

KENTUCKY TEACHERS' RETIREMENT SYSTEM
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES
MARCH 16, 2015

Minutes of Meeting:

After giving proper notice of a regular quarterly meeting, and a quorum being present, Chair Zimmerman called the KTRS Board of Trustees to order at 12:30 p.m., Monday, March 16, 2015 in the Board Room of the Kentucky Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Laura Zimmerman, Chair
Arthur Green, Vice Chair
Jay Morgan
Ruth Ann Sweazy
Todd Hollenbach, State Treasurer
Charles Harman, Proxy for the Commissioner of Education

Others present:

Gary L. Harbin, Kentucky Teachers' Retirement System
Robert Barnes, Kentucky Teachers' Retirement System
Eric Wampler, Kentucky Teachers' Retirement System
Paul Yancey, Kentucky Teachers' Retirement System
Tom Siderewicz, Kentucky Teachers' Retirement System
Mark Whelan, Kentucky Teachers' Retirement System
Jane Gilbert, Kentucky Teachers' Retirement System
Nate Van Sichel, Kentucky Teachers' Retirement System
Felicia Penn, Kentucky Teachers' Retirement System
Teresa Sanders, Office of the State Budget Director
Bo Cracraft, Legislative Research Commission
Brad Gross, Legislative Research Commission
Patsy Rainey, Kentucky Retired Teachers Association

1. Reports for Consent: Chair Zimmerman reviewed the draft minutes of the Quarterly Meeting of the Board of Trustees held on December 15, 2014 and asked the Board to take action on the minutes.

Board Action: The Board considered the minutes of the Quarterly Meeting of the Board of Trustees held on December 15, 2014. Upon motion duly made by Mr. Hollenbach, and seconded by Dr. Morgan, the minutes were unanimously approved by the Board as written.

Chair Zimmerman reviewed the draft minutes of the Special Meeting of the Scholarship Committee held on December 15, 2014 and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Scholarship Committee held on December 15, 2014. Upon motion duly made by Mr. Green, and seconded by Mr. Harman, the minutes were unanimously approved by the Committee as written.

Chair Zimmerman reviewed the draft minutes of the Special Meeting of the Legislative Committee held on December 15, 2014 and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Legislative Committee held on December 15, 2014. Upon motion duly made by Dr. Morgan, and seconded by Ms. Sweazy, the minutes were unanimously approved by the Committee as written.

Chair Zimmerman reviewed the draft minutes of the Special Meeting of the Governance and Audit Committee held on December 15, 2014 and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Governance and Audit Committee held on December 15, 2014. Upon motion duly made by Dr. Morgan, and seconded by Mr. Green, the minutes were unanimously approved by the Committee as written.

Applications for Retirement and Annuity; Survivor Benefits; Life Insurance Benefits; and Refunds: Mr. Wampler reported to the Board regarding benefit payments. Chair Zimmerman asked the Board to take action on the report of benefit payments.

Board Action: Upon motion duly made by Mr. Hollenbach, and seconded by Ms. Sweazy, the Applications for Retirement and Annuity; Survivor Benefits; Life Insurance Benefits; and Refunds were unanimously approved by the Board as reported.

Interim Financial Statements: The Board considered the report on the Interim Financial Statements for the quarter ended December 31, 2014. The report was informational and the Board took no action on the Interim Financial Statements.

2. Report of the Nominating Committee: Ms. Sweazy reported to the Board concerning the Special Meeting of the Nominating Committee held March 16, 2015. The Nominating Committee considered candidates to fill the unexpired term of Tom Shelton. The consensus of the Committee was to recommend two candidates to the Board. The Board discussed the recommended candidates.

Chair Zimmerman asked the members of the Board to cast a vote by secret ballot for one of the two candidates. The members of the Board marked ballots, which were collected and tallied during the meeting by the Executive Secretary.

Board Action: The members of the Board elected Quin T. Sutton, Superintendent of McCracken County Public Schools, to fill the unexpired term of Tom Shelton. Mr. Sutton's term will expire on June 30, 2016.

3. Report of the Investment Committee: Mr. Yancey reported to the Board concerning the investment performance for the quarter ended December 31, 2014 and the Special Meeting of the Investment Committee held on March 16, 2015.

Chair Zimmerman asked for questions or comments. Chair Zimmerman asked the Board to take action on the report of the Investment Committee.

Board Action: Upon motion duly made by Mr. Green, and seconded by Mr. Hollenbach, the Board voted unanimously to accept and ratify the Report of the Investment Committee.

Nominations for Vice Chair of the Board: Chair Zimmerman reported the vacancy of the Board's Vice Chair and asked the Board to add the matter to the agenda. By consensus, the Board added the election of the Vice Chair to the agenda.

Ms. Zimmerman asked for nominations for the position of Vice Chair for the remainder of fiscal year 2014-2015. Dr. Morgan nominated Arthur Green to serve as Vice Chair. Ms. Zimmerman called for other nominations. Upon motion duly made by Mr. Harman, and seconded by Mr. Hollenbach, the Board voted unanimously that nominations cease.

Board Action: By unanimous vote of the Board, Arthur Green was elected to the position of Vice Chair for the remainder of fiscal year 2014-2015. Mr. Green abstained from voting.

4. Consideration of Personal Service Contracts for FY 2015-2016: Mr. Wampler reviewed the memorandum regarding the Annual Renewal of Contracts. The report concerned contracts for legal and auditing services.

Chair Zimmerman asked for questions or comments. Chair Zimmerman asked the Board to take action on the report regarding the Annual Renewal of Contracts for fiscal year 2015-2016.

Board Action: Upon motion duly made by Mr. Hollenbach, and seconded by Mr. Harman, the Board approved renewal of the contracts for legal and auditing services as reported.

5. Request for Proposal for Actuarial Audit: Mr. Wampler reported to the Board concerning the recommendation by staff to issue a request for proposal for actuarial audit.

Board Action: Upon motion duly made by Mr. Green, and seconded by Mr. Hollenbach, the Board voted unanimously to authorize staff to publish a Request for Proposal for an Actuarial Audit to examine the consulting actuary's methods and assumptions for reasonableness and internal consistency.

6. Legislative Report: Mr. Barnes reported on the 2015 regular session of the General Assembly. Mr. Barnes' report was informational, and the Board took no action.

Mr. Harbin presented a report on the proposed teachers' pension refinancing plan. Mr. Harbin's report was informational, and the Board took no action.

7. Executive Secretary's Observations and Comments: Mr. Harbin reported to the Board on the Junita Losey Scholarship awards, KEA Delegate Assembly, recent KTRS meetings, the Pathway Project and Financial Disclosure Statements. The Executive Secretary's report was informational, and the Board took no action.

Adjournment: There being no further business to come before the Board of Trustees, and upon motion duly made by Mr. Hollenbach and seconded by Dr. Morgan, and by unanimous consent of the Board, Chair Zimmerman declared the meeting adjourned at 2:08 p.m.

CERTIFICATIONS

We, the Chair and the Executive Secretary of the Board of Trustees of the Kentucky Teachers' Retirement System, do certify that the Minutes of Meeting were approved by the Board on June 15, 2015.

Laura Zimmerman, Chair

Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content, and legality.

Robert B. Barnes, Deputy Executive Secretary
and General Counsel

I, Felicia Penn, do certify that I was present at the meeting and duly recorded the actions of the Board of Trustees of the Kentucky Teachers' Retirement System at its meeting on March 16, 2015.

Felicia Penn
Recording Secretary