

THE KERNEL

Issue 134

August 2021



President's Perspective

by Larry Totten

Boldly Going ... Again

As we have been moving through 2021, signs of “normalcy” have begun to appear all over. Critical for us has been the renewal of our monthly chapter meetings. We lost quite a few members since all this began some eighteen months ago and maybe some of it would have happened anyway; however, I can’t help but think that our dormancy contributed to this decline. Slowly but surely, we are coming back – chapter meetings are returning, and we have rescheduled our 37th Annual Meeting – again - for June 2022 (and in Bowling Green). I don’t know yet what KPPA is doing with regard to pre-retirement or insurance meetings, but we’ll be there if possible.

Likely due in part to COVID-19 and the disruptions it has imposed upon us, our membership took a serious hit this year; Betty will explain this better in her article. This is not good. I want KPR to be a value-added proposition for members whether it’s through AMBA product availability, getting together once a month for lunch and camaraderie, or even just being part of like-minded individuals with similar goals. When our legislative agents talk with legislators, it’s our numbers behind them that make us credible as an organization. We are now into year three of the 30-year trek to achieve the goal of 100 percent funding. The only way this will happen is if our legislators continue to meet their obligations to us. We need to be around to make sure they do, for ourselves and those who follow.

One behind-the-scenes project that had been delayed has been the creation of a group of those who head up public retiree organizations across the country. This is a concept initiated by AMBA and would be similar to one they helped create several years ago for the teacher retiree groups who are AMBA members. We first met in November 2019 to lay a foundation, and I discussed this with chapter presidents at our Board meeting in December 2019. Our group had planned on continuing our work in spring 2020 but COVID-19 intervened – several times.

We will finally be meeting again mid-August in Louisville about the time you receive this newsletter. Some of our members are small with elected leadership (like KPR) and some are large (tens of thousands of members) and have paid staff. We chose to call ourselves the Council of Public Retiree Association Executives (CPRAE). “Council” sounds a little stuffy but the word is defined as “an assembly of persons summoned or convened for consultation, deliberation, or advice.”

The purpose of CPRAE is to assemble like-minded organizations serving as a clearinghouse of information for and about fellow member associations to hopefully learn best practices, particularly in membership recruitment and retention. How are we the same? Where do we differ? Can X group help Y group? More on this as it develops.

Another kind of big deal pertains to the KRS Board of Trustees. Effective March 31, one of the two elected KERS Trustees, Sherry Kremer, resigned her position. Following a solicitation of interest of KERS members, which garnered seven applications, I was chosen to complete the term of office through March 31, 2022. As of this writing, I have been placed on one of the two Administrative/Disability Appeals Committees and the Retiree Health Plan Committee. I’ve also submitted my application for election to a full four-year term which will begin April 1, 2022, but that election by the full body of KERS active and retired members doesn’t happen until January. I’m not walking away from KPR, I just decided that it was time to get more directly involved with the pension system itself.

I want to again thank each of you for being members of KPR. I appreciate your participation in this adventure that none of us thought we would ever have to do. We could not do this as individuals. Remember, our public pensions are not a handout.

WE EARNED IT!

Kentucky Public Pensions Authority Update

by Larry Totten

While all of the committee and board meetings for KRS/KPPA/CERS have been conducted online with Zoom for them and Facebook streaming to the public for well over a year, some in-person meetings had begun in July. As state government operations move back into some degree of pre-COVID “normalcy” over the next few months, KPPA will be doing the same. Online work and interactions with members will likely remain a more prevalent option than it was before 2020 but some will most assuredly move back to face-to-face contact.

The issue consuming the most time and effort since the beginning of the year has been dealing with CERS separation. Considerable work was required to create three new boards with all of their relevant bylaws and policies, including the hiring of CEOs and general counsels. John Chilton was hired as CEO for the KRS Board and Ed Owens III was retained as CEO for the CERS Board. KPPA found itself having to redesign all of its reporting to accommodate two new autonomous operational boards – KRS and CERS. This is work that will continue to be fine tuned over at least the rest of this year.

Under the new structure, the Audit Committee and the Retiree Health Plan Committee are now joint committees with members from both the KRS and CERS Boards. Each board has its own Investment Committee and Actuarial Subcommittee. CERS also created a Finance Committee. There also remains two Administrative Appeals and Disability Appeal Committees with elected members from each board.

