

KENTUCKY TEACHERS' RETIREMENT SYSTEM
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES
SEPTEMBER 15, 2014

Minutes of Meeting:

After giving proper notice of a regular quarterly meeting, and a quorum being present, Chair Tom Shelton called the KTRS Board of Trustees to order at 9:00 a.m., Monday, September 15, 2014, in the Board Room of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Tom Shelton, Chair
Laura Zimmerman, Vice Chair
Arthur Green
Hollis Gritton
Jay Morgan
Ruth Ann Sweazy
Charles Harman, Proxy for the Commissioner of Education

Others present:

Gary L. Harbin, Kentucky Teachers' Retirement System
Eric Wampler, Kentucky Teachers' Retirement System
Robert Barnes, Kentucky Teachers' Retirement System
Paul Yancey, Kentucky Teachers' Retirement System
Kevin Carrico, Kentucky Teachers' Retirement System
Mark Whelan, Kentucky Teachers' Retirement System
Nathan Van Sickle, Kentucky Teachers' Retirement System
Felicia Penn, Kentucky Teachers' Retirement System
Teresa Sanders, Office of State Budget Director
Brad Gross, Legislative Research Commission
Kayne Ishmael, Kentucky Education Association
Charles Ludwig, Kentucky Education Association-Retired
Cathy Gullett, Kentucky Retired Teachers Association

1. Reports for Consent: Chair Shelton reviewed the draft minutes of the June 16, 2014 quarterly meeting and asked the Board to take action on the minutes.

Board Action: The Board considered the minutes of the Quarterly Meeting of the Board of Trustees held June 16, 2014. Upon motion duly made by Mr. Green, and seconded by Ms. Zimmerman, the minutes were unanimously approved by the Board as written.

Chair Shelton reviewed the draft minutes of the June 16, 2014 Special Meeting of the Governance and Audit Committee and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Governance and Audit Committee held June 16, 2014. Upon motion duly made by Dr. Morgan, and seconded by Mr. Sanders, the minutes were approved by the Committee as written.

Applications for Retirement and Annuity, Survivor Benefits, Life Insurance Benefits, and Refunds: Mr. Wampler reported to the Board regarding benefit payments. Chair Shelton asked the Board to take action on the report of benefit payments.

Board Action: Upon motion duly made by Mr. Gritton, and seconded by Mr. Sanders, the Applications for Retirement and Annuity, Survivor Benefits, Life Insurance Benefits, and Refunds were approved by the Board as reported.

Interim Financial Statements: The Board considered the report on the Interim Financial Statements for the quarter ended June 30, 2014. The report was informational and the Board took no action on the Interim Financial Statements.

2. Report of the Investment Committee: Mr. Yancey reported to the Board concerning the activities of the Investment Committee and Investment Performance for the quarter ended June 30, 2014 and the Special Meeting of the Investment Committee held on August 28, 2014.

Chair Shelton asked for questions or comments. Chair Shelton asked the Board to take action on the report by Mr. Yancey.

Board Action: Upon motion duly made by Mr. Harman, and seconded by Dr. Morgan, the Board voted unanimously to accept and ratify the report of the Investment Committee.

3. Report of the Insurance Committee:

Mr. Harbin reported the actions of the Insurance Committee at its meeting held on September 10, 2014.

- KEHP: The Committee voted to approve a medical insurance benefit supplement up to \$647.88 per month for those retirees fulfilling the necessary service requirements.
- MEHP: The Committee voted to approve the rate up to \$250 per month for the 2015 MEHP PPPM for those retirees fulfilling the necessary service requirements.

Board Action: Upon motion duly made by Ms. Sweazy, and seconded by Mr. Gritton, the Board voted unanimously to approve a KEHP medical insurance benefit supplement up to \$647.88 per month for those retirees fulfilling the necessary service requirements.

Board Action: Upon motion duly made by Ms. Sweazy, and seconded by Dr. Morgan, the Board voted unanimously to approve the rate up to \$250 per month for the 2015 MEHP PPPM for those retirees fulfilling the necessary service requirements.

4. Report on Legislative Matters: Mr. Barnes reported on the KTRS housekeeping legislation that will be proposed in the 2015 session of the Kentucky General Assembly. Mr. Barnes' report was informational and the Board took no action.

5. Executive Secretary's Observations and Comments: Mr. Harbin reported on issues concerning administration of the retirement system. Included in his report was the recommendation to renew the contract with the communications consultant.

Board Action: Upon motion duly made by Mr. Sanders, and seconded by Mr. Gritton, the Board voted unanimously to authorize staff to negotiate the renewal of the contract with the communications consultant on an hourly or retainer fee basis as recommended.

Adjournment

There being no further business to come before the Board of Trustees, and upon motion duly made by Mr. Green, and seconded by Dr. Morgan, and by unanimous consent of the Board, Chair Shelton declared the meeting adjourned at 9:47 a.m.

Certifications

We, the Chair and the Executive Secretary of the Board of Trustees of the Kentucky Teachers' Retirement System, do certify that the Minutes of Meeting were approved by the Board on December 15, 2014.

Tom Shelton, 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 Kentucky Teachers' Retirement System at its meeting on September 15, 2014.

Felicia Penn
Recording Secretary