

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
QUARTERLY MEETING OF THE BOARD OF TRUSTEES
DECEMBER 20, 2021

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 20, 2021. 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 Sickel, Teachers' Retirement System
Jane Gilbert, Teachers' Retirement System
Becky Niece, Teachers' Retirement System
Felicia Penn, Teachers' Retirement System
Lorran Ferguson, Office of the State Treasurer

1. Reports for Consent: Chair Wright reviewed the draft minutes of the September 20, 2021, quarterly meeting of the board. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the September 20, 2021, quarterly meeting. Upon motion duly made by Treasurer Ball and seconded by Ms. Schneider, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the November 22, 2021, special meeting of the board. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the November 22, 2021, special meeting. Upon motion duly made by Mr. Gritton and seconded by Mr. Collecchia, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the September 20, 2021, special meeting of the Insurance Committee. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the September 20, 2021, special meeting of the committee. Upon motion duly made by Ms. Schneider and seconded by Ms. McGown, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the September 20, 2021, special meeting of the Governance and Audit Committee. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the September 20, 2021, special meeting of the committee. Upon motion duly made by Dr. Patterson and seconded by Mr. Collecchia, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the September 20, 2021, special meeting of the Legislative Committee. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the September 20, 2021, special meeting of the committee. Upon motion duly made by Mr. Alverson and seconded by Mr. Boardman, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the November 15, 2021, special meeting of the Governance and Audit Committee. Chair Wright asked the board to act on the minutes.

Board Action: The board considered the minutes of the November 15, 2021, special meeting of the committee. Upon motion duly made by Dr. Patterson and seconded by Mr. Underwood, the board unanimously approved the minutes as written.

Chair Wright reviewed the draft minutes of the November 22, 2021, 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 November 22, 2021, special meeting of the Personnel Committee. Upon motion duly made by Mr. Gritton and seconded by Dr. Patterson, 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 Mr. Gritton and seconded by Mr. Underwood, 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, 2021. The report was informational, and the board took no action on the statements.

2. Report of the Investment Committee: Mr. Siderewicz reported to the board concerning the activities of the Investment Committee, the investment performance for the quarter ended September 30, 2021, and the November 18, 2021, quarterly meeting of the committee.

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

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

3. Report of the Governance and Audit Committee: Mr. Harbin reported that the Governance and Audit Committee held a special meeting on November 15, 2021. The committee accepted the Retirement Annuity Trust and OPEB valuations as of June 30, 2021, 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, 2021, 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 committee.

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

4. Report of the Personnel Committee: Ms. Wright reported that the Personnel Committee held a special meeting on November 22, 2021, to review the performance of the executive secretary. The Personnel Committee recommended to the board that the executive secretary should receive the same salary increase as TRS employees.

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

Board Action: Upon motion duly made by Mr. Boardman and seconded by Ms. Schneider, the board unanimously voted to accept and ratify the report of the 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 on December 20, 2021. 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 \$2,000 be granted to each of the eight public universities in Kentucky for a yearly scholarship 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 committee.

Board Action: Upon motion duly made by Dr. Patterson and seconded by Ms. McGown, the board unanimously voted to accept and ratify the report of the committee.

6. TRS 4 Matters: Mr. Harbin reported to the board on TRS 4. He recommended that the board approve and authorize an emergency administrative regulation to be filed for implementation on January 1, 2022, to provide disability benefits to TRS 4 members with less than five years of service credit through KRS 61.621 (the Fred Capps Memorial Act). Additionally, Mr. Harbin reported on tax matters regarding TRS 4 and recommended that the board authorize the restatement of the 403(b) plan and further authorize staff to file a request for private letter ruling with the IRS.

Board Action: Upon motion duly made by Dr. Patterson and seconded by Ms. Schneider, the board unanimously voted to approve and authorize the filing of an emergency administrative regulation for implementation January 1, 2022, to provide disability benefits to TRS 4 members with less than five years of service credit through KRS 61.621 (the Fred Capps Memorial Act).

Board Action: Upon motion duly made by Ms. Schneider and seconded by Mr. Boardman, the board unanimously voted to authorize the restatement of the 403(b) plan and further authorize staff to file a request for private letter ruling with the IRS.

7. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the 2021 Standards Award for Funding and 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 2022 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 1:23 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 21, 2022.

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 20, 2021.

Felicia Penn
Recording Secretary