

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES
DECEMBER 19, 2016

Minutes of Meeting:

After giving proper notice of a regular quarterly 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 10 a.m., Monday, December 19, 2016, in the Boardroom of the Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Arthur Green, Chair
Jay Morgan, Vice Chair
Mary Adams
Hollis Gritton
Ron Sanders
Josh Underwood
Alison Wright
Allison Ball, State Treasurer
Charles Harman, proxy for the Commissioner of Education

Others present:

Gary L. Harbin, Teachers' Retirement System of Kentucky
Robert Barnes, Teachers' Retirement System of Kentucky
Eric Wampler, Teachers' Retirement System of Kentucky
Tom Siderewicz, Teachers' Retirement System of Kentucky
Karen Ashby, Teachers' Retirement System of Kentucky
Mark Whelan, Teachers' Retirement System of Kentucky
Greg Hall, Teachers' Retirement System of Kentucky
Nate Van Sickle, Teachers' Retirement System of Kentucky
Jane Gilbert, Teachers' Retirement System of Kentucky
Felicia Penn, Teachers' Retirement System of Kentucky
OJ Oleka, Office of the State Treasurer
Teresa Sanders, Office of the State Budget Director
Chuck Truesdell, Legislative Research Commission
Jim Bondurant, Legislative Research Commission
Steve Starkweather, Office of Financial Management
Joyce Dotson, KEA-R

1. Reports for Consent: Chair Green reviewed the draft minutes of the September 19, 2016, meeting and asked the board to act on the minutes.

Board Action: The board considered the minutes of the Quarterly Meeting of the Board of Trustees held on September 19, 2016. Upon motion duly made by Ms. Adams, and seconded by Dr. Morgan, the board unanimously approved the minutes as written.

Chair Green reviewed the draft minutes of the November 21, 2016, special meeting of the Board of Trustees and asked the board to act on the minutes.

Board Action: The board considered the minutes of the special meeting of the Board of Trustees held on November 21, 2016. Upon motion duly made by Mr. Sanders, and seconded by Mr. Underwood, the board approved the minutes as written.

Chair Green reviewed the draft minutes of the special meeting of the Insurance Committee held on September 19, 2016, and asked the committee to act on the minutes.

Committee Action: The committee considered the minutes of the special meeting of the Insurance Committee held on September 19, 2016. Upon motion duly made by Mr. Harman, and seconded by Treasurer Ball, the committee approved the minutes 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 act on the report of benefit payments.

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

Interim Financial Statements: The board considered the report on the Interim Financial Statements for the quarter ended September 30, 2016. The report was informational, and the board took no action on the Interim Financial Statements.

2. Report of the Investment Committee: Mr. Siderewicz reported to the board concerning the activities of the Investment Committee and Investment Performance for the quarter ended September 30, 2016, and the special meeting of the Investment Committee held on November 10, 2016.

Chair Green asked for questions or comments. Chair Green asked the board to act on the Report of the Investment Committee.

Board Action: Upon motion duly made by Ms. Wright, and seconded by Mr. Sanders, the board voted unanimously to accept and ratify the Report of the Investment Committee.

3. Report of the Scholarship Committee: Mr. Underwood reported that the Scholarship Committee met in special session prior to the regular quarterly meeting of the Board of Trustees on December 19, 2016. The committee received a report on the background of the Junita Losey Scholarship Program and the investment strategy and cash flow of the scholarship fund. The committee voted unanimously to recommend to the full Board of Trustees that a \$2,000 yearly scholarship be granted to each of the eight public universities in Kentucky and a \$2,000 yearly scholarship to a Campbell County High School senior who intends to major in education at a Kentucky public university.

Chair Green asked for questions or comments. Chair Green asked the board to act on the Report of the Scholarship Committee.

Board Action: Upon motion duly made by Mr. Harman, and seconded by Ms. Adams, the board voted unanimously to accept and ratify the Report of the Scholarship Committee.

4. Report of the Legislative Committee: Mr. Barnes reported that the Legislative Committee met in special session prior to the regular quarterly meeting of the Board of Trustees on December 19, 2016. The committee reviewed and approved legislative proposals for the 2017 session of the General Assembly. Mr. Barnes reported the proposed legislative and regulatory changes reviewed by the committee to the entire board.

Chair Green asked for questions or comments. Chair Green asked the board to act on the Report of the Legislative Committee.

Board Action: Upon motion duly made by Dr. Morgan, and seconded by Mr. Underwood, the board unanimously voted to accept and ratify the Report of the Legislative Committee.

5. Edumedics Contract Renewal: Ms. Gilbert reported to the board on the three-year pilot project with Edumedics and staff's recommendation for the 2017 plan year.

Board Action: Upon motion duly made by Ms. Wright, and seconded by Mr. Gritton, the board voted unanimously to approve staff's recommendation of contracting with Edumedics for a care management program for the 2017 plan year at \$25 per enrolled member per month.

6. Report of the Personnel Committee: Dr. Morgan reported that the Personnel Committee met in special session prior to the regular quarterly meeting of the Board of Trustees on December 19, 2016. The committee voted unanimously to recommend to the full Board of Trustees approval of a four-year contract for Mr. Harbin and a 4 percent salary increase effective January 1, 2017.

Board Action: Upon motion duly made by Mr. Sanders, and seconded by Ms. Adams, the board voted unanimously to accept and ratify the Report of the Personnel Committee.

7. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the Retirement Basics workshops for TRS staff; the 2016 Award for Administration from the Public Pension Coordinating Council; the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada; internal controls; meetings attended by the executive secretary; and 2017 Board of Trustees meeting dates.

Mr. Green reported on staff's recommendation of adding an appendix to the Board Governance Manual to include a list of reports required by statute.

Board Action: Upon motion duly made by Dr. Morgan, and seconded by Mr. Underwood, the board voted unanimously to authorize staff to amend the Board Governance Manual to include a list of reports required by statute.

Adjournment: There being no further business to come before the board and by unanimous consent of the board, Chair Green declared the meeting adjourned at 10:59 a.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 March 20, 2017.

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 December 19, 2016.

Felicia Penn
Recording Secretary