

MINUTES

Regular Meeting Board of Trustees

January 15, 2001

The Board of Trustees of the Arkansas Teacher Retirement System met on Monday, January 15, 2001, at 1:00 p.m. The meeting was held in the ATRS Board Room, 1400 West Third Street, Little Rock, Arkansas.

Members of the Board Present:

Linda Parsons, Chair
Charles Vondran, Vice Chair
Winfred Clardy
Hazel Coleman
Charles Dyer
Dr. Paul Fair
John Fortenberry
Ann Harbison
Mary Harris
Betty McGuire

Members of the Board Absent:

Jimmie Lou Fisher
Lynda Hogue
Raymond Simon
Frank White
Gus Wingfield

Members of the Staff Present:

Bill Shirron, Executive Director
Angelo Coppola, Deputy Director
Dena Dixon, Manager, Membership & Payroll
Wayne Greathouse, Associate Director/Investments
Tammy Medlock, Administrative Assistant
Hugh Roberts, Retirement Fund Investment Supervisor
Bernice Smith, Manager, Accounting
George Snyder, Chief Fiscal Officer

Others Present:

Hank Broyles, Broyles Mortgage
Jonathan Clarke, Cinven
Scott Coopridner, Holbein & Associates
Dennis Curtis, Merrill Lynch
Darrell Dover, Dover & Dixon
John Hendrix, Raytheon
Angie Herman, Lockheed

Others Present (Cont'd):

Richard Holbein, Holbein & Associates
Robert Horton, Smith Barney
Andrew Joy, Cinven
Roy Ledbetter, Highland Industrial Park
Sam Ledbetter, Legal Counsel, Highland Resources
Lisa McDaniel, Regions Trust Capital Management
James McGuire, Guest of Betty McGuire
Bobby McKee, Munder Capital
Denny O'Neal, Lockheed
Andrew Richey, ICC Capital
John Richardson, Munder Capital
Ray Savin, Raytheon
Brian Scoggins, AR Development Finance Administration
David Spaulding, Cypress Group
Rufus Wolfe, Legal Counsel, Highland Resources
Paul Tilley, Highland Resources
Leonard Venable, Office of the State Treasurer

I. Roll Call

The minutes were recorded by Tammy Medlock of the Teacher Retirement staff.

II. Adoption of Agenda

Mrs. Coleman made a motion to adopt the agenda as presented. The motion carried.

III. Minutes of August 14-15, 2000

Mrs. Parsons noted Michael Ray did not attend the meeting of November 16, 2000, as reflected in the minutes. Mr. Vondran made motion to adopt the minutes as amended. The motion carried.

IV. Next Regular Meeting Date(s)

The next regular meeting of the Board was tentatively scheduled for March 12-13, 2001.

V. Loan Requests for Highland Industrial Park

Mr. Dyer made a motion to approve both requests as presented for Highland Industrial Park; \$6,450,000 additional debt, and a new loan for \$6,500,000. The motion carried.

VI. Consultant's Report

Mr. Holbein reviewed the rate of return report card as of 12/31/00 (Preliminary) (*Attachment A*). He stated he would have a written recommendation to present at the next Investment Committee meeting for additional diversification in the portfolio. Responding to a question as to how long the system should retain Govett, Mr. Holbein stated it would be best to initiate a search when their market sector is up.

VII. Investment Program Reports

- A. Regions
- B. ICC
- C. Munder
- D. Cinven
- E. Cypress

In other Business:

Private Equity. Mr. Shirron stated he would provide the board with a list of commitments vs. draws for each private equity manager.

American Center Reception. Mr. Shirron asked board members to let him know if they were interested in attending a reception at the American Center, in Nashville, Tennessee (a recent purchase of ATRS), on Thursday, February 1. He indicated the hosts have arranged planes for transportation and will provide overnight lodging if necessary.

The meeting adjourned at 5:30 p.m.