

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

**Monday, September 30, 2024
10:45 a.m.
1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Danny Knight, Chair
Shawn Higginbotham, Vice Chair
Kelsey Bailey
Anita Bell
Susan Ford*
Dr. Mike Hernandez
Michael Johnson
Chip Martin
Jeff Stubblefield
Susannah Marshall, Bank Commissioner
Jason Brady, designee for Hon. Dennis Milligan
Kelly Griffin, designee for Sec. Jacob Oliva
Hon. Larry Walther, State Treasurer
Eric Munson, designee for Hon. Larry Walter,
State Treasurer

Board Members Absent

Bobby Lester

Reporters Present

Mike Wickline, AR Dem Gaz

ATRS Staff Present

Mark White, Executive Director
Sarah Linam, Deputy Director
Rod Graves, Deputy Director
Tammy Porter, Board Secretary
Curtis Carter, Chief Financial Officer
Kevin Chadwick, Internal Audit/Risk Mgmt.
Braeden Duke, Software Support Analyst
Willie Kincade, Director of Operations
Jennifer Liwo, General Counsel
Manju, Director, Information Systems
Jerry Meyer, Manager, Real Assets
Logan Penter, Staff Attorney*
Joe Sithong, Information Systems Coordinator*
Whitney Sommers, Administrative Analyst
Leslie Ward, Manager, Private Equity
Misty Yant, Manager, Accounting/Reporting*

Guest Present

Donna Morey, ARTA
PJ Kelly, Aon Hewitt Consulting
Katie Comstock, Aon Hewitt Consulting
Chae Hong, Aon Hewitt Consulting*
Cyril Espanol*
Darbie Harris*
Douglas Appell*
Gar Chung – FIN News*
Hannah Ross*
Jon Gilmore*
Cyril Espanol, Journalist*
Logan Timmis*
Mathews de Carvalho*
Michael Knapp*
Alfred Crooks*

***ZOOM**

I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:01 a.m. Roll call was taken. Mr. Lester was absent.

II. **Motion to Excuse Absences.**

Mr. Stubblefield moved to excuse Mr. Lester from the September 30, 2024, Meeting. Ms. Bell seconded the motion, and the Board unanimously approved the Motion.

III. **Adoption of Agenda.**

Dr. Hernandez moved for adoption of the Agenda. Mr. Martin 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. **June 3, 2024, Minutes.**

Ms. Marshall moved for approval of the Minutes of the Board of Trustees meeting of June 3, 2024. Ms. Bell seconded the motion, and the Board unanimously approved the motion.

B. **June 12, 2024, Minutes.**

Mr. Johnson moved for approval of the Minutes of the Board of Trustees meeting of June 12, 2024. Mr. Bailey seconded the motion, and the Board unanimously approved the motion.

VI. **Executive Director Report.** Director White provided with the Board with his Executive Director Report.

VII. **Report of Member Interest Waived under A.C.A. Section 24-7-205.** None

VIII. **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.

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

A. In Re: Employer 00172

Mr. Stubblefield *moved to approve* the Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year for Employer 00172. Mr. Walther *seconded the motion*, and the Board *unanimously approved the motion*.

B. In Re: Employer 00238

Mr. Higginbotham *moved to approve* the Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year for Employer 00238. Mr. Bailey *seconded the motion*, and the Board *unanimously approved the motion*.

X. Manifest Injustice.

A. In Re: MI# 2024-004

Ms. Hamilton *moved to approve* the Manifest Injustice Committee Recommendation for MI# 2024-005. Mr. Bailey *seconded the motion*, and the Board *unanimously approved the motion*.

B. In Re: MI# 2024-005

Ms. Bell *moved to approve* the Manifest Injustice Committee Recommendation for MI# 2024-006. Mr. Martin *seconded the motion*, and the Board *unanimously approved the motion*.

