

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES  
SEPTEMBER 18, 2017

Minutes of Meeting:

After giving proper notice of a regular quarterly meeting, and a quorum being present, Chair Ron Sanders called the Teachers' Retirement System of the State of Kentucky Board of Trustees to order at 12:30 p.m., Monday, September 18, 2017, in the boardroom of the Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Ron Sanders, Chair  
Alison Wright, Vice Chair  
John Boardman  
Frank Collecchia  
Hollis Gritton  
Brenda McGown  
Laura Schneider  
Josh Underwood  
Allison Ball, State Treasurer  
Charles Harman, proxy for the Commissioner of Education

Others present:

Gary L. Harbin, Teachers' Retirement System  
Robert Barnes, Teachers' Retirement System  
Eric Wampler, Teachers' Retirement System  
Tom Siderewicz, Teachers' Retirement System  
Karen Ashby, Teachers' Retirement System  
Mark Whelan, Teachers' Retirement System  
Greg Hall, Teachers' Retirement System  
Nate Van Sickle, Teachers' Retirement System  
Jane Gilbert, Teachers' Retirement System  
Felicia Penn, Teachers' Retirement System  
Kayne Ishmael, Kentucky Education Association  
Noah Friend, State Treasurer's Office  
Jonathan Eakin, Legislative Research Commission  
Steve Starkweather, Office of Financial Management  
Joyce Dotson, KEA-R  
Harold Wilson, KRTA  
David Allen, retired teacher  
Nancy Renzi, retired teacher  
Joe Renzi, retired teacher  
Alfred Miller, State Journal

1. Reports for Consent: Chair Sanders reviewed the draft minutes of the June 19, 2017, quarterly 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 June 19, 2017. Upon motion duly made by Mr. Gritton, and seconded by Mr. Collecchia, the board unanimously approved the minutes as written.

Chair Sanders reviewed the draft minutes of the June 19, 2017, special meeting of the Governance and Audit Committee and asked the committee to act on the minutes.

Committee Action: The committee considered the minutes of the special meeting of the Governance and Audit Committee held on June 19, 2017. Upon motion duly made by Mr. Collecchia, and seconded by Mr. Underwood, the committee approved the minutes as written.

Chair Sanders reviewed the draft minutes of the special meeting of the Insurance Committee held on June 19, 2017, 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 June 19, 2017. Upon motion duly made by Mr. Underwood, and seconded by Mr. Gritton, 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 Sanders asked the board to act on the report of benefit payments.

Board Action: Upon motion duly made by Mr. Boardman, and seconded by Ms. Schneider, 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 June 30, 2017. 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 June 30, 2017, and the special meeting of the Investment Committee held on August 24, 2017.

Chair Sanders asked for questions or comments. Chair Sanders 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. Boardman, the board voted unanimously to accept and ratify the report of the Investment Committee.

3. Report of the Insurance Committee: Mr. Harman reported the actions of the Insurance Committee at its meeting held on September 18, 2017.

Chair Sanders asked for questions or comments. Chair Sanders asked the board to consider the report of the Insurance Committee.

Board Action: Upon motion duly made by Ms. Schneider, and seconded by Ms. McGown, the board voted unanimously to approve the rate of \$258 per month for the TRS MEHP (combined United Healthcare Medicare Advantage and Express Scripts Medicare Part D) for those retirees fulfilling the necessary service requirements.

Board Action: Upon motion duly made by Mr. Collecchia, and seconded by Mr. Underwood, the board voted unanimously to approve an additional fee of \$.25 PPPM paid to the Know Your Rx Coalition for additional medication therapy services within the pharmacogenomic pilot project with Coriell to become effective July 1, 2017.

Board Action: Upon motion duly made by Mr. Gritton, and seconded by Ms. McGown, the board voted unanimously to approve a medical insurance benefit supplement up to \$660.04 per month for those retirees fulfilling the necessary service requirements and an administrative fee of \$7.44 PPPM for plan year 2018. (The state budget may increase the fee beginning in July 2018. Staff will report to the committee any increase in the administrative fee for plan year 2018.)

Board Action: Upon motion duly made by Mr. Harman, and seconded by Mr. Boardman, the board voted unanimously to approve a payment of the non-single subsidy to retirees under 65 who retired before July 1, 2010 for the first half of medical insurance plan year 2018 (Jan. 1, 2018 through June 30, 2018) and thereafter to continue the subsidy for the second half of the plan year 2018 (July 1, 2018 through Dec. 31, 2018) as authorized by the legislature and/or mandated by law.

Ms. Gilbert presented to the full board information on the pharmacogenomic pilot project with Coriell Life Sciences. Ms. Gilbert's report was informational, and the board took no action.

5. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the Trustee Education Program; the 2017 Trustee Workshop; the TRS communications consultant; GASB Statement Nos. 67 and 68; revisions to the Board Governance Manual; and the executive secretary's meetings and presentations.

Board Action: Upon motion duly made by Mr. Collecchia, and seconded by Ms. McGown, 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 Treasurer Ball, and seconded by Mr. Gritton, the board voted unanimously to approve amendments to the Board Governance Manual.

Adjournment: There being no further business to come before the board; and upon motion duly made by Mr. Underwood, and seconded by Treasurer Ball; and by unanimous consent of the board, Chair Sanders declared the meeting adjourned at 2 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 18, 2017.

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Ron Sanders, Chair

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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.

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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 September 18, 2017.

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Felicia Penn  
Recording Secretary