

The regular meeting of the board of Trustees of the Policemen's and Fire Fighters' Retirement Fund of the Lexington Fayette Urban County Government was held on Wednesday, December 13, 2017 at 9:00 a.m. in the Council Chambers Government Building at 200 East Main Street, Lexington, Kentucky.

Those attending with voting privileges were: Chief Chilton (chairperson), Ronnie Bastin, Trey Abell, Larry Kinnard, Bill O'Mara, Lt. Jonathan Bastian, Roger Vance, Tommy Puckett, Chris Conley and John Maxwell. Those attending without voting privileges: Susan Combs, Board Secretary, Roger Wright, legal counsel for the fund. Absent was Mayor Gray and Chief Barnard.

Chief Chilton opened the meeting. Bill O'Mara presented the treasurer's report. He referred to the documentation that was distributed earlier regarding cash receipts and disbursements. The current value of the fund was \$735.574MM. A motion to approve the transfer authorization letter was made by Roger Vance and second by Tommy Puckett. Motion approved.

Purchase of ghost time for Timothy Upchurch, John Gerardi, Brandon Muravchick, Stewart Fowler, Christopher Flannery and David Day. A motion from Larry Kinnard and seconded by Jonathan Bastian to approve the above ghost time contracts. Motion approved.

Widow's annuity for Mrs. Onis Puckett was presented. A motion to approve was made by Roger Vance and seconded by Tommy Puckett. Motion approved.

The board secretary presented a memorandum from Wallingford Law regarding the qualifying of the pension plan. Since the IRS has eliminated the process of issuing periodic determination letter, Brian Ritchie stated that the IRS, in an effort to assist plans sponsors, they will issue annually a Required Amendments List which identifies new changes in the tax qualification requirement which could necessitate a plan amendment. Mr. Ritchie recommends that a procedure be adopted to help insure that the Fund statutes and regulations are updated and amended in a timely manner. Each year, Wallingford Law will review the Required Amendments List and the Operational Compliance List, and determine whether any changes require a plan amendment or a change in the Fund's operations. If an amendment to the Fund's statute or regulations is required, Wallingford Law will prepare the amendment for the Board's review. After a brief discussion Roger Vance made a motion to adopt the proposed procedure from Wallingford Law. This motion was seconded by Chris Conley, motion approved. A second memorandum was provided by Wallingford Law, that stated it does not appear that any amendments to the Fund are required for the 2017.

practice is followed by public pension funds in Kentucky as well as across the country. Mr. O'Mara stated that with the most recent actuarial valuation resulting in a lower ARC, that this year would be the year to consider adopting the best practice policy of prospective rate. The current ARC of 35.85% would continue to be paid through June 30, 2018, with the new rate of 34.19% to be effective July 1, 2018. This practice would continue, receiving the actuarial valuation each December and adopting a new rate effective the following July 1st. After some discussion, Lt. Bastian stated that the proposal makes sense but would like Cavanaugh Macdonald thoughts on the change. Once we receive this information then we can make a motion regarding this change.

The board went into closed session at 9:18 by a motion from Tommy Puckett, seconded by Roger Vance. Motion approved.

The board went into open session at 10:08 by a motion from Tommy Puckett, seconded by Jonathan Bastian. Motion approved.

Tommy Puckett made a motion to authorize Mr. Wright to use necessary funds needed for litigation. This motion as seconded by Lt. Bastian. Motion approved.

With no further discussion the meeting adjourned at 10:10 a.m.

Secretary