill) which included the reduction of retirees' income tax exclusion from \$41,110 to \$31,110. It passed;

HB 200 (Executive Branch Budget Bill) which included full funding for the ARC. After the Governor vetoed the bill, the veto was overridden.

Mr. Sparks fielded numerous question from those in attendance on these important and timely issues.

**Bluegrass West** - The Bluegrass West Chapter June meeting was held at the VFW Building on Second Street. Our speaker was Robin Antenucci, Executive Director of the Frankfort/Franklin County Tourism and Convention Commission. She provided members with very valuable information regarding all of the various venues available for people to explore in Frankfort and Franklin County. She explained various marketing plans which the Commission is using to provide tourism growth. She said the new distilleries and the bourbon industry are beginning to generate more interest in our area. She also mentioned summer activities which are available on the Kentucky River for residents and visitors to enjoy.



**Heather Campbell**

At the June meeting, the Annual Waterfield Humanitarian Award was presented to Missy McCray.

At the July 17 meeting our speaker was Heather Campbell, Director of Colonel Relations from the Honorable Order of Kentucky Colonels. Ms. Campbell reported that the Kentucky Colonels organization is well known for its history of supporting citizens most in need which occurs primarily in small and remote areas. The first grants were given out in 1937 following the devastating flood of the Ohio River. In 2017, the Board of Trustees vetted over \$4 million in grant requests. She fielded questions from the group.



**Missy McCray**



**Cumberland Valley** - The Cumberland Valley Chapter of Kentucky Public Retirees held its May meeting at David's Steak House in Corbin on May 15. Dr. Robert Goforth, 89th District State Representative, was our guest speaker. Also in attendance at our meeting was T.J. Litafik, a government relations consultant. Litafik was there to present Dr. Goforth with an award for his work during the recent legislative session.

The July meeting of Cumberland Valley was held at Golden Corral Restaurant in London. Our guest speaker was Derek Lewis, newly-elected state representative for the 90th Legislative District that includes Clay, Leslie, and part of Laurel County. Rep. Lewis will take office in January, 2019.

The August meeting of Cumberland Valley will meet August 14, 2018, at David's Steak House in Corbin. At this time a guest speaker has not been obtained.

**Green River** - The Green River Chapter met July 11 at the Briarpatch Restaurant in Owensboro.

Our guest speaker was Elizabeth Belcher, who is a candidate for state representative in the 14th District, which represents eastern Daviess County and Ohio County. She retired from the City of Owensboro as an occupational health nurse where she worked in every aspect of city government. Ms. Belcher said the reason she decided to run for state representative was the frustration she encountered in contacting her state senator and representative and being ignored. She is very upset about the pension issue and the \$480 million taken from the health insurance fund. As a retiree, she encouraged us to urge people to get out and vote - no matter what party.

The election of officers followed. Bill Horton, who has been president for several years, did not seek re-election. The following people were nominated and elected: president, Agnes Barron; vice president, Diann Cecil; secretary, Phyllis Whitaker, and treasurer, Karen Plain. Our next meeting will be on August 8, 2018.

Our president will contact Scott Lewis, the other candidate for the 14th District to see if he will be able to speak at the meeting.

**Jefferson Regional** - The quest speaker for May was Nina Moseley, Director of Wayside Christian Mission in Louisville.

On July 11, some of the Jefferson Regional members went to North Central's meeting due to the first Wednesday being the 4th of July. Senator Gerald Neal was the speaker. He spoke about civil rights and a question-and-answer period followed.

We will have State President Larry Totten at our August 1 meeting. He will be talking to us about the pension situation. We ask for prayers for one of our outstanding members who is having some health issues at this time. Please keep Ed Davis in your prayers.

**Lincoln Trail** - The Lincoln Trail Chapter May meeting was held at the Golden Corral in Elizabethtown. Our speakers were Dennis Johnson, CEO and president of Hardin Memorial Health, and Dr. Jody Prather. They spoke on the pending sale of the hospital to Baptist Health. Mr. Johnson stated that HMM has seen much growth in the past several years, but more capital would have to be generated to maintain that growth. They answered several questions from members about the sale. Larry Totten, president of KPR, spoke about the pension reform and the pending lawsuit filed by the Attorney General.

