

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SPECIAL MEETING OF THE BOARD OF TRUSTEES
NOVEMBER 21, 2016

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Chair Arthur Green called the Teachers' Retirement System of the State of Kentucky Board of Trustees to order at 9 a.m., Monday, November 21, 2016, in the Brown- Forman Room of the Kentucky History Center, Frankfort, Kentucky.

Members present were:

Arthur Green, Chair
Joseph Morgan, Vice Chair (arrived at 3 p.m.)
Mary Adams
Hollis Gritton
Ron Sanders
Josh Underwood
Alison Wright
Allison Ball, State Treasurer (arrived at 10:30 a.m.)
Charles Harman, proxy for the Commissioner of Education

Others present were:

Gary L. Harbin, Teachers' Retirement System
Robert Barnes, Teachers' Retirement System
Eric Wampler, Teachers' Retirement System
Mark Whelan, Teachers' Retirement System
Tom Siderewicz, Teachers' Retirement System
Karen Ashby, Teachers' Retirement System
Jane Gilbert, Teachers' Retirement System
Debi Newman, Teachers' Retirement System
Becky Niece, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Nathan Van Sickel, Teachers' Retirement System
Nick Byers, Teachers' Retirement System
Kathy Brewer, Teachers' Retirement System
Felicia Penn, Teachers' Retirement System
Noah Friend, Office of the State Treasurer
Ed Koebel, Cavanaugh Macdonald Consulting
Eric Gary, Cavanaugh Macdonald Consulting
PJ Kelly, Aon Hewitt Consulting
Brad Smith, Mountjoy Chilton Medley
Michelle Deans, Mountjoy Chilton Medley

1. Introduction, Overview of Trustee Educational Issues: Mr. Harbin presented an overview of the educational workshop. The report was informational, and the board took no action.

2. Ethics Training: Mr. Barnes reported to the board on fiduciary responsibilities and ethics. The report was informational, and the board took no action.

3. Public Pension Oversight Board: Mr. Barnes reported to the board on the Public Pension Oversight Board. The report was informational, and the board took no action.

The board recessed at 10:30 a.m. and resumed its meeting at 10:45 a.m.

4. Report of the Independent Actuary: Mr. Koebel and Mr. Gary presented to the board the results of the Pension Valuation, OPEB Valuation and GASB Statement No. 67 reports as of June 30, 2016.

Chair Green asked for questions or comments. Chair Green asked the board to act on the reports of the independent actuary.

Board Action: Upon motion duly made by Mr. Sanders, and seconded by Ms. Adams, the board voted unanimously to accept the reports of the actuary on the Pension Valuation, OPEB Valuation and GASB Statement No. 67.

5. Refund Analysis: Mr. Van Sichel reported to the board member account refund statistics. The report was informational, and the board took no action.

The board recessed for lunch at noon and resumed its meeting at 1 p.m.

6. Asset Allocation/Investments: Mr. Kelly and Mr. Siderewicz reported to the board on the private equity portfolio and overall asset allocation. The report was informational, and the board took no action.

7. Report of the External Auditor: Mr. Smith and Ms. Deans reported to the board on the audit of TRS's financial statements for the fiscal year ended June 30, 2016.

Chair Green asked for questions or comments. Chair Green asked the board to act on the report of the external auditor.

Board Action: Upon motion duly made by Mr. Gritton, and seconded by Mr. Harman, the board voted unanimously to accept the report of the external auditor on the audit of TRS's financial statements for the fiscal year ended June 30, 2016.

The board recessed at 2:55 p.m. and resumed its meeting at 3:10 p.m.

8. Board Governance Manual: Mr. Wampler and Mr. Barnes reported to the board on proposed amendments to the Board Governance Manual.

Chair Green asked for questions or comments. Chair Green asked the board to act on the proposed amendments to the Board Governance Manual.

Board Action: Upon motion duly made by Mr. Sanders, and seconded by Dr. Morgan, the board voted unanimously to approve amendments to the Board Governance Manual.

Adjournment: There being no further business to come before the Board of Trustees, and by unanimous consent of the board, Chair Green declared the meeting adjourned at 3:39 p.m.

CERTIFICATIONS

We, the chair and the executive secretary of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, do certify that the Minutes of Meeting were approved by the board on December 19, 2016.

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 Teachers' Retirement System of the State of Kentucky at its meeting on November 21, 2016.

Felicia Penn, Recording Secretary