

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SPECIAL MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE
NOVEMBER 14, 2023

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 10:30 p.m., Tuesday, November 14, 2023. The meeting was conducted in the TRS boardroom at 479 Versailles Road, Frankfort, KY.

Members present:

Hollis Gritton, Chair
Paul Bruce
Dr. Ben Littlepage
Louis Straub
Marshall Smith, proxy for Education Commissioner

Others present:

Gary L. Harbin, Teachers' Retirement System
Robert Barnes, Teachers' Retirement System
Eric Wampler, Teachers' Retirement System
Mark Whelan, Teachers' Retirement System
Brad Cook, Teachers' Retirement System
Jane Gilbert, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Becky Niece, Teachers' Retirement System
Margaret Hockensmith, Teachers' Retirement System
Alisa Bennett, Cavanaugh Macdonald Consulting
Ed Koebel, Cavanaugh Macdonald Consulting
Ryan Graham, Blue and Co.
Rosemary Osbourn, Blue and Co.

1. Report of the Independent Actuary: Mr. Koebel presented to the committee the results of the Retirement Annuity Trust valuation as of June 30, 2023. Ms. Bennett presented to the committee the results of the valuation for the retiree health and life insurance trusts as of June 30, 2023.

Committee Action: Upon motion duly made by Mr. Bruce and seconded by Mr. Straub, the committee voted unanimously to accept the reports of the actuary.

2. Report of the Independent Auditor: Mr. Graham and Ms. Osbourn reported to the committee on the audit of the financial statements for the year ended June 30, 2023, and 2022.

Committee Action: Upon motion duly made by Mr. Bruce and seconded by Mr. Smith, the committee voted unanimously to accept the report of the auditor.

3. Request for Proposals Discussion – Death Match Audit: Mr. Wampler reported on the RFP review committee’s recommendation to contract with Lexis Nexis for death match audit services.

Committee Action: Upon a motion duly made by Mr. Straub and seconded by Mr. Bruce, the committee unanimously approved contracting with Lexis Nexis as recommended.

4. Procurement Policy Discussion: Mr. Wampler reported to the committee on the recommended changes to the board procurement policy for small purchases adjusting the amounts to reflect inflation and common experience. .

Committee Action: Upon a motion duly made by Mr. Bruce and seconded by Mr. Straub, the committee unanimously approved the recommended changes to the procurement policy for small purchases.

5. Funding Policy Discussion: Mr. Wampler reported to the committee on the recommended changes to the board funding policy to add a schedule to the annual valuation for the Health Insurance Trust showing what a loss of subsidies and rebates on prescription medication would mean to the funded status.

Committee Action: Upon a motion duly made by Mr. Straub and seconded by Mr. Smith, the committee unanimously approved the recommended changes.

Adjournment: There being no further business to come before the committee, upon motion duly made by Mr. Bruce and seconded by Mr. Straub, and by unanimous consent of the committee, Chair Gritton declared the meeting adjourned at 11:30 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, 2023.

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, Margaret Hockensmith, 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, 2023.

Margaret Hockensmith
Recording Secretary