

**MINUTES  
ARKANSAS TEACHER RETIREMENT SYSTEM  
BOARD OF TRUSTEES**

**Monday, September 26, 2022  
11:00 a.m.  
1400 West Third Street  
Little Rock, AR 72201**

**ATTENDEES**

**Board Members Present**

Danny Knight, Chair  
Anita Bell  
Kathy Clayton  
Kelly Davis  
Susan Ford  
Dr. Mike Hernandez  
Shawn Higginbotham  
Michael Johnson  
Bobby Lester  
Chip Martin  
Jeff Stubblefield  
Susannah Marshall, Bank Commissioner  
Hon. Andrea Lea, State Auditor  
Jason Brady, designee for Hon. Dennis Milligan, State Treasurer

**Board Members Absent**

Johnny Key, Education Secretary

**Reporters Present**

Mike Wickline, AR Dem Gaz.

**ATRS Staff Present**

Clint Rhoden, Executive Director  
Rod Graves, Deputy Director  
Tammy Porter, Board Secretary  
Curtis Carter, Chief Financial Officer  
Dena Dixson, Internal Audit/Risk Management  
Braeden Duke, Software Specialist Analyst  
Vicky Fowler, Manager, Human Resources  
Mike Lauro, Information Technology\*  
Jennifer Liwo, Staff Attorney\*  
Martha Miller, General Counsel\*  
Joe Sithong, Information Technology Coordinator  
Whitney Sommers, Administrative Analysis  
Leslie Ward, Manager, Private Equity  
Brenda West, Internal Audit/Risk Mgmt.  
Misty Yant, Manager, Accounting/Reporting\*

**Guest Present**

Katie Comstock, Aon Hewitt (AHIC)\*  
PJ Kelly, Aon Hewitt (AHIC)  
Michael Bacine, Franklin Park\*  
Donna Morey, ARTA  
Gar Chung, FIN-News\*  
ID: Bkirpalani\*  
Amy Fecher\*  
Joe Ebisa – WithIntellegence\*

*\*via ZOOM*

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:00 a.m. Roll call was taken. Mr. Key was absent.
- II. **Motion to Excuse Absent Board Members.**

**Mr. Stubblefield *moved to excuse Mr. Key from the September 26, 2022, Board Meeting. Mr. Lester seconded the motion, and the Board unanimously approved the motion.***

**III. Adoption of Agenda.**

**Mr. Higginbotham *moved for adoption of the Agenda. Mr. Lester seconded the motion, and the Board unanimously approved the motion.***

**IV. Executive Summary.** The Executive Summary was provided for reference with no questions or expansions on the written summary.

**V. Approval of Prior Meeting Minutes.**

**A. June 6, 2022, Minutes**

**Ms. Clayton *moved for approval of the Minutes of the Board of Trustees meeting of June 6, 2022. Mr. Martin seconded the motion, and the Board unanimously approved the motion.***

**B. August 16, 2022, Minutes.**

**Auditor Lea *moved for approval of the Minutes of the Board of Trustees meeting of August 16, 2022. Ms. Ford seconded the motion, and the Board unanimously approved the motion.***

**VI. Election of Vice Chair of Board of Trustees.**

**Mr. Lester *moved for appointment of Kelly Davis as Vice Chair of the Board of Trustees. Mr. Stubblefield seconded the motion, and the Board unanimously approved the motion.***

**VII. Recognition of Trustees Mr. Lloyd Black and Ms. Amanda Webb.**

**A. Resolution 2022-39.**

**Mr. Higginbotham *moved to approve adoption of Resolution 2022-39, Commending Mr. Lloyd Black on his service to the ATRS Board of Trustees. Ms. Bell seconded the motion, and the Board unanimously adopted the Resolution.***

**B. Resolution 2022-40**

**Mr. Stubblefield *moved to approve* adoption of Resolution 2022-40, Commending Ms. Amanda Webb on her service to the ATRS Board of Trustees. Mr. Johnson *seconded the motion*, and the Board *unanimously adopted the Resolution*.**

**VIII. Report of Member Interest Waived Under A. C. A. Section 24-7-205.** Mr. Rhoden presented the member interest amount waived report. ATRS waives interest for members when there is a dispute between ATRS and the member as to whether ATRS made a mistake or otherwise did not do all that was required on the member's account. No member interest was waived for this reporting period.

