

**KENTUCKY TEACHERS' RETIREMENT SYSTEM  
MINUTES OF THE QUARTERLY MEETING OF THE BOARD OF TRUSTEES  
March 19, 2012**

Under authority of KRS 161.290(1), the Board of Trustees of the Teachers' Retirement System of the State of Kentucky convened in Regular Session in the Board Room of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky, at 9:00 a.m., Monday, March 19, 2012.

**Board Called to Order**

Barbara G. Sterrett, Chair, called the meeting to order.

**Roll Call**

**Members present were:**

Robert Conley  
Charles Ludwig  
Ron Sanders  
Tom Shelton  
Barbara Sterrett  
Ruth Ann Sweazy  
Laura Zimmerman  
Todd Hollenbach, State Treasurer  
Kathy Jennings, Proxy for the Commissioner of Education (joined the meeting at 9:10 a.m.)

**Others present were:**

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  
Nathan Van Sickel, Kentucky Teachers' Retirement System  
Jane Gilbert, Kentucky Teachers' Retirement System  
Felicia Penn, Kentucky Teachers' Retirement System  
Janie Caslowe, Kentucky Retired Teachers Association  
Fred Hester, Kentucky Education Association-Retired  
Patti Hester, Kentucky Education Association-Retired  
Katie Kirkland, Legislative Research Commission  
Colleen Kennedy, Legislative Research Commission

**Item 1 – Reports for Consent**

Chair Sterrett reviewed the draft minutes of meetings and asked the Board and Committees to take action on the following minutes:

Special Board Meeting held November 21, 2011;  
Regular Quarterly Board Meeting held December 19, 2011;  
Special Board Meeting held February 20, 2012;  
Scholarship Committee held December 19, 2011;  
Legislative Committee held December 19, 2011;  
Governance and Audit Committee held December 19, 2011;  
Governance and Audit Committee held February 20, 2012;  
Personnel Committee held February 20, 2012.

**BOARD ACTION:** Upon motion duly made by Treasurer Hollenbach, and seconded by Ms. Zimmerman, the minutes were unanimously approved by the Board as written.

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

**BOARD ACTION:** Upon motion duly made by Ms. Sweazy, 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, 2011. The report was informational and the Board took no action on the Interim Financial Statements.

### **Item 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 ending December 31, 2011. Mr. Yancey also reported on a special meeting of the Investment Committee held on February 17, 2012.

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

**BOARD ACTION:** Upon motion duly made by Dr. Shelton, and seconded by Treasurer Hollenbach, the Board unanimously accepted and ratified the Report of the Investment Committee.

### **Item 3 – Report of the Governance and Audit Committee**

The Governance and Audit Committee met on February 20, 2012, to consider responses to the RFP for external audit. The following six firms filed responses to the RFP:

- Baldwin CPAs;
- Blue & Co., LLC;
- Charles T. Mitchell Co. PLLC;

- Dean, Dorton, Allen, Ford, PLLC;
- Mountjoy Chilton Medley LLP;
- Ray, Foley, Hensley & Company, PLLC.

Each of the six firms met the minimum qualifications to provide audit services to KTRS. Therefore, the Committee evaluated each of the six firms. The Committee members reviewed and ranked the six responses to the RFP. The Committee members also reviewed the score of the price bids of the six firms responding to the RFP.

Committee Recommendation: Ms. Zimmerman and Ms. Sterrett recommended to the full Board that Mountjoy Chilton Medley LLP be awarded the contract for external auditor services for fiscal year ending June 30, 2012. The audit services will be provided during the period from July 1, 2012—June 30, 2013.

**BOARD ACTION:** The Board took action on the recommendation and approved awarding the contract for external auditor services for fiscal year ending June 30, 2012 to Mountjoy Chilton Medley LLP. Mr. Sanders abstained from voting.

#### **Item 4 – Consideration of Personal Service Contracts for FY 2012-2013**

Mr. Wampler reviewed the memorandum regarding the Annual Renewal of Contracts. The report concerned contracts for legal services and the external auditor.

Chair Sterrett asked for questions or comments. Chair Sterrett asked the Board to take action on the report regarding the Annual Renewal of Contracts for FY 2012-2013.

**BOARD ACTION:** Upon motion duly made by Treasurer Hollenbach, and seconded by Dr. Shelton, the Board unanimously approved renewal of the contracts for legal services and external auditor, as reported.

The Board recessed at 9:40 a.m. and resumed its meeting at 9:50 a.m.

#### **Item 5 – Legislative Report**

Mr. Barnes reported to the Board regarding the legislative session. Mr. Barnes' report was informational and the Board took no action on the Legislative Report.

#### **Item 6 – Executive Secretary's Observations and Comments**

Mr. Harbin presented his report to the Board and responded to questions and comments from the Board. Mr. Harbin's report was informational and the Board took no action.

Mr. Harbin read a proclamation recognizing former Director of Member Benefits and Member Services Bill Leach for his twenty-six years of service to KTRS.

Chair Sterrett suggested that the Board take action and adopt a resolution.

**BOARD ACTION:** Upon motion duly made by Mr. Sanders, and seconded by Treasurer Hollenbach, the Board voted unanimously to adopt the resolution in recognition of Bill Leach.

**Adjournment**

There being no further business to come before the Board of Trustees, and upon motion duly made by Treasurer Hollenbach, and seconded by Ms. Zimmerman, and by unanimous consent of the Board, Chair Sterrett declared the meeting adjourned at 11:22 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 18, 2012.

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Barbara Sterrett, Chair

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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.

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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 19, 2012.

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Felicia Penn  
Recording Secretary