

THE KERNEL

A Publication of the Kentucky Public Retirees

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Aug 2014



Patsy Williams, Tony Watts, Ron Easter, Brenda Brandenburg
New Kentucky River Chapter Officers

KPR Welcomes a New Chapter

The Kentucky Public Retirees has a new chapter. KPR President Paul Guffey presided over a meeting at The Wolverine United Methodist Church in Jackson on July 22, 2014. The members present chose Kentucky River as the name for their chapter.

During the meeting members present chose Tony Watts as President, Ron Easter as Vice President, Brenda Brandenburg as Secretary, and Patsy Williams as Treasurer. President Guffey administered the oath of office to the officers of the new chapter.

The new chapter will consist of the following counties: Breathitt, Lee, Magoffin, Morgan, Owsley, Perry and Wolfe Counties.

KPR greatly appreciates all the hard work that was required to create this chapter!



Members of the new Kentucky River Chapter discuss plans for the future.

Annual KPR Meeting a Success

The KPR 2014 Annual Meeting was held in Louisville on June 12-13, 2014. KPR President Paul Guffey thanked the Jefferson Regional Chapter for hosting the meeting. Annual Meeting Chair Mary Helen Peter welcomed everyone to Louisville.

Among the speakers, William M. Thielen, Executive Director of Kentucky Retirement Systems, (pictured at right) gave an update regarding the thirteen board members which were authorized by Senate Bill 2. He discussed at length the court's ruling concerning the Seven County Services bankruptcy. He further advised that the KRS Board of Trustees had appealed the ruling.



On the evening of June 12th, the members met for the annual banquet and awards ceremony. RoseGayle Waterfield Hardy presented the Achievement Award to Jo Stratton. Linda Funk received the Humanitarian Award.

President Paul Guffey presented the Presidential Awards to Bob Henson, Shirley Clark and Susan Smith. Ninety door prizes, contributed by members and local businesses, were awarded.



New officers for KPR were sworn in at the meeting. From left are Paul Guffey, President; Betty Hawkins, Secretary; Kay Hines, Treasurer; and Jerry Connell, Vice President.



President's Message by Paul Guffey

Kentucky Public Retirees (KPR) continues to monitor familiar issues and challenges facing public pension benefits here at home and across the United States. Recent postings on the Kentucky Public Retirees Facebook page reveal similar problems in states such as New Jersey, Michigan, Illinois, and Florida.

A multitude of city and state governments have realized their pension plans are suffering from a lack of funding by the employer, while employees have paid their share year after year. Employees in Detroit have even agreed to accept a cut in benefits to help the city with its bankruptcy arrangements.

We have our own drama in Kentucky, with the severe underfunding of the Kentucky Employees Retirement Systems (KERS) and with agencies such as Seven Counties Services severing ties with the system without paying obligations.

Where does this leave government employees and future retirees? What is the future of all state, city, county, and state police retirees? What does this mean for you and me? Our future will be determined by the influence we have on decision-makers.

With approximately 100,000 retirees receiving benefits from the KRS, we retirees could have tremendous influence. But we sleep! When will we wake up from this Rip Van Winkle state of mind? Every retiree owes it to themselves to join the Kentucky Public Retirees (KPR) organization, since its top priority is advocacy for member benefits. With 100,000 members, KPR could set the agenda of decision-makers and make a substantial difference for many. Are your friends and former co-workers asleep?

Join us in advocacy! While doing so, you'll enjoy the camaraderie of like-minded friends, and have the opportunity to contribute to the needs of our local communities. Together, we can make a difference.



Legislative Report by Shirley Clark, Legislative Chair

The legislative session for 2015 will be the "short" session lasting 30 days. As no budget issues are addressed in this session, the 100% funding of our Kentucky Retirement System is secure through June 2016.

As of this date, there is not much discussion going on about KPR's legislative program for either 2015 or 2016, but we do know we need to be focused on the following items in particular for future sessions:

- **ANY MOVE TO TAX RETIREE INCOME:** It is very likely there may still be a move on to start taxing retirees' income.
- **A COLA FOR OUR RETIREES:** At the end of the 2016 biennium, retirees will not have received a COLA for four years. This must be a goal of KPR for the 2016 General Assembly.
- **FULL FUNDING:** Since the full funding appropriated in 2014 only applies through FY 2016, we will again be working very hard to assure full funding. Unless this funding continues, and until the system is fully funded, our retirement will always remain in jeopardy.

