

KENTUCKY TEACHERS' RETIREMENT SYSTEM
REGULAR QUARTERLY MEETING OF THE BOARD OF TRUSTEES
MARCH 17, 2014

Minutes of Meeting:

After giving proper notice of a regular quarterly meeting, and a quorum being present, Chair Shelton called the KTRS Board of Trustees to order at 9:00 a.m., Monday, March 17, 2014 in the Board Room of the Kentucky Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

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

Others present:

Gary L. Harbin, Kentucky Teachers' Retirement System
Robert Barnes, Kentucky Teachers' Retirement System
Eric Wampler, Kentucky Teachers' Retirement System
Paul Yancey, Kentucky Teachers' Retirement System
Mark Whelan, Kentucky Teachers' Retirement System
Jane Gilbert, Kentucky Teachers' Retirement System
Nate Van Sichel, Kentucky Teachers' Retirement System
Felicia Penn, Kentucky Teachers' Retirement System
Fred Hester, Kentucky Education Association-Retired
Patti Hester, Kentucky Education Association-Retired
Linda Hinton, Office of the Auditor of Public Accounts
Tim Mulloy, Peritus Public Relations

1. Reports for Consent: Chair Shelton reviewed the draft minutes of the Quarterly Meeting of the Board of Trustees held on December 16, 2013 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 on December 16, 2013. Upon motion duly made by Mr. Harman, and seconded by Dr. Morgan, the minutes were unanimously approved by the Board as written.

Chair Shelton reviewed the draft minutes of the Special Meeting of the Governance and Audit Committee held on December 16, 2013 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 on December 16, 2013. Upon motion duly made by Mr. Green, and seconded by Mr. Gritton, the minutes were unanimously approved by the Committee as written.

Chair Shelton reviewed the draft minutes of the Special Meeting of the Scholarship Committee held on December 16, 2013 and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Scholarship Committee held on December 16, 2013. Upon motion duly made by Ms. Zimmerman, and seconded by Mr. Green, the minutes were unanimously approved by the Committee as written.

Chair Shelton reviewed the draft minutes of the Special Meeting of the Benefits and Funding Committee held on January 17, 2014 and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Benefits and Funding Committee held on January 17, 2014. Upon motion duly made by Dr. Morgan, and seconded by Mr. Green, the minutes were unanimously approved by the Committee as written.

Chair Shelton reviewed the draft minutes of the Special Meeting of the Administrative Appeals Committee held on February 27, 2014 and asked the Committee to take action on the minutes.

Committee Action: The Committee considered the minutes of the Special Meeting of the Administrative Appeals Committee held on February 27, 2014. Upon motion duly made by Ms. Zimmerman, and seconded by Mr. Sanders, the minutes were unanimously 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 Dr. Morgan, and seconded by Mr. Sanders, the Applications for Retirement and Annuity; Survivor Benefits; Life Insurance Benefits; and Refunds were unanimously approved by the Board as reported.

Interim Financial Statements: The Board considered the report on the Interim Financial Statements for the quarter ended December 31, 2013. The report was informational and the Board took no action on the Interim Financial Statements.

Legal Counsel for Investments: Mr. Wampler reported to the Board that during the fiscal year 2013-2014, KTRS utilized Ice Miller, Columbus, Ohio, for legal work on private equity and other complex investment arrangements. KTRS contracted with Ice Miller for legal due diligence on investments; however, through administrative omission the firm was not included

on the list of service providers reported to the Board for approval. Staff recommended that the Board confirm the contract with Ice Miller, Columbus, Ohio, for legal work on investment matters for fiscal year 2013-2014.

Chair Shelton asked the Board to consider staff's recommendation concerning Ice Miller, Columbus, Ohio.

Board Action: Upon motion duly made by Dr. Morgan, and seconded by Mr. Green, the Board voted unanimously to approve staff's recommendation to confirm the contract with Ice Miller, Columbus, Ohio, for legal work on investment matters for fiscal year 2013-2014.

2. Report of the Investment Committee: Mr. Yancey reported to the Board concerning the investment performance for the quarter ended December 31, 2013 and the Special Meeting of the Investment Committee held on February 27, 2014.

Chair Shelton asked for questions or comments. Chair Shelton asked the Board to take action on the report of the Investment Committee.

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

3. Consideration of Personal Service Contracts for FY 2014-2015: Mr. Wampler reviewed the memorandum regarding the Annual Renewal of Contracts. The report concerned contracts for legal services and the Kentucky State Auditor of Public Accounts.

Chair Shelton asked for questions or comments. Chair Shelton asked the Board to take action on the report regarding the Annual Renewal of Contracts for fiscal year 2014-2015.

Board Action: Upon motion duly made by Mr. Harman, and seconded by Mr. Gritton, the Board approved renewal of the contracts for legal services and the Kentucky State Auditor of Public Accounts as reported. Mr. Sanders abstained from voting.

Ms. Sweazy joined the meeting via telephone at this time.

4. Legislative Report: Mr. Barnes reported on the 2014 regular session of the General Assembly. Mr. Barnes' report was informational, and the Board took no action.

Mr. Harbin presented a report on the proposed teachers' pension refinancing plan. Mr. Harbin's report was informational, and the Board took no action.

5. Executive Secretary's Observations and Comments: Mr. Harbin reported to the Board on the KEA Nominating Committee meeting, Junita Losey Scholarship awards, KEA Delegate Assembly, recent KTRS meetings, the Pathway Project and Financial Disclosure Statements. The Executive Secretary's report was informational, and the Board took no action.

Adjournment: There being no further business to come before the Board of Trustees, and upon motion duly made by Dr. Morgan and seconded by Ms. Zimmerman, and by unanimous consent of the Board, Chair Shelton declared the meeting adjourned at 10:25 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 June 16, 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 March 17, 2014.

Felicia Penn
Recording Secretary