**IX. Report of Employer Interest and Penalties Waived Under A. C. A. Sec. 24-7-411.** Mr. Rhoden presented the employer interest and penalties waived report. ATRS may also waive employer interest and penalties when reports or payments are late or have issues due to a new bookkeeper, inclement weather, sickness and other situations that justify a waiver. Seven (7) employer penalties and interest amounts were waived for this reporting period in the amount of \$1,976.69.

**X. Unreported Service: Contributions Due.** Director Rhoden presented the Board with a report of unreported service for Member ID# 389863.

**A. In Re: ATRS ID: 389863**

**1. Resolution No. 2022-47.**

**Ms. Davis *moved to approve* adoption of Resolution 2022-47, approving the waiver of interest due on contributions for unreported service. Mr. Johnson *seconded the motion*, and the Board *unanimously adopted the Resolution***

**XI. Authorization to Pay Regular T-DROP Interest for Fiscal Year 2023.** The ATRS Board annually sets the interest rates on T-DROP accounts. In September 2021, the Board set the T-DROP rate at a fixed 3% unless investment returns in the prior calendar year exceeded the current assumed rate of return by more than 2%. The September 2021 resolution allows the Board to award an incentive rate of up to 3% if the ATRS rate of return is 2% or greater than the ATRS actuarial assumed rate of return.

The executive staff recommends the combined rate to be set at 3% for the fiscal year 2022-2023.

**A. Resolution No. 2022-41.**

**Ms. Davis *moved to approve* adoption of Resolution 2022-41, Authorization to Pay Regular T-DROP Interest for Fiscal Year 2023. Mr. Higginbotham *seconded the motion*, and the Board *unanimously adopted the Resolution***

**XII. Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2023.**

The ATRS Board annually sets the interest rates on Post 10 Year TDROP accounts. In September 2021, the Board set the Post 10 Year T-DROP rate at a rate between 4% and 6% with an incentive rate available when the returns exceed the assumed rate of return by more than 2%. The September 2021 resolution allows the Board to award an incentive rate of up to 1.25% which when combined with the 6% maximum rate provides a maximum Post 10 Year TDROP rate of 7.25%.

The executive staff recommends the combined rate to be set at 4% for fiscal year 2022-2023.

**A. Resolution No. 2022-42.**

**Mr. Stubblefield *moved to approve* adoption of Resolution 2022-42, Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2023. Mr. Higginbotham *seconded the motion*, and the Board *unanimously adopted the Resolution***

**XIII. CBA Incentive Interest Rate on T-DROP Cash Balance Account.**

The ATRS Board provides the CBA program for members who have retired out of TDROP and wish to leave a cash balance at ATRS for ultimate distribution to the member after retirement based upon the members withdrawal request. The Board can award an incentive rate with an incentive rate when the returns exceed the assumed rate of return by more than 2%.

The executive staff recommends the CBA incentive rate to be set at 0% for fiscal year 2022-2023.

**A. Resolution No. 2022-43**

**Dr. Hernandez *moved to approve* adoption of Resolution 2022-43, CBA Incentive Interest Rate on T-DROP Cash Balance Account. Ms. Davis *seconded the motion*, and the Board *unanimously adopted the Resolution*.**

- XIV. Extension of ATRS CASH Program for Fiscal Year 2023.**  
The CASH Program expired on June 30, 2022. ATRS staff recommends that the CASH program for fiscal year 2023 be the same as the expiring program except that the age for calculation of the accrued liability be set to the age attained as of June 30, 2022.

**A. Resolution No. 2022-44**

**Mr. Lester moved to approve adoption of Resolution 2022-44, Extension of ATRS CASH Program for Fiscal Year 2023. Ms. Clayton seconded the motion, and the Board unanimously adopted the Resolution.**

- XV. Audit Committee Report.** Kelly Davis, Vice Chair, gave a report on the Audit Committee Meeting.