We have all been reading the news during these past months about the bankruptcy case filed by the Seven Counties Organization in order to leave KRS. If the bankruptcy case is upheld, it would leave an approximate unfunded liability of \$90 million to KRS. There will most likely be other quasi-governments pulling out also. The city of Ft. Wright, Kentucky has filed a class-action lawsuit in Kenton County against the KRS system on behalf of participants in the CERS. The suit alleges the board improperly commingled the investment of CERS assets with KERS assets. These, along with two others filed by Bluegrass Mental Health and Frontier Housing, plus one filed by KRS against Kentucky River Community Care, are ongoing suits as of this date. If upheld by the courts, these suits could be devastating to our retirement system. KPR supports these appeals, and they will most likely enter into our legislative program during the General Assembly both in 2015 and most definitely 2016.

Whether we see any relief in the unfunded liability of the system depends on many things, such as the investment returns, the effect of various bankruptcy and other suits filed, and the continued funding by the General Assembly.

In the 2015 and the 2016 session of the General Assembly, we must watch diligently all prefiled bills and news reports, and be aware of what we have facing us. It will be much harder to get anything done, if the suits I have discussed prevail, and our unfunded liability increases rather than decreases. Because of everything going on with the system is all the more reason for us to work harder to increase our membership. Remember! **In numbers is our strength!** It is not unrealistic that KPR may have to enter into a court

battle in the future on behalf of our retirees. Until we can increase our membership, therefore increasing our treasury, there is no possible way KPR could ever take on such an endeavor.



Membership Article by Betty Hawkins, Membership Chair

We are pleased to announce the winners of the 2014 Membership Contest. First place prize of \$50 was awarded to Stanley Arrowwood of Breathitt County (Jackson); Stanley recruited 46 members. Second place prize of \$35 was awarded to Brenda Brandenburg of Owsley County (Booneville). Brenda recruited 18 members. Third place prize of \$15 was awarded to David Cornett of Laurel County (London). David recruited 16 members. All three of these individuals worked extremely hard to recruit new members and assist in the organization of the new Kentucky River Chapter which will be headquartered in Jackson, Kentucky. This chapter will hold their monthly meetings on the fourth Tuesday of each month at various locations in the area. Local media outlets will provide meeting notices. Congratulations and a special welcome to this newly formed chapter which presently has a total membership of 148. Our organization looks forward to working with you.

The \$25 cash award to the chapter which had the largest percentage increase in membership during the contest period went to Covered Bridge. Their membership increased by 11.11% during the contest period.

The random drawing prize of \$25 went to Al Mirus of Taylor County, Lake Cumberland Chapter. Mr. Mirus recruited his wife Cora.

Members attending the 2014 Annual Meeting in Louisville adopted the 2014 Membership Proposal. In the near future, the following changes will be implemented:



Stanley Arrowwood receiving award from Paul Guffey, President



Brenda Brandenburg and David Cornett

- 1) The spouses of members will be allowed to join; membership fee will be \$15.00.
- 2) The possibility of extending membership privileges to individuals with 20 years plus service who are still working will be reviewed.
- 3) Members will be allowed the option of paying their dues online.
- 4) Members will be provided the option of receiving all of their KPR communications electronically.
- 5) We will identify a Ways and Means Project to increase revenue. Suggestions are welcome.
- 6) We will continue to increase the further use of social media to inform people about KPR.

We continue to search for ideas and communication tools to increase membership numbers. Currently there are more than 92,000 people eligible for KPR membership. We need your help. Membership is not the responsibility of just a select few - it belongs to each one of you. We must provide a united front to protect our benefits. **PLEASE GET INVOLVED TODAY. TALK TO YOUR FRIENDS, NEIGHBORS AND RELATIVES - RECRUIT NEW MEMBERS!**



Kentucky Retirement System Article by Larry Totten, KRS Liaison

Since the last edition of the *Kernel*, there have not been any public meetings of the KRS Board. Most of the news coming out of KRS over the past few months has been in regard to the two major legal battles it faces.

On May 30, KRS lost its initial action to stop the Seven Counties Services (SCS) from leaving KRS and subsequently filed a motion appealing this ruling, following a vote by the Board of Trustees. It also filed a "motion for stay pending appeal" which was denied on June 24. Basically, the original order of the judge allowing the SCS to continue with its bankruptcy was upheld while the appeal of the overall bankruptcy case continues. A sidebar in this case is action taken by the Government Contract Review Committee which recommended, and the Finance Cabinet ultimately approved, a decision not to renew a \$3.7

million in-home family services contract with SCS. Over the past week or so, there apparently have been discussions between legislators and SCS regarding possible solutions to both the \$90 million in liabilities a SCS bankruptcy would leave behind and the contracts under which SCS works for the state.

