

Minutes

Called Meeting Arkansas Teacher Retirement System Board of Trustees

March 22, 2002

The Arkansas Teacher Retirement System Board of Trustees met in a called meeting on Friday, March 22, 2002, at 2:00 p.m. The meeting was held in Room 300, Arkansas Teacher Retirement Building, 1400 West Third, Little Rock, Arkansas.

Members of the Board Present:

Linda Parsons, Chair
Charles Vondran, Vice Chair
Hazel Coleman
Winfred Clardy
Charles Dyer
Dr. Paul Fair
John Fortenberry
Ann Harbison
Mary Harris
Louis Midkiff
Frank White
Gus Wingfield

Members of the Board Absent:

Jimmie Lou Fisher
Betty McGuire
Ray Simon

Members of the Staff Present:

Wayne Greathouse, Interim Executive Director
Tammy Medlock, Administrative Assistant
Michael S. Ray, Interim Deputy Director
Hugh Roberts, Retirement Fund Investment Advisor
Dale Walker, Investment Specialist

Others Present:

Lloyd Black, Retiree
Steven Cummings, Ennis Knupp + Associates
Darrell Dover, Dover & Dixon, P.A.
Alan Kilgore, Cornerstone Health Care
David Keil, Ennis Knupp + Associates
Jan Meyer, Flake & Kelley Management
Don Roberts, Arkansas Retired Teachers Association
David Russell, Ennis Knupp + Associates
Jeff Seibold, Ferstl Enterprises
Leonard Venable, Office of the State Treasurer
Mike Wickline, Arkansas Democrat-Gazette

I. Roll Call

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

II. Adoption of Agenda

Mr. Vondran made a motion to adopt the agenda as presented. The motion carried.

III. Ennis Knupp Contract

Mr. Wingfield made a motion to approve \$300,000 plus expenses for the first year effective January 1, 2002, and \$200,000 plus expenses the second year. The motion carried.

IV. Investment Committee Recommendations

A. Riley Properties

1. Mr. Fortenberry made a motion to accept Alan Kilgore's proposal to purchase Woodland Heights and Woodland Nursing Home (South) for \$8 million and to manage Nursing Home North for \$2,500 per month. The motion carried.
2. Mr. Fortenberry made a motion that all contracts are to be signed by Mr. Greathouse upon Mr. Ferstl's recommendation. The motion carried.
3. Mr. Fortenberry made a motion that Alan Kilgore assume management of the properties effective March 25, 2002. The motion carried.
4. Mr. White made a motion to authorize Mr. Ferstl and Mr. Greathouse to retain legal counsel to represent ATRS Recoveries LLC, and to negotiate a settlement with Mr. Holman. The motion carried. It was noted that the Dover Dixon Home PLLC would handle the closing with Mr. Kilgore, but Mr. Dover would not participate in litigation regarding the properties.
5. Mrs. Harris made a motion that Mr. Ferstl and Mr. Greathouse negotiate settlement with Mr. Holman subject to the Board's ratification. The motion carried.

By common consent, the Board agreed Mr. Roberts would instruct the bank to freeze the ATRS Recoveries account immediately. Mr. Greathouse was instructed to formally advise Mr. Holman of the Board's actions.

B. Retirement Village

By common consent, the Board agreed with the Investment Committee's recommendation to authorize Mr. Ferstl's company to list via the Internet, the retirement village property and project.

Mr. Fortenberry made a motion that ATRS refund as soon as possible those individuals who made deposits for the retirement village. The motion carried.

✓V. **Executive Director Search** (*Attachment A*)

Mr. Vondran distributed a document that lists characteristics that had been submitted by Board members as those important in the selection of an Executive Director. In addition, he distributed a draft of a position announcement based on the announcement for the Executive Director for the Arkansas Public Employees Retirement System. Mr. Vondran stated Dr. Bowers had also submitted information for consideration. A sample announcement would be presented to the Board on April 8. The Investment Committee would develop the final announcement at the next meeting April 15, 2002.