It has been a busy period for the Investment Division including the official hiring of a new chief investment officer and deputy CIO. A waiver in HB 8 20RS allowed KPPA to establish pay for these positions at higher than they normally would have been under 18A but still much lower than median pay for these positions at similarly-sized public pension funds. Additional investments were approved in the private equity and real estate areas. Investment performance for the pension plans this fiscal year through May has been excellent with KERS NH above 20 percent and CERS NH above 23 percent. The insurance plans’ returns paralleled those of the pensions. This should result in higher funded ratios for last year when the actuaries complete their work on FY21 later this year. Other work has been involved with both the KRS and CERS boards adjusting their investment policy documents as well as the Investment Division adjusting its reporting for more clarity and accounting for the separation of the KRS and CERS boards.

The Audit Committee is now one of the two joint committees of the KRS and CERS boards although it has yet to meet under this format. It last met in February and went through its normal review of documents and reports. Many of the documents presented during its reporting will require a makeover to better differentiate between the KRS, CERS, and KPPA.

The Retiree Health Plan Committee is the second of the two joint committees established in the reorganization. Humana has made presentations at both meetings conducted so far this year covering plan utilization in both 2020 and 2021 (to date). Coming no later than the next meeting on September 2 will be their proposals for the 2022 plan year, the last covered by Humana under the current contract. No real changes are anticipated. Issuance of an RFP for the years 2023 and beyond will be occurring in the next few months.

The KERS NH plan has had two employers withdraw from participation – Northern Kentucky University and the Kentucky Housing Corporation – with both of them opting for their cessation costs to be made as lump-sum payments.



The 2022 KPR Annual Conference is scheduled for June in Bowling Green.

Plan to attend.



**Kentucky Public Retirees
Bulletin**

To keep up to date with current activities affecting our retirement sign up for our email bulletins at kentuckypublic-retirees.org.

Legislative Chair Update

by Larry Totten

The Capitol and Capitol Annex reopened to the public as of July 1. While legislative meetings in this interim period are still available through KET, members of the public are again able to attend in person. Watching these meetings for months now from the comfort of home has been okay, but there is still more a sense of “official” in attending them in person.

The 2021 General Assembly left state employee pensions alone while crafting a new plan for new teachers. As always there were “housekeeping” bills, this time two of them: HB 9, which provided some clean up and enabling wording to the CERS separation process, and HB 87, for some general tweaks to KPPA operations. Other important bills were SB 169, which changed some duty-related disability benefits; SB 214, dealing with cessation of participation by KERS employers; HB 69, which established new requirements in the preparation of actuarial analyses for bills pertaining to the state’s retirement systems; and HB 261, which codified penalties for fraud against the Kentucky Public Pension Authority.

There have been a couple of committee meetings in the interim period, which began in June, at which David Eager, CEO of KPPA, testified. His report was generally positive in content, helped by excellent investment returns this past year, but some contention over information requests made by quasi agencies as they face their agency-specific unfunded liabilities.

The Public Pension Oversight Board (PPOB) met in four of the first six months of the year. Quarterly investment returns for all of the state’s public pension plans; an update on HB 484, which split KRS into three new entities; and HB 8, which established a new employer contribution funding process, were all topics. The July meeting is to cover “Sick Leave Programs and Impact of Bonuses on Pension Payments.”

As of mid-July, no pension related bills for the 2022 General Assembly have been prefiled.

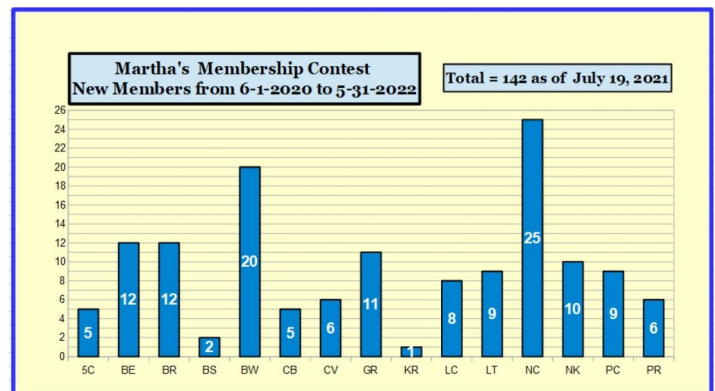
Membership Update

by Betty Hawkins

It certainly has been an exceptionally long time since we have been able to issue membership information via *The Kernel*. I hope this article finds each one of you safe and well. I know that everyone appreciates the opportunity to resume normal day-to-day living. We never really appreciate the things that we have or the lifestyles we live until we can no longer have those things.

