

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
QUARTERLY MEETING OF THE BOARD OF TRUSTEES
DECEMBER 21, 2020

Minutes of Meeting:

After giving proper notice of a 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 12:30 p.m. ET, Monday, December 21, 2020. The meeting was conducted by live video teleconference.

Members present:

Alison Wright, Chair
Hollis Gritton, Vice Chair
William Alverson
John Boardman
Frank Collecchia
Brenda McGown
Lynn Patterson
Laura Schneider
Josh Underwood
Allison Ball, State Treasurer
Matthew Ross, proxy for Education Commissioner

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 Sichel, Teachers' Retirement System
Jane Gilbert, Teachers' Retirement System
Felicia Penn, Teachers' Retirement System
Noah Friend, Office of the State Treasurer

1. Reports for Consent: Chair Wright reviewed the draft minutes of the September 21, 2020, quarterly meeting of the Board of Trustees; the November 23, 2020, special meeting of the Board of Trustees; the September 21, 2020, special meeting of the Insurance Committee; the September 21, 2020, special meeting of the Governance and Audit Committee; the November 13, 2020, special meeting of the Governance and Audit Committee; and the November 23, 2020, special meeting of the Personnel Committee. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the September 21, 2020, quarterly meeting of the Board of Trustees; the November 23, 2020, special meeting of the Board of Trustees; the September 21, 2020, special meeting of the Insurance Committee; the September 21, 2020,

special meeting of the Governance and Audit Committee; the November 13, 2020, special meeting of the Governance and Audit Committee; and the November 23, 2020, special meeting of the Personnel Committee. Upon motion duly made by Treasurer Ball and seconded by Mr. Gritton, the board 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 Ms. Schneider and seconded by Ms. McGown, 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, 2020. 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, 2020, and the November 19, 2020, quarterly meeting of the Investment Committee.

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 Ms. Schneider and seconded by Dr. Patterson, the board unanimously voted to accept and ratify the report of the Investment Committee.

3. Report of the Governance and Audit Committee: Mr. Wampler reported that the Governance and Audit Committee held a special meeting on November 13, 2020. The committee accepted the Retirement Annuity Trust and OPEB valuations as of June 30, 2020, as presented by Cavanaugh Macdonald Consulting. Additionally, the committee accepted the report on the audit of the financial statements for the fiscal year ended June 30, 2020, as presented by the staff from the external auditor, Blue & Co.

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 Mr. Underwood 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 held a special meeting on November 23, 2020, to review the performance of the executive secretary. The Personnel Committee recommended that the board amend the contract with the executive

secretary replacing the current four-year term with a four-year term from January 1, 2021, through December 31, 2024. Additionally, the committee recommended that the executive secretary should receive the same salary increases as TRS 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 Ms. McGown and seconded by Dr. Patterson, the board unanimously voted to accept and ratify the report of the Personnel Committee.

5. Report of the Scholarship Committee: Mr. Harbin reported that the Scholarship Committee held a special meeting prior to the quarterly meeting of the Board of Trustees on December 21, 2020. The committee received a report on the background of the Junita Losey Scholarship and the scholarship fund's investment strategy and cash flow. The committee voted unanimously to recommend to the 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 Treasurer Ball and seconded by Mr. Underwood, the board unanimously voted to accept and ratify the report of the Scholarship Committee.

6. Report of the Insurance Committee: Ms. Gilbert reported that the Insurance Committee held a special meeting prior to the quarterly meeting of the Board of Trustees on December 21, 2020. The report included a recommendation from staff to contract with Aon Consulting Inc. for medical benefit consultant services for calendar years 2021-2023. Also, Ms. Gilbert reported on vendor contracts with Express Scripts (pharmacy benefit manager), United Healthcare (Medicare Advantage carrier) and Coriell Life Sciences (personalized medicine services).

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

7. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the 2020 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; the Benefits and Funding Committee special meeting; and 2021 board meeting dates.

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 1:24 p.m. ET.

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 15, 2021.

Alison Wright, 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 21, 2020.

Felicia Penn
Recording Secretary