

KENTUCKY TEACHERS' RETIREMENT SYSTEM
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES
SEPTEMBER 21, 2015

Minutes of Meeting:

After giving proper notice of a regular quarterly meeting, and a quorum being present, Chair Arthur Green called the KTRS Board of Trustees to order at 12:30 p.m., Monday, September 21, 2015, in the Board Room of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Arthur Green, Chair
Jay Morgan, Vice Chair
Hollis Gritton
Quin Sutton
Charles Harman, proxy for Commissioner of Education
Todd Hollenbach, State Treasurer

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
Greg Hall, Kentucky Teachers' Retirement System
Nate Van Sickle, Kentucky Teachers' Retirement System
Jane Gilbert, Kentucky Teachers' Retirement System
Felicia Penn, Kentucky Teachers' Retirement System
Teresa Sanders, Office of the State Budget Director
Chuck Truesdell, Legislative Research Commission

1. Reports for Consent: Chair Green reviewed the draft minutes of the June 15, 2015 meeting 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 June 15, 2015. Upon motion duly made by Mr. Gritton, and seconded by Treasurer Hollenbach, the minutes were unanimously approved by the Board as written.

Chair Green reviewed the draft minutes of the June 15, 2015 Special Meeting of the Governance and Audit Committee 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 June 15, 2015. Upon motion duly made by Mr. Sutton and seconded by Treasurer Hollenbach, the minutes were approved by the Committee as written.

Chair Green reviewed the draft minutes of the Special Meeting of the Insurance Committee held on June 15, 2015 and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Insurance Committee held on June 15, 2015. Upon motion duly made by Dr. Morgan, and seconded by Mr. Sutton, the minutes were 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 Green asked the Board to take action on the report of benefit payments.

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

Interim Financial Statements: The Board considered the report on the Interim Financial Statements for the quarter ended June 30, 2015. The report was informational and the Board took no action on the Interim Financial Statements.

2. Report of the Nominating Committee: Dr. Morgan reported to the Board that the Nominating Committee met in special session on September 21, 2015, prior to the regular quarterly meeting of the Board. The Committee unanimously agreed to recommend Mary Adams for election to the Board for the unexpired term of the active teacher trustee.

Board Action: Upon motion duly made by Dr. Morgan, and seconded by Treasurer Hollenbach, the Board voted unanimously to approve Mary Adams for election to the Board for the unexpired term of the active teacher trustee.

3. Report of the Investment Committee: Mr. Yancey reported to the Board concerning the activities of the Investment Committee and Investment Performance for the quarter ended June 30, 2015 and the Special Meeting of the Investment Committee held on August 27, 2015.

Chair Green asked for questions or comments. Chair Green asked the Board to take action on the report by Mr. Yancey.

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

Resolution Honoring Paul Yancey: Mr. Harbin announced to the Board that Paul Yancey, Chief Investment Officer, will retire October 1, 2015. Mr. Harbin recognized Mr. Yancey for his service. Chair Green read to the Board a resolution regarding Mr. Yancey.

Board Action: Upon motion duly made by Treasurer Hollenbach, and seconded by Dr. Morgan, the Board unanimously approved the Resolution honoring Mr. Yancey. The Chair directed that a

copy of the Resolution, which was read during the meeting, be included with the minutes of meeting.

4. Report of the Insurance Committee: Mr. Harman reported the actions of the Insurance Committee at its meeting held on September 21, 2015.

- KEHP 2016: The Committee voted to approve a medical insurance benefit supplement up to \$654.12 per month for those retirees fulfilling the necessary service requirements; payment of the KEHP Administrative Fee of \$6.58 PPPM for plan year 2016; and the KEHP Non-single subsidy contribution up to \$648.74 per month.
- MEHP 2016: The Committee voted to approve the rate up to \$260 per month for the KTRS MEHP (combined United Healthcare Medicare Advantage and Express Scripts Medicare Part D) for those retirees fulfilling the necessary service requirements.

Chair Green asked for questions or comments. Chair Green asked the Board to consider the recommendations of the Insurance Committee.

Board Action: Upon motion duly made by Mr. Harman, and seconded by Mr. Gritton, the Board voted unanimously to accept and ratify the Report of the Insurance Committee.

5. Report on KTRS Funding Work Group: Mr. Harbin reported to the Board on the KTRS Funding Work Group. The report was informational and the Board took no action.

6. Executive Secretary's Observations and Comments: Mr. Harbin reported to the Board on the Trustee Education Program; the 2015 Trustee Workshop; the KTRS communications consultant; the Pathway project; GASB Statement Nos. 67 and 68; and the Executive Secretary's meetings and presentations.

Board Action: Upon motion duly made by Treasurer Hollenbach, and seconded by Mr. Sutton, the Board voted unanimously to authorize staff to negotiate the renewal of the contract with the communications consultant on an hourly or retainer fee basis as recommended.

Board Action: Upon motion duly made by Dr. Morgan, and seconded by Mr. Gritton, the Board voted unanimously to accept the Report of the Audit of the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer for the Kentucky Teachers' Retirement System as of and for the fiscal year ended June 30, 2014, prepared by the Kentucky Auditor of Public Accounts.

Adjournment: There being no further business to come before the Board, and upon motion duly made by Treasurer Hollenbach, and seconded by Mr. Sutton, and by unanimous consent of the Board, Chair Green declared the meeting adjourned at 2:14 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 December 21, 2015.

Arthur Green, 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 September 21, 2015.

Felicia Penn
Recording Secretary