Our annual membership contest which was renamed “Martha’s Membership Contest” began June 1, 2020, and would normally have ended May 31, 2021. However, the KPR State Board determined it would be more beneficial to extend the contest to May 31, 2022 due to cancellation of the 2020 and 2021 Annual Meetings. The good news about this is you have ten more months to work on getting new members. To date, KPR has recruited a total of 142 new members since the contest began. There were 321 members who were removed from the membership roll for non-payments of dues effective May 31, 2021. We still have a huge deficit to overcome.

We have some nice cash prizes available for the individuals who recruit the largest number of new members: first place - \$125; second place - \$100; third place - \$75; and fourth place - \$50. Local chapters are also eligible to receive awards: \$70 will be awarded to the chapter recruiting the largest number of new members and \$70 will be awarded to the chapter with the largest percentage increase. There will also be three computer-generated \$20 random drawings. Any member recruiting at least one new member is eligible for the drawings. Winners of all awards will be recognized at the Annual Business Meeting on June 17, 2022. Members do not have to be present to be eligible to receive any of these awards.



KPR’s total spousal membership is 144. Why not recruit your spouse and be eligible for one of the random drawing prizes? This is an easy way to participate in the contest. We need as many people as possible to get involved. (Cont’d Page 4)

Membership Article (Cont'd)

Due to coronavirus restrictions, only until recently have local chapters been allowed to hold monthly meetings. Consequently, this has caused a somewhat negative effect upon our recruitment of new members. Our ability to attend public events and recruit members was also prohibited. We certainly have a lot of "catching up" to do regarding the recruitment of new members. In addition to Martha's Membership Contest, each local chapter has been encouraged to have some type of membership contest and offer some prizes within that local chapter. This will encourage local chapter members to become involved and will also give them an opportunity to be eligible for the cash prizes for the state-wide contest.

Members wishing to recruit new members may obtain a membership application form by going to the KPR website at: www.kentuckypublicretirees.org and printing the downloadable one, or you can complete the online version of the application. You can also obtain application forms at your local chapter meetings, or you can email me at betty.hawkins49@gmail.com or call me at 502-321-0649. I will be glad to assist you with completing the application, or we will mail you a supply. Completed new member applications may also be mailed to the business office at: KPR, P.O. Box 4082, Frankfort, KY 40604. The new member recruited must list you as the referral person on the application form. No one receives credit for the new member if the referral name is blank.

Please check the KPR website periodically to see how your chapter is doing and who the top recruiters are. Good luck with your recruiting and please consider doing your part to help our organization bounce back from the pandemic.

Chapter News

Barren River - The May meeting of the Barren River Chapter was held at the Barren River Area Development District Office on May 17, 2021, at 10:00 a.m. The meeting was called to order by President Carol Douglas. Committee reports were given and accepted as presented. President Douglas then introduced our guest speaker, State Representative Patti Minter from District 20.

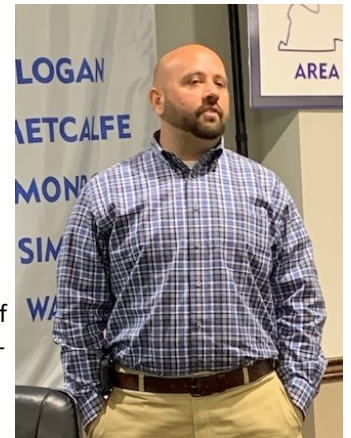


Rep. Patti Minter

Rep. Minter stated that she was disappointed more was not done for state employees, public employees, and teachers during the recent legislative session. She felt the KERS NH was stabilized by recent legislation. She was encouraged by the passing of the

bill she co-sponsored reducing the copay of insulin to \$30 for a 30-day supply. She also said the state legislature had allocated matching money with federal funds to build a veteran's nursing home in Bowling Green. She closed by saying when the legislature meets in the beginning of 2022, it will be a two-year budget session and that we will need to stay vigilant of bills dealing with our pensions.