At our June meeting, two scholarships in the amount of \$500 each were awarded. The first went to Raymond Ellis, nephew of member Donna Brangers. He will be studying music at the University of Louisville. Ashlynn Goodman, the granddaughter of members Ronnie and Rexann Goodman, was the second recipient. She will be studying at ECTC this fall. Lincoln Trail will not meet in July, and our next meeting will be August 11 at the Golden Corral.



**Raymond Ellis**

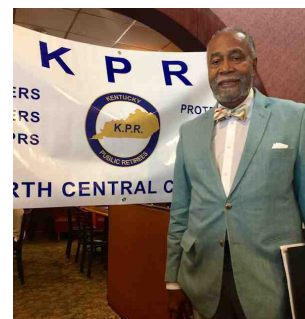


**Ashlynn Goodman**

**North Central** - On May 9, our speaker was Doug Price, president of the Bluegrass East Chapter of KPR and chair of the upcoming KPR Annual Meeting in Lexington. He gave us the agenda and other particulars of the Annual Meeting and answered questions.

On June 13, our speaker was Rita Morrow, AARP Community Team Volunteer. She spoke about the "Age Friendly Cities," followed by a Q & A session. We also held our 2018-2019 election of officers.

On July 11, our speaker was State Senator Gerald A. Neal of District 33. He spoke on the history of the civil rights movement in the Louisville area, followed by a Q & A session. He was elected to the Kentucky State Senate in 1989 and was consecutively re-elected the last 22 years. He also answered pension-related questions.



**Sen. Neal**

We are in the process of upgrading our email alert system. We will be using MailChimp for all future messages. This new system will eliminate duplicate mailings to your address. It will also be much easier to maintain and add email addresses.

**Northern Kentucky** - The Northern Kentucky Chapter met on May 14 at the Golden Corral in Ft. Wright. The guest speaker was Lois Jones from the CPA firm Stith, Wimsatt and Associates. She discussed how the new tax changes affect us.

Cathy Mains presented the nominations for the election of officers. The following were elected as new officers beginning July 1, 2018: president, Milton Mains; vice president, Jim Hill; treasurer, Larry McClanahan; secretary, Sandy Hunley; and secretary co-chair, Mary Schneider.

Our July meeting was held July 9, and our speaker was Bruce Stelzer, Director of both the Henry Hosea House and the ECHO food program in Newport. Our new program committee held its first quarterly meeting to discuss and select programs for our future meetings.

**Purchase** - The Purchase Chapter meets the first Thursday of each month at Pizza Inn, Paducah. Our monthly attendance is 20 to 30 members. The subject of discussion is any issue that concerns us as Kentucky citizens with priority given to items affecting the Kentucky Retirement Systems. Our goal is to keep everyone abreast of political activities that may affect our retirement, both positively or negatively. We have legislators as guest speakers when possible.

Our guest in April was State President Larry Totten, who updated us on the legislative action this year. The speaker in July was Martha Emmons, Democrat candidate for 3rd District State Representative (Paducah and McCracken County).

The speaker in August will be Randy Bridges, Republican candidate for 3rd District State Representative. In September, our guest will be Jessica Stolberg, Humana Representative for KRS, and in October, we have invited State Representative Steven Rudy to come and share with us.

In June, we elected our chapter officers for 2018-2019. They are treasurer, David Madison; secretary, Beverly Wallace; vice president, Al Yates; and president, Tom Moore. New officers will assume duties on July 1, 2018. We are actively seeking to increase our membership and hope you will contact fellow retirees and ask them to join us in our quest to keep the retirement issues front and center to our legislators and Governor. If you have questions or concerns please feel free to contact me: Tom Moore at 270-210-6526, (trmoore12@calldialog.net). Come join us!



**Tom Moore and Larry Totten**

## **BREAKING NEWS**

### Sign up for the KPR Email Bulletins

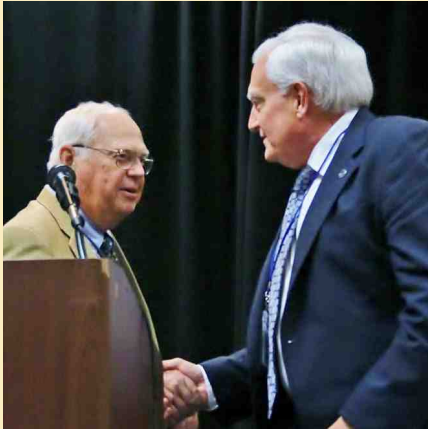
KPR regularly sends informative emails to members who have subscribed to our email bulletins. These bulletins are usually directly from President Larry Totten and are your best method of keeping informed of late-breaking news regarding issues of interest to all Kentucky public retirees.