The other legal action taken by KRS is a request for summary judgment to dismiss the alleged mismanagement lawsuit filed by the city of Fort Wright. That motion is pending as of this writing.

Four board committees will be conducting meetings in August and September and the full board will be meeting again on September 11. Also scheduled for August 28 is a meeting of the Legislature's Public Pension Oversight Committee.

As part of a new member outreach, KRS began a series of Webinars on various topics in July. Topics covered vary from general operations, conducted by Bill Thielen (Executive Director), to investments, conducted by David Peden (acting Chief Investment Officer), and to general educational topics conducted by various staff members. The published schedule for these is set through September and, as of this writing, most still had slots available. The webinars are posted on the KRS website a few days after each session.

--- Chapter News ---

Barren River

At our May meeting, Emily Harlan, with Home Instead Senior Care, said there were 300 caregivers to enhance the lives of aging adults and their families in Bowling Green and surrounding counties and that caregivers had very strict training and background checks. She discussed many phases of the organization including meals, free classes, light services, and personal care to help seniors stay in their homes as long as possible.

A slate of officers was presented to the membership by President Settle as follows: President, Martha Parrish; Vice President, Les Settle; Secretary, Betty Sanson; and Treasurer, Jennifer Strong. A motion to elect the slate was made by Carty Parker, seconded by Floyd Parrish and approval was unanimous with no opposition.

There was no June meeting. In July, Democratic Representative Jody Richards was the guest speaker.

Bluegrass West

At the June meeting, Shirley Clark gave the legislative report and discussed the possible effects of quasi-governmental agencies such as Seven Counties Services withdrawing from the retirement system. She also stressed the need to diligently watch for prefiled bills that may affect retirement benefits. Betty Hawkins provided the membership report. She reported that although we now have 934 members, the membership has declined since last year. The BW Waterfield Humanitarian award was presented to Vicki Cunigan and the Waterfield Achievement award to Jo Stratton. At the July meeting, Robin Hartman, KPR's media/marketing consultant, described her activities promoting KPR. She presented a draft of the new KPR brochure and provided several suggestions for activities that could increase awareness.

Covered Bridge

At our July meeting, Shawn Sparks, Director of Planning & Constituent Services at KRS, commended KPR for the work they have done in keeping abreast of the important matters involving their pensions. He said he is available to help us learn more about the legislature and invited us to sit in on the KRS board meetings. One member pointed out that we need to inform the private sector of how important retirement money is to local communities.

Cumberland Valley

In May, Mr. Thomas Elliott, chair of the Kentucky Retirement Systems Board of Trustees, was our guest speaker. Mr. Elliott told about the different committees of the board, including the time-consuming disability claims committee. Mr. Elliott stressed that all members of the board, regardless of whether they were appointed or elected, have a primary fiduciary responsibility. This keeps the monthly benefits coming and retirees covered by health insurance. Mr. Elliott spoke about the unfunded liabilities of our system, and stated the funding was the responsibility of the Kentucky General Assembly. Mr. Elliott stated all KPR Chapters should invite their representatives and senators to our meetings and express our concerns about funding of the system. Mr. Elliott was presented an *Old Timers* pocket knife for his presentation, with a request that he keep all of us "old timers" in mind when presiding over retirement board meetings.

There were 43 members present, and those members chose John Harris as President, David Cornett as Vice President, Jo Ann Jarvis as Secretary and Carl Lawson, Jr. as Treasurer. Special guests at the meeting were President Guffey, former State Board Member Ray Brittain, and Peggy Black, LC Membership Chair.



Pictures from the CV meeting



Fivco

At our May meeting, Barbara Greer was appointed Treasurer. Vice President Linnette Summers spoke about her trip to California, including visits to the Grand Canyon and Salt Lake City. Also, Linnette read a letter from Open Doors about Christian persecution in Nigeria by Boko Haram.

Green River

At our May meeting, the guest speaker was State Representative Jim Glenn. Representative Glenn discussed some of the highlights of the recent legislative session and news of local interest. He said the Governor signed a bill April 10th, adding tax credits on aging bourbon and that the Glenmore Distillery in Owensboro is expanding and will add about 20 new jobs. According to him, the Old Medley Distillery in Owensboro was recently purchased and will be adding 50-70 new jobs. He also talked about several area highway projects and future plans should he be re-elected. When asked about a cost of living allowance for state retirees, he said it will be awhile before we get that back because of the economy. He did say that the state is putting more money into our retirement plan.