At the June meeting, the guest speaker was Matthew Hunt, district director, Barren River District Health Department. Mr. Hunt discussed many of the programs and services provided by his quasi-governmental agency which serves an eight-county area of 300,000 people. The department has a current staff of approximately 120 full- and part-time employees. Mr. Hunt focused much of his presentation on the role his office played in management of the COVID-19 pandemic. He also outlined the health department's pension financial obligations and how this affects the total cost of hiring and maintaining staff. Mr. Hunt addressed several questions from members.



Matthew Hunt

President Douglas participated in the quarterly KPR State Board meeting via Zoom on June 17. There are currently 3,415 KPR members. The Martha's Membership Contest will continue through May 2022, and our chapter is currently in 3rd place. Significant cash prizes are available for the recruitment of new members. She asked the group to share their thoughts on our chapter offering membership recruitment incentive rewards.

(Cont'd Page 5)

Barren River (Cont'd) - After some discussion, it was decided to table the incentive reward issue until a later meeting. President Douglas also presented the idea of our group joining the Bowling Green Area Chamber of Commerce as a networking tool. She contacted the chamber, and the cost of membership is \$250 for a nonprofit organization, as well as a \$30 processing fee for the first year. This issue will be further explored and discussed at a later meeting.

After a group discussion, it was decided to cancel the July meeting and resume a regular meeting schedule in August. We are attempting to secure C. B. Embry, a member of the Kentucky Senate, as a guest speaker. President Douglas has also contacted the Bowling Green Area Convention and Visitor's Bureau to speak on upcoming events and programs in the area. She will attempt to secure one of the speakers for our next meeting, which is scheduled for Monday, August 16, 2021, at the BRADD Office.

Bluegrass West - We held our first meeting since February 2020 on April 20 at the VFW Building on Second Street. Lunch was provided by the VFW with 50 people attending. President Jean Henning introduced our guest speaker Jessica Stolberg, with Humana Insurance, who made brief remarks regarding COVID-19, but primarily focused on some positive enhancements which Humana has made regarding the Go365 Program. Ms. Stolberg explained all the different ways members could earn rewards. To obtain the latest information regarding Go365, visit Go365.com, or call the number on the back of your insurance card. You must redeem your rewards in the year they are earned. Any rewards that are not redeemed by the end of the year will be forfeited. Rewards have no cash value.

The legislative chair reported on retirement legislation passed in the January session. One important bill which passed, HB 8, is the final major step in putting the KERS Nonhazardous plan on the road to being financially healthy again. Agencies will now pay their fair share of the unfunded liability.



Brittany Woodward and Jean Henning

In June our guest speaker, Brittany Woodward, solid waste coordinator for Franklin County, provided handouts regarding Franklin County's Solid Waste and Recycling Program. She advised us regarding which items could be recycled and placed in our curbside carts. She said that newspapers, magazines, catalogs, and junk mail should be taken to the drop-off recycling bins located behind the Franklin County Sheriff's Office and the Frankfort Recycle Center.

Covered Bridge - Our chapter has been inactive for several months due to COVID-19, but we plan to have our first meeting Thursday, August 12 at 11:00 a.m. We will be meeting at the Double S Entertainment Center on Foster Street in Flemingsburg where we previously met. Since the onset of the pandemic, we have lost several members, perhaps some directly related to COVID-19 and others not. They will be sorely missed by our group.

Our August meeting will be an exciting time to greet and meet old friends and acquaintances. Down through the years, Covered Bridge members have enjoyed many good times together, such as the photo pictured here of Bob and Linda Gossett with Rose Gayle Hardy at one of our annual meetings.



Our members always enjoy getting together and getting caught up on any news that never made it to Facebook or the local papers. It's time to get back to the business of who we are as Kentucky public retirees and the purpose of our organization which we will be discussing at some of our meetings within the next few months. Larry Totten will be our speaker for our next meeting.

