

Minutes
Investment Committee
of
ARKANSAS TEACHER RETIRMENT SYSTEM
Board of Trustees

April 21, 2003

The Investment Committee of the Arkansas Teacher Retirement system met on Monday, April 21, 2003 at 1:00 p.m. The meeting was held in the ATRS Board Room, Arkansas Teacher Retirement Building, 1400 West Third Street, Little Rock, Arkansas

Members of the Committee Present:

Charles Vondran, Chair
Linda Parsons, Vice-Chair
Winfred Clardy
Dr. Paul Fair
Mary Harris
Frank White

Other Trustees Present:

John Fortenberry

Staff Present:

David R. Malone, Executive Director
Julie Cabe, Deputy Director
Wayne Greathouse, Assoc. Dir. Investments
Hugh Roberts, Investment Supervisor
Debbie White, MPA

Other Guest/s Present:

Mike Wickline, Arkansas Democrat Gazette

I. Adoption of Agenda

The Chair called the meeting to order. The Executive Director advised he would need to add a couple of items of new business to the agenda, and the meeting began. Debbie White, of the ATRS staff recorded the minutes.

II. Approval of Investment Committee Minutes of March 17, 2003.

Linda Parsons made a motion and Mary Harris seconded the motion to approve the minutes as presented. The motion passed.

III. Screening Committee Recommendations

Recommendations from the March 10, 2003 & April 11, 2003 Screening Committee Minutes were presented as attachments in the agenda booklet and briefly discussed.

IV. Cooper Management Contract

Dr. Fair made a motion to recommend to the full board that a one (1) year contract beginning on June 1, 2003 is entered into with Cooper Management for Two Financial Center. Mary Harris seconded the motion, which passed unanimously.

V. Hilton Inn Updates

The Executive Director gave a brief update on two Hilton Inn projects/proposals. He advised that a capital call had been requested on the Dallas project and that more than likely additional capital calls in the future would probably be needed. Mary Harris made the motion to approve a requested \$395,000 capital call for the Hilton Inn/Dallas project. Linda Parsons seconded the motion, which was approved. Mr. Malone advised that the Screening Committee's recommendation for the Little Rock Hilton Inn funding proposal would be to turn the proposal down.

VI. New Business

- A. The Executive Director suggested that some ATRS issues could perhaps be handled through a teleconference board meeting. The idea was briefly discussed and the consensus of the committee was one of no objections and that policy changes and details to make teleconference board meetings available should be explored.
- B. The Executive Director advised that Retirement Companies of America had submitted a bill for some expenses incurred in 2002. The Executive Director recommended paying a portion (approximately \$75,000) in order to show a good faith effort on the system's part to honor the contract, while some additional investigation can be done by ATRS staff. Dr. Fair made the motion to follow the Director's recommendation; Linda Parsons seconded the motion, which passed.
- C. A brief discussion was held regarding how the results of the election should be handled. The Executive Director advised that his intent is to release the results of all positions except the minority position, which has an extended deadline. The consensus of the committee was to follow that recommendation.

D. Mr. Malone also advised that an effort was being made to streamline the contract process. He stated that contracts would be divided into three classifications for easier consideration: 1) standard investment type contracts i.e. money managers, 2) alternatives, 3) professional service contracts i.e. management contracts. Some committee members voiced their desire that contracts be brought before the board for approval. The Executive Director stated the intent of the staff was to keep the board informed on contract issues and that contracts sent to DF & A could be rescinded within a 30-day period.

VII. Adjournment

With no other business for committee consideration, the meeting adjourned.



Debbie White, *MPA*



David R. Malone, *Executive Director*



Charles Vondran, *Chair*

5 / 19 / 03

Date Approved