

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

**Monday, April 15, 2024
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Danny Knight, Chair
Shawn Higginbotham, Vice Chair
Anita Bell
Keri Hamilton
Dr. Mike Hernandez
Michael Johnson
Bobby G. Lester
Chip Martin
Jeff Stubblefield
Susannah Marshall, Bank Commissioner
Jason Brady, designee for Hon. Dennis Milligan
Kelly Griffin, designee for Sec. Jacob Oliva
Hon. Larry Walter, State Treasurer

Board Members Absent

Kelsey Bailey
Susan Ford

Reporters Present

Mike Wickline, AR Dem Gaz

ATRS Staff Present

Mark White, Executive Director
Rod Graves, Deputy Director
Sarah C. Linam, Deputy Director
Tammy Porter, Ex. Assistant/Board Secretary
Curtis Carter, Chief Financial Officer
Dena Dixson, Int. Audit/Risk Mgmt.*
Braeden, Duke, Software Support Analyst
Vicky Fowler, Manager, Human Resources
Willie Kincade, Director of Operations
Mike Lauro, Information System Manager*
Jennifer Liwo, General Counsel
Manju, Director, Information Technology
Jerry Meyer, Manager, Real Assets
Logan Penter, Staff Attorney*
Whitney Sommers, Administrative Analyst
Leslie Ward, Manager, Private Equity
Brenda West, Internal Audit/Risk Mgmt.
Misty Yant, Manager, Accounting/Reporting*

Guest Present

Donna Morey, ARTA
Katie Comstock, Aon Hewitt Investment Cons.
Jack Dowd, Aon Hewitt Investment Consulting*
PJ Kelly, Aon Hewitt Investment Consulting *
Michael Bacine, Franklin Park
Gar Chung – FIN News*

***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. Kelsey Bailey and Ms. Susan Ford were absent.

II. Motion to Excuse Absent Board Members.

Mr. Brady *moved* to excuse Mr. Kelsey Bailey and Ms. Susan Ford from the April 15, 2024, Board Meeting. Mr. Johnson *seconded* the *motion*, and the Board *unanimously approved the motion*.

III. Adoption of Agenda.

Mr. Stubblefield *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. February 5, 2024, Minutes.

Mr. Higginbotham *moved* for *approval* of the Minutes of the Board of Trustees meeting of February 5, 2024. Ms. Bell *seconded* the *motion*, and the Board *unanimously approved the motion*.

B. April 4, 2024, Minutes.

Mr. Johnson *moved* for *approval* of the Minutes of the Board of Trustees meeting of April 4, 2024. Ms. Marshall *seconded* the *motion*, and the Board *unanimously approved the motion*.

VI. Executive Director Report. Director Mark White gave his Director's report.

VII. Legislative Audit Report – June 30, 2023. Director Mark White gave the Legislative Audit Report from June 30, 2023.

Mr. Stubblefield *moved* to *approve* the Legislative Audit Report from June 30, 2023. Mr. Brady *seconded* the *motion*, and the Board *unanimously adopted the report*.

VIII. GASB Report – June 30, 2023. Director Mark White gave the GASB Report from June 30, 2023.

Mr. Brady *moved to approve* the GASB Report from June 30, 2023. Mr. Lester *seconded the motion*, and the Board *unanimously adopted the report*.

IX. Computation of Final Average Salary.

A. Resolution 2024-15.

Mr. Martin *moved to adopt* Resolution 2024-15, for the Computation of Final Average Salary. Mr. Higginbotham *seconded the motion*, and the Board *unanimously adopted the Resolution*.

X. Clarification on the Calculation of the Lump-Sum Death Benefit.

A. Resolution 2024-16.

Mr. Higginbotham *moved to adopt* Resolution 2024-16, for clarification on the Calculation of the Lump-Sum Death Benefit. Ms. Hamilton *seconded the motion*, and the Board *unanimously adopted the resolution*.

XI. Report of Member Interest Waived under A.C.A. Section 24-7-205. .
Director White 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. This was for information only. No action as taken.

XII. Report of Employer Penalties and Interest Waived Under A.C.A. Section 24-7-411. Director White 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. This was for information only. No action was taken.

XIII. Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.

A. In Re: Employer 00219

Mr. Lester moved to approve the Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year for Employer

00219. Mr. Martin seconded the motion, and the Board unanimously approved the motion.

B. In Re: Employer 00185

Ms. Marshall moved to approve the Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year for Employer 00185. Dr. Hernandez seconded the motion, and the Board unanimously approved the motion.