**A. Internal Audit Follow-up Report: T-DROP Follow-up Report.** Ms. Dena Dixson presented the report to the Committee.

- XIV. Investment Committee Report.** Mr. Chip Martin, Chair, gave a report on the Investment Committee meeting.

**A. Arkansas Related and Investment Update.**

- 1. List of Fund Closings.** Rod Graves, Deputy Director, gave an update on recent investment activity and Board Policies Report.
- 2. Board Policies Report.** Rod Graves, Deputy Director, gave a report on Board Policies.

**B. Private Equity Consultant Report. *Franklin Park***

- 1. Preliminary Private Equity Portfolio Review for the Quarter Ending March 31, 2022.** Mr. Michael Bacine of Franklin Park provided the Committee with the Preliminary Private Equity Portfolio Review for the Quarter Ending March 31, 2022..
- 2. Emerging Managers Report for Fiscal Year Ended June 30, 2022.** Michael Bacine provided the Committee with the Emerging Manager Report for Fiscal Year June 30, 2022.

3. **Recommendation to approve for Board adoption Resolution 2022-45, authorizing an investment of up to \$30 million dollars in JFL Equity Investors VI, L.P.** Michael Bacine presented the Committee with the Recommendation to adopt Resolution 2022-45, authorizing an investment of up to \$30 million dollars in JFL Equity Investors VI, L.P.

Staff concurs with the recommendation.

**Mr. Martin *moved to approve* adoption of Resolution 2022-45, authorizing an investment of up to \$30 million dollars in JFL Equity Investors VI, L.P. The Board *unanimously approved the motion.***

4. **Recommendation to approve for Board adoption Resolution 2022-46, authorizing an investment of up to \$30 million dollars in Greenbriar Equity Fund VI, L.P.** Michael Bacine presented the Committee with the Recommendation to adopt Resolution 2022-46, authorizing an investment of up to \$30 million dollars in Greenbriar Equity Fund VI, L.P.

Staff concurs with the recommendation.

**Mr. Martin *moved to approve* adoption of Resolution 2022-46 authorizing an investment of up to \$30 million dollars in Greenbriar Equity Fund VI, L.P. JFL Equity Investors VI, L.P. The Board *unanimously approved the motion.***

**C. General Investment Consultant Report. *Aon Hewitt Investment Consulting.***

1. **Performance Report for the Quarter Ending June 30, 2022.** Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a preliminary portfolio update for the quarter ending June 30, 2022.
2. **Preliminary Performance Report for the Month Ended August 31, 2022.** PJ Kelly and Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with the Preliminary Performance Report for the Month Ended August 31, 2022.

3. **Emerging Managers Report for Fiscal Year Ended June 30, 2022.** Michael Bacine provided the Committee with the Emerging Manager Report for Fiscal Year June 30, 2022.

**D. Real Assets Consultant Report.**

1. **Performance Report for the Quarter Ended March 31, 2022.** Chae Hong Aon Hewitt Investment Consulting provided the Committee with a performance report for the quarter ended March 31, 2022.

**XVII. Operations Committee Report.** Mr. Bobby Lester, Chair, gave a report on the Operations Committee meeting.

**A. Open Forum for Potential Rule and Law Changes by Committee Members and Board Members Presents.**

1. **Open Forum.** None.

**B. ATRS 2023 Legislative Package.** Director Rhoden presented the Committee with the ATRS 2023 Legislative Package. This was not an action item.

**XVI. Staff Reports**

**A. Medical Committee Report.** Mr. Kincade reported that a total of Fifteen (15) Disability Retirement Applications were approved.

***Ms. Bell moved to approve the Medical Committee Report. Mr. Lester seconded the motion and the Board unanimously approved the Motion.***

**XVII. Other Business:** None.

**XVIII. Adjourn.** With no other business, Mr. Danny Knight, Chair adjourned the meeting.

**Meeting adjourned at 11:40 p.m.**

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Clint Rhoden,  
Executive Director

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Mr. Danny Knight, Chair  
Board of Trustees

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Tammy Porter,  
Recorder

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Date Approved