Our guest speaker for our June meeting was Rick McHale from Humana. Rick has a wealth of information regarding our retiree insurance programs. He recapped the Humana Medicare program as well as the Humana program for those not yet eligible for Medicare. He talked about the Humana Vitality program which is mandatory for non-Medicare enrollees, but optional for enrollees who have Medicare. For the non-Medicare individuals who sign up for Humana Vitality there will be more options available at the time of open enrollment. Those who do not sign up will be penalized and will only be offered the standard plan, so it is imperative that these individuals sign up as soon as possible.

At our July meeting, our guest speaker was Owensboro City Commissioner, Pam Smith Wright. Ms. Wright presented a very interesting program on past and current developments in Owensboro, as well as her plans and interests for the future. She is a lifelong resident of Owensboro and very much involved in all aspects of the community.

Jefferson Regional

In June, Rick McHale from Humana was our speaker. Officers for 2014-2015 are President, Nikki Henderson; Vice President, Rudy Davis; Treasurer, Judy Nielsen; and Secretary, Judy Ingram. Membership Chair Beverly Zehnder vowed to call the 35 people who dropped out of chapter membership by not paying their dues and encourage them to do so to remain chapter members. Mary Helen Peter presented, on behalf of the chapter, the Harry Lee Waterfield Award for Humanitarian to Rebecca Heckler, a well deserved honor. In July, State Membership Chair, Betty Hawkins, discussed the Membership Proposal developed by the state KPR Core Group Members to promote an increased focus on recruiting more members statewide. She announced that our president, Nikki Henderson, was appointed to serve on the KPR Executive Committee.

Kentucky River

In July, approximately 30 members from Breathitt, Lee, Magoffin, Morgan, Owsley, Perry and Wolfe Counties met and formed a new chapter to be called Kentucky River. These counties were formerly in the "At Large" area which are counties not represented by a local chapter. This leaves only six counties in Kentucky not having a chapter. These counties are Johnson, Martin, Floyd, Pike, Knott and Letcher.

David Cornett, the Cumberland Valley Chapter's Legislative Chair, and newly elected Vice President was instrumental in starting the Kentucky River Chapter. David lived and worked in the Jackson area before he retired and therefore had numerous contacts from that part of the state. Last year, he started recruiting folks who he knew from that area. He also sent them KPR



Kentucky River members at their first meeting

legislative updates by email during the past General Assembly session. In addition, he made several recruitment trips to that area.



June Waters, John Engle, Sandy Claunch, Claude Tiller

Lake Cumberland

At our May meeting, Rick McHale, a Humana representative, discussed insurance for Medicare-eligible retirees. In June, the following officers were elected: John Engle, President; June Waters, Vice President and George Brinkley, Treasurer. Teresa Pyles was later elected Secretary, and Claude Tiller was appointed Public Relations Chairperson. In July, Sandy Claunch from Comfort Keepers spoke about the non-medical, in-home, services offered by their agency.

Lincoln Trail

In May, Senator Dennis Parrett was our speaker. In June, Rick McHale from Humana was the featured speaker. In July, Linda Funk, winner of the Humanitarian Award was on the program. A \$500 scholarship was presented to Mary S. Allen, granddaughter of Leo and Joyce Lewis.



Mary S. Allen receives scholarship

North Central



Robin Hartman and Charles Klunder

In June, Paul Guffey, KPR President, spoke on progress being made toward protecting our benefits and his experiences with KPR. Paul gave us the most recent information regarding the Seven Counties bankruptcy case. Paul announced an initiative to begin training future KPR members statewide to become officers. He said regional sessions would be arranged for training and to increase chapter involvement in KPR decisions. We also held our election of officers.

In July, Robin Hartman, KPR's Public Relations Coordinator, spoke on her efforts to modernize KPR and bring us into the modern world of advertising and social media to help us recruit new members and to get our message out. Her goal is

to promote the organization and increase membership. She talked of the many ways she has been working to increase the visibility of KPR, handed out business cards for the membership to use, and mentioned many additional ideas she has for the future.

Northern Kentucky

In May, our chapter continued its interesting and educational presentations with fellow KPR member and author, Robert Schrage. Bob spoke of his philosophy of participating in historical events which led to his adeptness in witnessing history in the making. He records these observations in his manuscripts. Those present were enthralled with his knowledge, humor and story telling ability. The results of our elections are President, Asom Ponananta; Vice President, George Hoffman; Treasurer, Larry McClanahan and Secretary, Roy Schmidt. In June, we continued our attempt to inform and entertain with a very informative talk from Tom Wiechman and Ralph Johnston about the history of Northern Kentucky's water management system and future projects provided for in the upcoming budget. For more information go to: <http://sd1.org/>



N. Ky members at Annual Meeting

In July, we were honored to welcome Assistant Commonwealth Attorneys Casey Burns and Corey Plybon who spoke with authority on the causes and affects of the heroin epidemic. It is important that we realize that heroin addiction often begins with pain killer addiction and often starts when teens steal medications from family members. Please ensure that such medicines are stored safely away from our young family members.