XIV. Audit Committee Report. Mr. Stubblefield gave a report on the Audit Committee Meeting.

- A. Update on ATRS Board Policy 1 – Board Governance.** Mr. Mark White, Executive Director gave the Committee a report on changes to ATRS Board Policy 1 – Board Governance. This was information only and no action was taken by the Audit Committee.
- B. Internal Audit Accounts Receivable.** Ms. Dena Dixon gave the Committee the Internal Audit report on Accounts Receivable
- C. Internal Audit: Qualified Domestic Relations Order Follow-up Report.** Ms. Dena Dixon gave the Committee the Internal Audit follow up report on Qualified Domestic Relations Orders.
- D. New Internal Audit Employee.** Ms. Brenda West introduced Kevin Chadwick to the Committee. Mr. Chadwick was hired as the new employee in the Internal Audit/Risk Management Department.
- E. Evaluation of Ms. Brenda West.** Executive Director Mark White told the Committee that after discussion with Office of Personnel Management (OPM) regarding Ms. West’s retirement in June, 2024, the Committee would not be required to complete a performance evaluation for Ms. Brenda West.

Mr. Stubblefield moved to suspend the performance evaluation of Ms. Brenda West per instructions from the Office of Personnel Management, and the Board unanimously approved the motion.

XV. Investment Committee Report. Chip Martin, Chair, gave a report on the Investment Committee Meeting.

A. Arkansas Related and Investment Update.

- 1. List of Fund Closings, Board Policies Report, and ESG Oversight Committee Update.** The Investment Committee heard reports from Investment Consultants and closings and updates from staff.

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

- 1. Preliminary Performance Report for the Month Ended February 29, 2024.** P.J. Kelly and Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a Preliminary Performance Report for the month ended February 29, 2024. The report was for information purposes and no action was taken.

C. Real Assets Consultant Report. *Aon Hewitt Investment Consulting.*

- 1. Recommendation to approve for Board Adoption Resolution 2024-13 an investment of up to \$50 million dollars in Carlyle Realty Partners X, L.P.** Aon Hewitt Investment Consulting presented the Committee with the recommendation to authorize an investment of up to \$50 million dollars in Carlyle Realty Partners X, L.P.

Staff concurs with the recommendation.

Mr. Martin *moved to adopt* Resolution 2024-13, authorizing an investment of up to \$50 million dollars in Carlyle Realty Partners X, L.P., and the Board *unanimously approved the motion.*

D. Private Equity Consultant Report. *Franklin Park*

- 1. Recommendation to approve for Board adoption Resolution 2024-14, authorizing an investment of up to \$35 million dollars in Enlightenment Capital Solutions Fund V, L.P.** Michael Bacine provided the Committee with the Recommendation to approve for

Board adoption Resolution 2024-14, authorizing an investment of up to \$35 million dollars in Enlightenment Capital Solutions Fund V, L.P.

Staff concurs with the recommendation.

Mr. Martin *moved to approve* Resolution 2024-14, authorizing an investment of up to \$35 million dollars in Enlightenment Capital Solutions Fund V, L.P. Dr. Hernandez *seconded the motion* and the Board *unanimously approved the motion*.

XVI. Operations Committee Report. Bobby Lester, Chair, gave a report on the Operations Committee meeting.

A. Open Forum for potential Rule or Law Changes by Committee Members and Board Members in Attendance.

1. Open Forum. None.

B. Rule Promulgation Status Update. Jennifer Liwo, General Counsel gave the Committee a status update on the Rules Promulgation

Mr. Lester *moved to approve* Rules Promulgation as presented to the Board, and the Board *unanimously approved the motion*.

C. Update to ATRS Policy 1 - Board Governance. This was a discussion item and no action was taken.

XVII. Board of Trustees Disability Review.

A. In the Matter of Disability Review Applicant, ATRS ID#188998.

Mr. Lester *moved to approve* the Disability Order of the Medical Committee finding Disability Retiree ID#188998 unqualified to received disability benefits. Mr. Johnson *seconded the motion* and the Board *unanimously approved the motion*.

B. In the Matter of Disability Review Applicant, ATRS ID#257739.

Mr. Higginbotham *moved to approve* the Disability Order of the Medical Committee finding Disability Retiree ID#257739

unqualified to received disability benefits. Ms. Bell *seconded the motion* and the Board *unanimously approved the motion*.

C. In the Matter of Disability Review Applicant, ATRS ID#244277.

Ms. Marshall *moved to approve* the Disability Order of the Medical Committee finding Disability Retiree ID#244277 unqualified to received disability benefits. Mr. Brady *seconded the motion* and the Board *unanimously approved the motion*.

XVIII. Staff Reports.

A. Medical Committee Report. Mr. Kincade reported that a total of Thirteen (13) Disability Retirement Applications were approved.

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

XIX. Other Business: Vicky Fowler, HR Manager presented information regarding Board Evaluations

XX. Adjourn.

Mr. Brady, *moved to adjourn* the Board of Trustees meeting. Ms. Hamilton *seconded the motion* and the meeting was adjourned.

Meeting adjourned at 11:00 a.m.

Mr. Mark White
Executive Director

Mr. Danny Knight, Chair
Board of Trustees

Tammy Porter,
Recorder

Date Approved