

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES  
DECEMBER 16, 2019

Minutes of Meeting:

After giving proper notice of a regular quarterly meeting and a quorum being present, Chair Alison Wright called the Teachers' Retirement System of the State of Kentucky Board of Trustees to order at 10 a.m., Monday, December 16, 2019, in the boardroom of the Teachers' Retirement System of the State of Kentucky, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Alison Wright, Chair  
Hollis Gritton, Vice Chair  
William Alverson  
John Boardman  
Frank Collecchia  
Lynn Patterson  
Laura Schneider  
Josh Underwood  
Lorran Ferguson, proxy for the State Treasurer

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 Sickel, Teachers' Retirement System  
Jane Gilbert, Teachers' Retirement System  
Felicia Penn, Teachers' Retirement System  
Lesley Bilby, Office of the State Treasurer  
Katherine North, Office of the State Treasurer  
Steve Starkweather, Department of Financial Institutions

1. Reports for Consent: Chair Wright reviewed the draft minutes of the September 16, 2019, quarterly meeting of the Board of Trustees. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the quarterly meeting of the board held on September 16, 2019. Upon motion duly made by Mr. Gritton and seconded by Ms. Schneider, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the November 25, 2019, special meeting of the board. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the special meeting of the board held on November 25, 2019. Upon motion duly made by Ms. Schneider and seconded by Dr. Patterson, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the September 16, 2019, special meeting of the Insurance Committee. Chair Wright 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 16, 2019. Upon motion duly made by Ms. Schneider and seconded by Mr. Boardman, the committee unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the September 16, 2019, special meeting of the Governance and Audit Committee. Chair Wright 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 September 16, 2019. Upon motion duly made by Dr. Patterson and seconded by Mr. Underwood, the committee unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the September 16, 2019, special meeting of the Legislative Committee. Chair Wright asked the committee to act on the minutes.

Committee Action: The committee considered the minutes of the special meeting of the Legislative Committee held on September 16, 2019. Upon motion duly made by Ms. Schneider and seconded by Mr. Boardman, the committee unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the November 15, 2019, special meeting of the Governance and Audit Committee. Chair Wright 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 November 15, 2019. Upon motion duly made by Dr. Patterson and seconded by Mr. Collecchia, the committee unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the November 25, 2019, special meeting of the Personnel Committee. Chair Wright asked the committee to act on the minutes.

Committee Action: The committee considered the minutes of the special meeting of the Personnel Committee held on November 25, 2019. Upon motion duly made by Mr. Gritton and seconded by Mr. Underwood, the committee unanimously 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 Wright asked the board to act on the report of benefit payments.

Board Action: Upon motion duly made by Mr. Collecchia and seconded by Dr. Patterson, 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, 2019. 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, 2019, and the quarterly meeting of the Investment Committee held November 21, 2019.

Chair Wright asked for questions or comments. Chair Wright asked the board to act on the report of the Investment Committee.

Board Action: Upon motion duly made by Mr. Boardman and seconded by Mr. Underwood, the board unanimously voted to accept and ratify the report of the Investment Committee.

3. Report of the Governance and Audit Committee: Mr. Harbin reported that the Governance and Audit Committee met in special session on November 15, 2019. The committee accepted the Retirement Annuity Trust and OPEB valuations as of June 30, 2019, as presented by Cavanaugh Macdonald Consulting (CavMac). The committee also reviewed the reports by CavMac on GASB Statements Nos. 67 and 74 as of June 30, 2019. Additionally, the committee accepted the report on the audit of the financial statements for the fiscal year ended June 30, 2019, as presented by the staff from the office of the Auditor of Public Accounts.

Chair Wright asked for questions or comments. Chair Wright asked the board to act on the report of the Governance and Audit Committee.

Board Action: Upon motion duly made by Ms. Schneider and seconded by Mr. Boardman, the board unanimously voted to accept and ratify the report of the Governance and Audit Committee.

4. Report of the Personnel Committee: Ms. Wright reported that the Personnel Committee met in special session on November 25, 2019, to review the performance of the executive secretary. The Personnel Committee recommended that the full board amend the contract with the executive secretary replacing the current four-year term with a four-year term from January 1, 2020, through December 31, 2023. Additionally, the executive secretary should receive the same salary increases as state employees.

Chair Wright asked for questions or comments. Chair Wright asked the board to act on the report of the Personnel Committee.

Board Action: Upon motion duly made by Dr. Patterson and seconded by Mr. Collecchia, the board unanimously voted to accept and ratify the report of the Personnel Committee.

5. 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 16, 2019. Staff reported to the committee on housekeeping legislation for the 2020 regular session of the General Assembly and other legislative matters. The Legislative Committee recommended that the board approve the housekeeping legislation for filing in the 2020 session and authorize staff to work with stakeholders, including legislators, on other legislation and issues impacting TRS, including informing all parties of the consequences of legislation on TRS and its members.

Chair Wright asked for questions or comments. Chair Wright asked the board to act on the report of the Legislative Committee.

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

6. 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 16, 2019. The committee received a report on the background of the Junita Losey Scholarship Program and the scholarship fund's investment strategy and cash flow. The committee voted unanimously to recommend to the full board 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 Wright asked for questions or comments. Chair Wright asked the board to act on the report of the Scholarship Committee.

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

7. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the 2019 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; meetings attended by the executive secretary; and 2020 board meeting dates. Mr. Harbin read a resolution honoring the 10<sup>th</sup> anniversary of Shared Responsibility and recommended the board adopt the resolution commending teachers, legislators, education groups and others for their 10 years of shared sacrifice.

Board action: Upon motion duly made by Mr. Gritton and seconded by Ms. Schneider, the board unanimously voted to adopt the resolution as written.

Adjournment: There being no further business to come before the board and by unanimous consent of the board, Chair Wright declared the meeting adjourned at 10:44 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 June 15, 2020.

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Alison Wright, 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 December 16, 2019.

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Felicia Penn  
Recording Secretary