

**KENTUCKY TEACHERS' RETIREMENT SYSTEM
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
February 20, 2012**

Under authority of KRS 161.290(1), the Board of Trustees of the Teachers' Retirement System of the State of Kentucky convened in Special Session in the Board Room of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky, at 12:55 p.m., Monday, February 20, 2012.

Board Called to Order

Barbara G. Sterrett, Chair, called the meeting to order at 12:55 p.m.

Members present were:

Barbara G. Sterrett
Ronald L. Sanders
Laura A. Zimmerman
Ruth Ann Sweazy
Dr. Tom Shelton
Charles Ludwig
Todd Hollenbach, State Treasurer
Kathy Jennings, Proxy for the Commissioner of Education

Others present were:

Gary L. Harbin, Kentucky Teachers' Retirement System
Robert Barnes, Kentucky Teachers' Retirement System
Eric Wampler, Kentucky Teachers' Retirement System
Tami Earnhart, Ice Miller
George Miller, Wyatt, Tarrant, & Combs

1. Report of the Personnel Committee: The Personnel Committee met on Monday, February 20, 2012 prior to the meeting of the Board.

Mr. Harbin reported that the Personnel Committee approved the recommendations to implement a pay scale effective July 1, 2012. Chair Sterrett asked the Board to ratify the action of the Personnel Committee and approve the recommendations to implement a pay scale effective July 1, 2012.

Board Action: Upon motion duly made by Mr. Sanders, and seconded by Ms. Zimmerman, the Board unanimously voted to ratify the action of the Personnel Committee and approved the recommendations to implement a pay scale effective July 1, 2012.

At 1:22 p.m., Chair Sterrett announced in open session that the remainder of agenda item 1, Report of the Personnel Committee, should be conducted in closed session in accordance with KRS 61.810(c), (f), (k), or KRS 161.585(1).

Board Action: Upon motion duly made by Dr. Shelton, and seconded by Ms. Zimmerman, the

Board unanimously voted to enter into closed session to consider the remaining matters to be reported by the Personnel Committee. The Chair announced that the record should reflect that there was a unanimous vote to conduct a portion of the Board meeting in closed session to consider a report and recommendations of counsel concerning personnel matters in accordance with KRS 61.810(c), (f), (k), or KRS 161.585(1).

The full Board received a report from the Personnel Committee, which included a report and recommendations of counsel concerning personnel matters. At 1:45 p.m., the Board returned to open session with no action being taken in closed session.

Board Action: While in open session, upon motion duly made by Treasurer Hollenbach, and seconded by Mr. Ludwig, the Board voted unanimously to end the closed session portion of the meeting.

Board Action: Upon motion duly made by Mr. Sanders, and seconded by Ms. Zimmerman, the Board voted unanimously to approve the report and recommendations of counsel concerning personnel matters.

2. Report of the General Counsel on Litigation: General Counsel gave a report and recommendations concerning the Lyondell Chemical case.

Board Action: Upon motion duly made by Ms. Jennings, and seconded by Treasurer Hollenbach, the Board voted unanimously to approve the report and recommendations of General Counsel concerning Litigation. The Board specifically authorized General Counsel to hire outside counsel to represent KTRS in the Lyondell Chemical case.

3. Discussion on Funding for the Retirement Annuity Trust: Mr. Harbin reported to the Board concerning underfunding of the KTRS Retirement Annuity Trust during the last three biennial budgets.

Mr. Harbin's report was informational and the Board took no action.

4. General Discussion: Chair Sterrett informed the Board that the Governance and Audit Committee had met prior to the Board meeting. Chair Sterrett discussed the Committee's action on the RFP for external auditor.

Chair Sterrett's report was informational and the Board took no action.

5. There being no further business to come before the Board, and upon motion duly made by Treasurer Hollenbach, and seconded by Mr. Ludwig, and upon unanimous consent, Chair Sterrett declared the meeting adjourned at 2:35 p.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 March 19, 2012.

Barbara Sterrett, Chair

Gary 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, Eric Wampler, 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 February 20, 2012.

Eric Wampler, Deputy Executive Secretary