The bulletins are a cost-effective means of communicating with our members because we can send an unlimited number of emails each month for a total cost of only \$15.00 per month. To receive The Kernel by email, you must subscribe to the new system. Although nearly 3,000 members have provided email addresses to KPR, only 898 members have subscribed to receive the bulletins. We do not send out unsolicited mass emails. We hope that everyone who regularly uses email will subscribe.

To subscribe, simply go to our webpage ([www.kentuckypublicretirees.org](http://www.kentuckypublicretirees.org)) and select the tab at the top labeled "Email Subscription." Click the link to the subscription form and complete the form, then click on the "Subscribe to list" button at the bottom of the form. You will automatically be sent a confirmation email with a link that completes the subscription process. If you have any problems subscribing, just send your name, email address, chapter, and whether you want to receive the newsletter by email to [kprmanager@gmail.com](mailto:kprmanager@gmail.com) or leave a message on our hotline at (502) 437-9408. We will ensure that you are subscribed.



## Pictures from the KPR Annual Meeting



President Totten receives the  
2018 Waterfield Achievement  
Award



Jo Stratton swears in the newly-elected KPR officers:  
Larry Totten, Shirley Clark, Martha Parrish, and  
Robinil Jameson



Annual Meeting Chair Doug Price



Lexie Southworth and Magician





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<b>Barren River</b> 10 a.m. (CT), 3rd Monday BRADD Center 177 N. Graham Avenue (off Plum Springs Rd) Bowling Green, KY Contact Martha Parrish (270) 535-4985	<b>Covered Bridge</b> 11:00 AM (ET), 2nd Thursday Double 'S' Bowling 150 Foster St. Flemingsburg, KY Contact June Pugh (606) 849-2651	<b>Jefferson Regional</b> 11:30 AM (ET), 1st Wednesday Rooster's 5338 Bardstown Road Louisville, KY Contact Bev Zehnder (502) 553-1579	<b>North Central</b> 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
<b>Big Sandy</b> 11:30 AM, 2nd Thursday Giovanni's 1236 N. Lake Drive Prestonsburg Contact Scott Hopkins (606) 433-1517	<b>Cumberland Valley</b> 11:30 a.m. (ET), 2nd Tuesday Meeting locations vary Contact David Cornett (606) 330-0924	<b>Kentucky River</b> 3rd Friday of each month Meeting locations vary Contact Paul Bailey (606) 884-6280	<b>Northern Kentucky</b> 11:45 AM (ET), 2nd Monday Golden Corral Orphanage Rd. at KY Rt. 17 Fort Wright, KY (I - 275, Exit 80) Contact Milton Mains (859) 512- 9881
<b>Bluegrass East</b> 12:00 PM (ET), 2nd Wednesday Golden Corral 185 E. New Circle Road Lexington, KY Contact Jerry Powell (502) 370-2805	<b>Fivco</b> 11:30 AM (ET), 3rd Monday Giovanni's on Greenup Avenue Ashland, KY Contact Morris Wells (606) 465-5784	<b>Lake Cumberland</b> 11:30 AM (ET), 3rd Monday King Buffet 300 Sam Walton Drive Somerset, KY Contact Bruce Brown (606) 305-9960	<b>Pennyrile</b> 11:30 AM (CT), 4th Thursday Country Cupboard Restaurant 518 McCoy Avenue Madisonville, KY Contact L. Peyton Adams (270) 871-9295
<b>Bluegrass West</b> 11:30 AM (ET), 3rd Tuesday VFW Franklin County Post 4075 104 E. Second St. Frankfort, KY Contact Larry Totten (502) 226-0273	<b>Green River</b> 12:00 p.m. (CT), 2nd Wednesday Giovanni's on Greenup Avenue Ashland, KY Contact Agnes Barron (270) 298-7151	<b>Lincoln Trail</b> 11:30 AM (ET), 2nd Monday Golden Corral 1835 N. Dixie Highway Elizabethtown, KY Contact Judith Leshner (270) 872-3497	<b>Purchase Chapter</b> 10:30 AM (CT), 1st Thursday Pizza Inn Joe Clifton Drive Paducah, KY Contact Tom Moore (270) 898-7289