✓VI. **Execution, Acknowledgement and Delivery Resolution** (*Attachment B*)

Mr. Dyer made a motion to adopt the resolution as revised, with language added to authorize execution, acknowledgement and delivery pertaining to all ATRS limited liability corporations. The motion carried.

✓VII. **Discussion - 2002 Seminar, June 9-12, 2002**

Dr. Fair made a motion that the Oversight Committee work with Mr. Greathouse on the seminar and return the Board a recommendation. The motion carried. In addition, the Investment Consultant indicated they would work with Mr. Greathouse on an agenda for the seminar.

By common consent, it was agreed the seminar would focus on educational issues for the board and not necessitate the attendance of money managers. Educational meetings will be held in the ATRS building, and meals will be provided. Mr. Greathouse and Mr. Dover will negotiate reducing the number of rooms at the Peabody.

VIII. **Discussion – 2002 Southern Conference on Teacher Retirement**

Attendees of the Southern Conference on Teacher Retirement will depart on May 4 and return on May 9, 2002.

IX. **Executive Session**

Mr. Greathouse recommended the Board accept Mr. Snyder's rescission of termination, under the condition that he accepts a new job title, CPA-Auditor, to work in the Accounting area to clean up the audit and take on any duties assigned to him by Mr. Greathouse. Mr. Snyder will have no management authority and placed on six months probation.

Mr. Midkiff made a motion to accept Mr. Greathouse's recommendation. The motion carried.

In other business

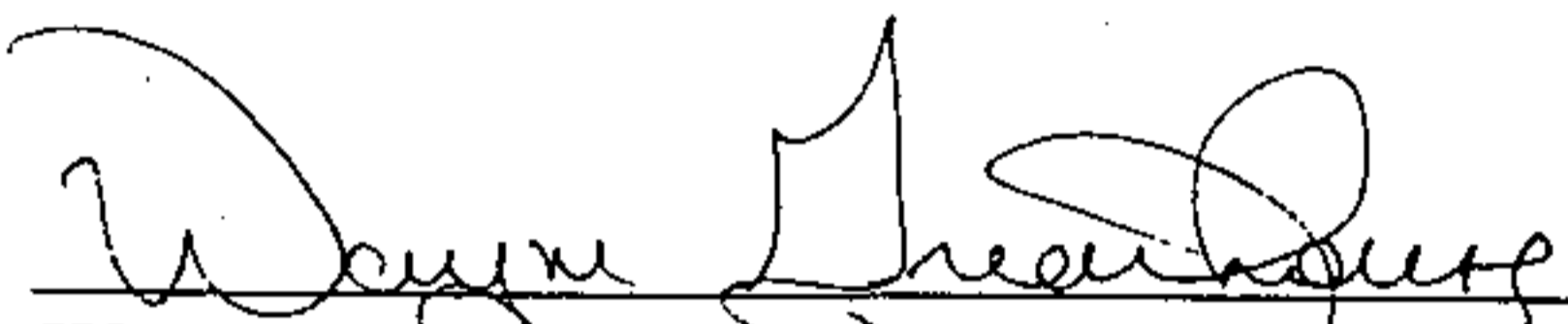
Joint Retirement Committee Meeting, March 26. Ms. Parsons and Mr. Vondran are on the agenda to address the Joint Retirement Committee at 1:30 p.m., March 26, 2002, in Room 130 of the State Capitol.

Publishing of Board Minutes. Mr. Wingfield requested the Board consider providing copies of the board minutes to presidents of Arkansas Retired Teacher Association county units. It was suggested a list of the board meeting dates, agendas and minutes could be published on the ATRS website. It was noted minutes are not considered official until approved by the Board.

As there was no further business to consider, Mr. Vondran made a motion to adjourn. The motion carried and the meeting adjourned at 4:15 p.m.