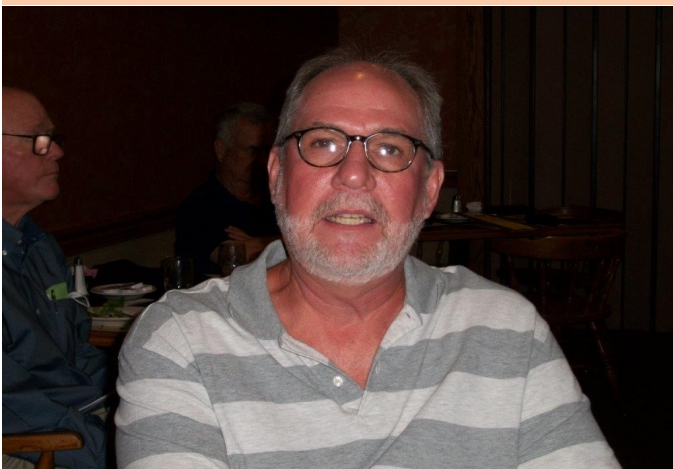
Cumberland Valley - Our chapter met at David's Steak House in Corbin. The guest speaker was Jessica Stolberg from Humana. She spoke about the Go365 program and the Humana Medicare Advantage Plan.

Green River - Whoohoo! Our first monthly meeting in over a year was at the Briarpatch Restaurant on May 12. COVID-19 requirements were adhered to at the restaurant, and the meeting was called to order by President Agnes Barron. We had no speaker for this meeting. We had a business meeting after the meal. Ideas for future speakers included Larry Totten, Brian Wilborn, and Susan Miles, who would discuss the new Real ID drivers license. Lewis Jean distributed a handout about vehicle usage taxes and sales tax receipts. Governor Beshear reported 1.8 million Kentuckians are now vaccinated. (Cont'd page 6)

Green River (Cont'd) - HB 252, which would have increased tax exclusions from \$31,110 to \$41,110 did not come out of committee. KRS and CERS will become completely separated this summer. Owensboro received \$12 million for COVID-19 relief, Daviess County received \$20 million, and Kentucky received \$2 billion.



GR members - Janice Leslie and Pat McDaniel



GR member - Denny Lee



GR member - Karen Plain

Our June meeting was held at Briarpatch Restaurant. Suzanne Miles, who represents the 7th District in the Kentucky House of Representatives, was our speaker. She discussed the Real ID drivers license, for which she is an advocate, and provided handouts regarding the process of applying for it. She also said the Kentucky Transportation Cabinet is in the process of streamlining the drivers licensing process. Rep. Miles voted for various bills that passed. Among the bills she supported were: allowing advanced nurse practitioners, registered nurses, and physician assistants to order and prescribe home health care services; expanding access to healthcare through Telehealth; improving Alzheimer's and dementia care by requiring specialized training for direct care workers; and capping the insulin copays at \$30.

Lincoln Trail - Our chapter has held two meetings since last March. They were held on May 17 and on June 7. The meeting on May 17 was our first meeting since March 2020. Since there was no guest speaker, the members held a business meeting and discussed whether to dissolve our chapter because of such low participation. Members had a chance to voice their opinions and ask questions. A motion was made and seconded to dissolve our chapter. At our June 7 meeting, a plaque was presented to our president, Judith Leshner, in appreciation of her being such a long and faithful leader for the past several years.

North Central - We were able to start in-person chapter meetings beginning with the May 12 meeting. We did not have a speaker for that meeting, but we did have about 30 people in attendance, including four people who were new members or were members who had never before attended a meeting. The location of the meeting was the Yoki Buffet. The change in location was necessary because our prior meeting place, the Jumbo Buffet, was closed as a result of the pandemic. Even without a speaker, everyone was very happy to get together again. We covered all the normal chapter business, and we also took the time to share our thoughts and experiences related to the pandemic.

Our June meeting was held on June 9 with Larry Totten as our speaker on various topics related to KPPA. Steve Meschler, our chapter president, announced that he was moving to South Carolina and was stepping down as president as of June 30. Officer elections were held and the new officers as of July will be Suzi Bernert - president; Shawn Herron - vice president; Joyce French - secretary; and JoAnn Clark - treasurer. Committee chairs will be Charlie Klunder - membership; Richard Meadows - publicity; Sue Wulf - audit; Nancy Fox - legislation; and Steve Meschler - programs.

Our July meeting will feature Shawn Sparks as speaker.

Northern Kentucky - In May our meeting was held at the Log Cabin Inn. Chapter President Milton Mains asked everyone to reflect on their childhood and share with the group something that they routinely did as a child and missed being able to do now. Some of the shared memories were riding a bike, sitting under a shade tree in the heat of summer, enjoying their mother's home cooking, roller skating, and playing ball in the street with their neighborhood friends.