Pennyrile

L. Peyton Adams, president of our chapter, presented a program for our April meeting about birds. He gave a handout about how to attract birds to your garden, winter bird feeding, and identifying native Kentucky birds. He told us funny and interesting bird trivia. We mourn the loss of Pennyrile member Mariana Williams Rhew who passed away July 20, 2014.



L. Peyton Adams



Joyce Wolff and Pat Moore

Purchase

During the 2nd quarter 2014, the Purchase Chapter elected new officers to serve 2014-2015. The officers are: Tom Moore, President; Al Yates, Vice President; David Madison, Treasurer and Joyce Wolff, Secretary. Our priority during this time has been attempting to provide members with information pertaining to our health insurance coverage. Rick McHale from Humana spoke to our group in April sharing a general overall picture of our coverage. In June, he presented a program specifically concerning the Vitality Program. Our chapter by-laws were developed and shared with the State Committee chaired by Jo Stratton. They were approved with a minor correction.

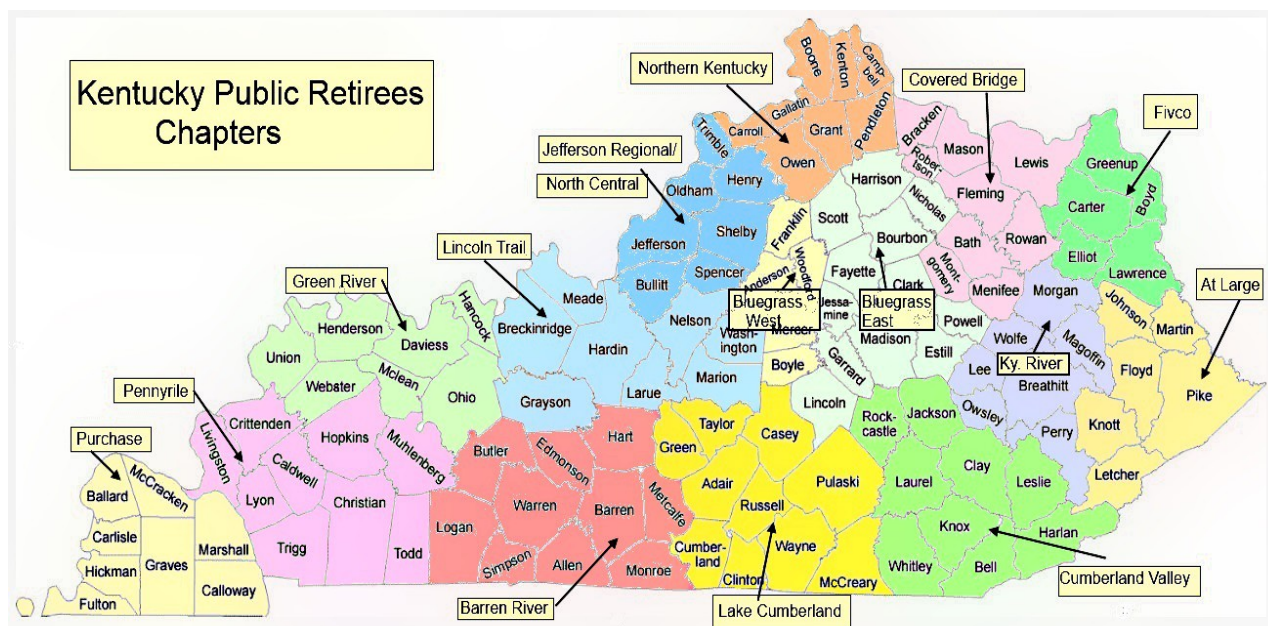
A few Purchase Chapter members attended the Annual Meeting in Louisville. Those attending were Betty Rosenbaum, Bill Arnold, Joyce Wolff, Pat Moore and Tom Moore. Everyone received important information and enjoyed the time.

Pictures from the Annual Meeting



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 Sharon Linhart (270) 781-2381 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) 935-4083 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> 4 th Tuesday of each month *Meeting locations vary, please Contact Tony Watts (606) 666-2767 for information	<u>Pennyrile 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) 678-2742 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





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

NOTE: You MUST register on-line to receive KPR Alerts



Recruit a NEW MEMBER in 2014
Kentucky Public Retirees Application Form

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

KERS CERS SPRS

- ☐ 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.

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.)