

MINUTES

Regular Meeting Board of Trustees

November 5, 2001

The Board of Trustees of the Arkansas Teacher Retirement System met on Monday, November 5, 2001, at 8:00 a.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
Jimmie Lou Fisher
John Fortenberry
Ann Harbison
Betty McGuire
Louis Midkiff
Gus Wingfield

Members of the Board Absent:

Mary Harris
Raymond Simon
Frank White

Members of the Staff Present:

Bill Shirron, Executive Director
Angelo Coppola, Deputy Director
Tammy Medlock, Administrative Assistant
George Snyder, Chief Fiscal Officer

Others Present:

Michael Bean, Aeltus Investment Management
Robert Bowers, National Council on Teacher Retirement
Christie Bull, Aeltus Investment Management
Mark Caplinger, Summit Strategies
Bill Conrad, A.G. Edwards
Jennifer Cooper, Cooper Consultants
Stephen Cummings, Ennis Knupp + Associates
Cynthia Frick, Alliance Capital Management
Jay Gadberry, Morgan Stanley
Sal Gentile, Blackstone Mezzanine Partners
Mark Gudis, Blackstone Mezzanine Partners
Alfred Harrison, Alliance Capital Management
Bill Hazel, Eubel Brady & Suttman
Stephen Holmes, Summit Strategies

Others Present (cont'd):

Robert Horton, Salomon Smith Barney
James McGuire, Guest of Betty McGuire
Howard Perlow, Angeles Investment Advisors
Joe Rice, Alliance Capital Management
Michael Rosen, Angeles Investment Advisors
David Russell, Ennis Knupp + Associates
Johnny Taylor, Stephens, Inc.
Leonard Venable, Office of the State Treasurer

I. Roll Call

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

II. Investment Consultant Interviews

- Angeles Investment Advisors
- Ennis Knupp & Associates
- Summit Strategies

Mr. Midkiff made a motion to hire Ennis Knupp + Associates. The motion carried. Ms. Fisher made a motion to make the vote for Ennis Knupp + Associates unanimous. The motion carried unanimously.

III. Investment Program Report

Alliance Capital Management

IV. Progress Report on Activities of Policies Committee – Dr. Robert Bowers, NCTR Director of Education

Dr. Bowers summarized the concepts from which the Policies Committee is working. He reported the tentative timeframe for the committee's study as follows:

- Governance Process – October/December 2001
- Board-Staff Relationship – December 2001/February 2002
- Limitations – February/March 2002
- Ends – March/April 2002
- Wrap-up – April/May 2002
- Target Date: June 12, 2002 (annual Board seminar)

Final products of the Committee's work will be contained in four (4) documents:

- Board Policies; including Board Self-Evaluation document & Executive Director Evaluation document
- Investment Rules & Regulations
- Member Benefits Rules and Regulations
- Board Election Rules and Regulations

V. Performance Measurement – George Snyder, Chief Fiscal Officer

Mr. Snyder presented the investment performance report as of September 30, 2001, and the alternative investment report for the period June 30 - September 30, 2001. (Attachment A) By common consent, the Board requested that Mr. Snyder provide a session on alternative education at the next Board seminar in June, 2002, and provide information on the cost of trades for the next meeting.

VI. Investment Program Reports

A. Aeltus Investment Management – Christine Bull, Michael Bean

B. Eubel Brady & Suttman – Bill Hazel

C. Blackstone Mezzanine Partners – Mark Gudis, Sal Gentile

The meeting recessed at 6:00 p.m.