

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
QUARTERLY MEETING OF THE BOARD OF TRUSTEES
MARCH 20, 2023

Minutes of Meeting:

After giving proper notice of a quarterly meeting and a quorum being present, Chair Brenda McGown called the Teachers' Retirement System of the State of Kentucky Board of Trustees to order at 12:30 p.m. ET, Monday, March 20, 2023. The meeting was conducted in the TRS boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Brenda McGown, Chair
John Boardman, Vice Chair
William Alverson
Frank Collecchia
Hollis Gritton
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
Mark Whelan, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Jane Gilbert, Teachers' Retirement System
Brad Cook, Teachers' Retirement System
Becky Niece, Teachers' Retirement System
Margaret Hockensmith, Teachers' Retirement System
Teresa Sanders, State Budget Director's office
Joy Pidgorodetska, State Treasurer's office

1. Reports for Consent: Chair McGown reviewed the draft minutes of the board's December 19, 2022, quarterly meeting. Chair McGown asked the board to act on the minutes.

Board Action: The board considered the minutes of the December 19, 2022, quarterly meeting. Upon motion duly made by Treasurer Ball and seconded by Mr. Collecchia, the board unanimously approved the minutes as written.

Chair McGown reviewed the draft minutes of the December 19, 2022, special meeting of the Scholarship Committee. Chair McGown asked the board to act on the minutes.

Board Action: The board considered the minutes of the December 19, 2022, special meeting of the Scholarship Committee. Upon motion duly made by Treasurer Ball and seconded by Mr. Collecchia, the board unanimously approved the minutes as written.

Chair McGown reviewed the draft minutes of the February 23, 2023, special meeting of the Personnel Committee. Chair McGown asked the board to act on the minutes.

Board Action: The board considered the minutes of the February 23, 2023, special meeting of the Personnel Committee. Upon motion duly made by Treasurer Ball and seconded by Mr. Collecchia, the board unanimously approved the minutes as written.

Chair McGown reviewed the draft minutes of the March 7, 2023, special meeting of the Insurance Committee. Chair McGown asked the board to act on the minutes.

Board Action: The board considered the minutes of the March 7, 2023, special meeting of the Insurance Committee. Upon motion duly made by Treasurer Ball and seconded by Mr. Collecchia, 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 McGown asked the board to act on the report of benefit payments.

Board Action: Upon motion duly made by Ms. Schneider 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 December 31, 2022. The report was informational, and the board took no action.

2. Report of the Investment Committee: Mr. Siderewicz reported to the board concerning the investment performance for the quarter ended December 31, 2022, and the activities of the Investment Committee from the February 23, 2023, quarterly meeting.

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

3. Report of the Personnel Committee: Ms. McGown reported that Personnel Committee held a special meeting on February 23, 2023. The committee reviewed the executive secretary's annual performance documentation and recommended that the executive secretary receive the same allowed salary increase available to TRS employees.

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

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 Personnel Committee.

4. Report of the Insurance Committee: Mr. Harbin reported that the Insurance Committee held a special meeting on March 7, 2023, during which the committee recommended approval of a pilot program for comparative effectiveness research. After the committee meeting during final due diligence, Mr. Harbin determined that TRS should not pursue the pilot project. Based on this, Mr. Harbin recommended that the board not act on the committee's recommendation.

Chair McGown asked for questions or comments, and the board took no action on the Insurance Committee's report and recommendation.

5. Report of the Governance and Audit Committee: Mr. Wampler reported that the Governance and Audit Committee held a special meeting on March 20, 2023. The committee approved the annual renewal of administrative services contracts and the investment experts for fiscal year 2024. The committee also recommended the board adopt the First Amendment to the TRS 403(b) Tax-Sheltered Annuity Program and Delegation of Limited Authority.

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

Board Action: Upon motion duly made by Mr. Boardman and seconded by Mr. Alverson, the board unanimously voted to accept and ratify the report of the Governance and Audit Committee, including adopting the First Amendment to the TRS 403(b) Tax-Sheltered Annuity Program and Delegation of Limited Authority.

6. Legislative Update: Mr. Barnes reported to the board concerning the 2023 regular session of the General Assembly. Mr. Barnes' report was informational, and the board took no action.

7. Annual Review of Disability Earnings Limitation: Mr. Wampler reported to the board concerning the provisions of KRS 161.661(12), which allows the board to increase the disability earnings limitation by the percentage increase in the annual average of the Consumer Price Index (CPI) for all urban consumers for the most recent calendar year as published by the Federal Bureau of Labor Statistics (BLS) not to exceed 5%. In January 2023, the BLS published the CPI for all urban consumers for calendar 2022 as a 6.5% increase. The executive secretary recommended that the disability earnings limitation be increased by 5% to \$47,121 effective for calendar year 2023.

Chair McGown asked for questions or comments. Chair McGown asked the board to act on the recommendation.

Board Action: Upon motion and second, the board voted unanimously to increase the disability earnings limitation by 5% to \$47,121 effective for calendar year 2023 as allowed under KRS 161.661(12).

8. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the Statement of Financial Disclosure, the Member Nominating Committee for board positions, the Junita Losey Scholarship Fund and the executive secretary's meetings.

Adjournment: There being no further business to come before the board and upon motion duly made by Mr. Underwood and seconded by Mr. Collecchia, Chair McGown declared the meeting adjourned at 1:25 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 June 19, 2023.

Brenda McGown, 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, Margaret Hockensmith, 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 March 20, 2023.

Margaret Hockensmith
Recording Secretary