

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SPECIAL MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE
NOVEMBER 14, 2017

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Chair Hollis Gritton called the Governance and Audit Committee to order at 1:30 p.m., Tuesday, November 14, 2017, in the boardroom of the Teachers' Retirement System of the State of Kentucky, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Hollis Gritton, Chair
Ron Sanders, Vice Chair
Frank Collecchia

Others present:

Gary Harbin, Teachers' Retirement System
Robert Barnes, Teachers' Retirement System
Eric Wampler, Teachers' Retirement System
Mark Whelan, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Nate Van Sickel, Teachers' Retirement System
Felicia Penn, Teachers' Retirement System
Ed Koebel, Cavanaugh Macdonald Consulting
Brad Smith, Mountjoy Chilton Medley
Michelle Deans, Mountjoy Chilton Medley
Teresa Sanders, Office of the State Budget Director
Steve Starkweather, Office of Financial Management
Bo Cracraft, Legislative Research Commission

1. Report of the Independent Actuary: Mr. Koebel presented to the committee the results of the pension and OPEB valuations as of June 30, 2017. Mr. Koebel also reviewed with the committee the reports on GASB Statement Nos. 67 and 74 prepared as of June 30, 2017.

Committee Action: Upon motion duly made by Mr. Collecchia, and seconded by Mr. Sanders, the committee voted unanimously to accept the reports of the actuary on the pension and OPEB valuations as of June 30, 2017.

2. Report of the External Auditor: Mr. Smith and Ms. Deans reported to the committee on the audit of the financial statements for the fiscal year ended June 30, 2017. Additionally, Mr. Smith and Ms. Deans reported to the committee on the auditor's communication regarding the audit for the fiscal year ended June 30, 2017.

Committee Action: Upon motion duly made by Mr. Sanders, and seconded by Mr. Collecchia, the committee voted unanimously to accept the report of the external auditor for the financial statements and the auditor's communication for the fiscal year ended June 30, 2017.

3. Report on Board Governance Manual Appendix 17: Mr. Wampler reported to the committee on proposed amendments to Board Governance Manual Appendix 17. Mr. Wampler noted that Appendix 17 should be amended to reflect a 23-year closed period amortization for the medical insurance fund and a 27-year closed period amortization for the life insurance plan.

Committee Action: Upon motion duly made by Mr. Sanders, and seconded by Mr. Collecchia, the committee voted unanimously to approve the amendments to Board Governance Manual Appendix 17.

Adjournment: There being no further business to come before the committee, and by unanimous consent of the committee, Chair Gritton declared the meeting adjourned at 2:51 p.m.

CERTIFICATIONS

We, the chair of the Governance and Audit Committee 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 Governance and Audit Committee on December 18, 2017.

Hollis Gritton, 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 Governance and Audit Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on November 14, 2017.

Felicia Penn
Recording Secretary