Larry McClanahan gave the treasurer's report, and Ralph Wolff reported there are currently 239 members in our chapter. President Mains noted how important it is to make changes you may have in your retirement status such as change of address, telephone number, or beneficiary. All of this can be done online or by phone.

At our June meeting, President Mains reported that the chapter's membership had reduced to 214 because of failure to pay dues. He shared a list of unpaid members. He voiced his concern that membership has dropped and asked people who know members on the unpaid list to contact them. Also, he requested members contact folks they worked with and invite them to join. One of our long-standing members, Eleanor Able, passed away. Melissa Artopeus reported placing notices of our meetings in the Bellevue Community News and the KPR website. Since a speaker was not in attendance, a discussion followed for everyone to mention good and bad things about the pandemic.

Purchase - We held our first meeting of 2021 on July 1 at Pizza Inn in Paducah. We chose not to have a speaker so everyone could share experiences that affected them over the last 16 months. We enjoyed being able to gather, getting reacquainted, and becoming a team again! Discussions included membership and how we could encourage retirees to join us. We also shared information about the new drivers licenses and ID process.

We have been very disappointed at not being able to meet locally since March 5, 2020. We have missed the fellowship, sharing, and great meals. Even without meeting, KPR has not stopped working for retirees. We are still recruiting and staying abreast of issues that might impact us through personal contacts and legislation. Our chapter has received five new members this year.

We thank each of you for continuing to be members and for your support and encouragement. Our next meeting will be August 5, at 10:30 a.m. at the Pizza Inn in Paducah. Our speaker for the August meeting will be a Humana representative who will share information with us about our insurance.

Purchase members



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



Barren River 10 a.m. (CT), 3rd Monday BRADD Center 177 Graham Avenue (off Plum Springs Rd) Bowling Green, KY Contact Carol Douglas (270-535-4023)	Big Sandy 11:30 AM, 2nd Thursday Giovanni's 1236 N. Lake Drive Prestonsburg, KY Contact Thomas Hereford III (606) 226-1753	Bluegrass East 12:00 PM (ET), 2nd Wednesday Lexington Pasta Garage Italian Cafe' 962 Delaware Avenue Lexington, KY Contact Jerry Powell jwpowell211@gmail.com	Bluegrass West 11:30 AM (ET), 3rd Tuesday VFW Franklin County Post 4075 104 E. Second St. Frankfort, KY Contact Jean Henning (502) 223-5885
Covered Bridge 11:00 AM (ET), 2nd Thursday Double 'S' Bowling 150 Foster St. Flemingsburg, KY Contact June Pugh (606) 849-2651	Cumberland Valley 11:30 a.m. (ET), 2nd Tuesday Meeting locations vary Contact David Cornett (606) 260-0490	Fivco 11:30 AM (ET), 3rd Monday Giovanni's on Greenup Avenue Ashland, KY Contact Morris Wells (606) 465-5784	Green River 12:00 p.m. (CT), 2nd Wednesday Briarpatch Restaurant 2760 Veach Road Owensboro, KY Contact Agnes Barron ((270) 298-7151
Kentucky River 3rd Friday of each month Meeting locations vary Contact Paul Bailey (606) 884-6280	Lake Cumberland 11:30 AM (ET), 3rd Monday The Mellow Mushroom 2520 Monticello St Somerset, KY Contact Bruce Brown (606) 305-9960	Lincoln Trail Inactive	North Central 11:30 AM (ET), 2nd Wednesday Yoki Buffet 1700 Alliant Avenue Louisville Louisville, KY Contact Suzanne Bernert (502) 641-7720
Northern Kentucky 11:45 AM (ET), 2nd Monday Log Cabin Inn 322 Madison Pike (I-275, Exit 80, South) Covington Contact Milton Mains (859) 512- 9881	Pennyrile 11:30 AM (CT), 4th Thursday Country Cupboard Restaurant 518 McCoy Avenue Madisonville, KY Contact L. Peyton Adams (270) 871-9295	Purchase 10:30 AM (CT), 1st Thursday Pizza Inn Joe Clifton Drive Paducah, KY Contact Tom Moore (270) 898-7289	