Linda Parsons, Chair



Wayne Greathouse, Interim Executive Director,
Secretary to the Board

6-12-02
Date

**Characteristics submitted as important in the selection
of an Executive Director:**

- Evidence of possession of integrity, honesty, high principles, high moral character and loyalty.
- Past work experience and advanced degree in administration and/or business. Additional certification of CPA, CMA, etc., desirable.
- Ability to communicate with various interest groups and work effectively with board members, legislators, and government officials.
- Knowledge of financial area including bonds, etc.
- Minimum of 5 years of recent experience in high-level management and financial experience with 50 to 100 employees.
- Good administrative skills including the willingness to communicate.
- Aware of the fiduciary responsibility of the retirement system.
- Understanding of financial markets and knowledge of pension plans.

POSITION ANNOUNCEMENT

**Arkansas Teacher Retirement System
Executive Director**

The Board of Trustees of the Arkansas Teacher Retirement System is accepting applications for the position of Executive Director, which will become available July 1, 2002.

Applications for this position should be submitted on or before May 17, 2002 to the following address:

Minimum Educational Requirements:

A Master Degree in Public Administration or Business Administration Related certifications in Financial Management areas are beneficial. The application package must include a resume and supporting documentation relative to job qualification.

Minimum Experience Requirements:

Five years of recent progressively more responsible professional experience, including senior-level management experience, in public sector administration and/ or business administration.

The applicant must possess excellent communication skills and have experience working with diverse groups, including consultants, managers, legal counsel, elected officials, et al.

ESSENTIAL DUTIES AND FUNCTIONS:

- Work under the overall guidance and direction of the Board of Trustees
- Perform a variety of professional executive and managerial duties relating to planning, organizing, directing and controlling the overall management functions of the organization
- Develop and promulgate, with the approval of the Board, administrative rules and policies
- Interpret and administer the provisions of state statutes
- Direct the implementation of Board policy
- Represent the organization to various public and private entities
- Through staff professionals, assure compliance with rules and regulations
- Negotiate agreements with contractors, as authorized by, and to be approved by, the Board as necessary to accomplish the organization's goals and objectives
- Inform and advise the Board on financial, economic, and legislative developments
- Analyze legislative changes and draft legislation to accomplish Board initiatives
- Administer and manage through subordinate section heads, the recruitment and selection of candidates to fill managerial and administrative vacancies

Salary is negotiable to \$97,582 commensurate with qualifications and experience.

AN EQUAL OPPORTUNITY EMPLOYER

Attachment B

RESOLUTION

BE IT RESOLVED that effective 22 day of March, 2002, *G. Wayne Greathouse*, Interim Executive Director, *Michael S. Ray*, Interim Deputy Executive Director, or *George M. Snyder*, Chief Fiscal Officer, and they each are, authorized to execute, acknowledge and deliver such agreements, documents and instruments as might be necessary or appropriate in connection with the purchase, sale, pledge, transfer of other transaction of any kind whatsoever involving any investment approved by the Arkansas Teacher Retirement System Board of Trustees or approved by the Investment Committee of said Board; and

BE IT FURTHER RESOLVED that the authorizations contained in the preceding paragraph shall apply to transactions involving ATRS Recoveries, LLC, ATRS Properties, LLC, and ATRS Retirement Properties, LLC (all of which are single member limited liability companies of which the Arkansas Teacher Retirement System is the single member) as well as to transactions in the direct name of the Arkansas Teacher Retirement System; and

BE IT FURTHER RESOLVED that the execution, acknowledgement (if appropriate) and delivery of such agreement, document or instrument by any one of these three named persons shall constitute the valid, binding and enforceable act of the Arkansas Teacher Retirement System and that no third party dealing with the System need inquire further as to the authority of such person to act for and in behalf of the System.

Linda Parsons, Chair
Arkansas Teacher Retirement System
Board of Trustees

Dated this _____ day of _____, 20 _____

Subscribed and sworn to before me this _____ day of _____, 20 _____

SEAL

My commission expires _____