XI. Authorization to Pay Regular T-DROP Interest for Fiscal Year 2025.

A. Resolution 2024-30

Mr. Stubblefield *moved to adopt* Resolution 2024-30, Authorization to Pay Regular T-DROP Interest for Fiscal Year 2025. Ms. Bell *seconded the motion*, and the Board *unanimously approved the motion*.

XII. Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2025.

A. Resolution 2024-31

Mr. Higginbotham *moved to adopt* Resolution 2024-31, Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2025. Dr. Hernandez *seconded the motion*, and the Board *unanimously approved the motion*.

XIII. CBA Incentive Interest Rate on T-DROP Cash Balance Account.

A. Resolution 2024-32

Mr. Martin *moved to adopt* Resolution 2024-32, CBA Incentive Interest Rate on T-DROP Cash Balance Account. Mr. Brady *seconded the motion*, and the Board *unanimously approved the motion*.

XIV. Extension of ATRS Cash Program for Fiscal Year 2025.

A. Resolution 2024-33

Mr. Stubblefield *moved to adopt* Resolution 2024-33, Extension of ATRS Cash Program for Fiscal Year 2025. Ms. Marshall *seconded the motion*, 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.** The report was provided for reference with no questions or explanations on the written summary.
- 2. Board Policies Report.** The report was provided for reference with no questions or explanations on the written summary.
- 3. Emerging Manager Report.** The report was provided for reference with no questions or explanations on the written summary.

4. **Proxy Voting Report for Fiscal year Ended June 30, 2024.** The report was provided for reference with no questions or explanations on the written summary.
5. **Update on Board Policy 4 – Investment Policy.** The report was provided for reference with no questions or explanations on the written summary.
6. **Recommendation to approve for Board adoption Resolution 2024-27, authorizing an investment of up to \$100 million dollars in a promissory note to Green and Clean Power and associated entities.**

- a. **Resolution 2024-27.**

Mr. Martin *moved to approve* the recommendation for Board adoption of Resolution 2024-27, authorizing an investment of up to \$100 million dollars in a promissory note to Green and Clean Power and associated entities, and the Board *unanimously approved* the motion.

B. General Investment Consultant Report *Aon Hewitt Consulting*

1. **Performance Report for the Quarter Ending June 30, 2024.** Katie Comstock and P.J. Kelly of Aon Hewitt Investment Consulting provided the Committee with a Performance Report for the quarter ending June 30, 2024. The report was for information purposes and no action was taken.
2. **Preliminary Performance Report for the Month Ended August 31, 2024.** Katie Comstock and P.J. Kelly of Aon Hewitt Investment Consulting provided the Committee with a Preliminary Performance Report for the month ending August 31, 2024. The report was for information purposes and no action was taken.
3. **Recommendation to approve for Board adoption Resolution 2024-28 authorizing the full redemption of the ATRS Investment in Prophet Mortgage Servicing Opportunities LP.** PJ Kelly of Aon Hewitt Investment Consulting presented the Committee with the recommendation to authorize the full redemption of the ATRS Investment in Prophet Mortgage Servicing Opportunities LP.

Director White stated that staff concurs with the recommendation.

a. **Resolution 2024-28**

Mr. Martin *moved to approve* the recommendation for Board adoption of Resolution 2024-28, authorizing the full redemption of the ATRS Investment in Prophet Mortgage Servicing Opportunities LP, and the Board *unanimously approved* the motion.

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

1. **Performance Report for the Quarter Ended March 31, 2024.** Chae Hong of Aon Hewitt Investment Consulting gave the Committee a report on the quarter ended March 31, 2024.

D. **Private Equity Consultant Report. *Franklin Park***

1. **Private Equity Portfolio Review for the Quarter Ended March 31, 2024.** Michael Bacine gave the Committee a report on the quarter ended March 31, 2024.
3. **Recommendation to approve for Board adoption Resolution 2024-29 authorizing an investment of up to \$35 million dollars in The Veritas Capital Fund IX, L.P.**

Director White stated that staff concurs with the recommendation.

a. **Resolution 2024-29**

Mr. Martin *moved to approve* the recommendation for Board adoption of Resolution 2024-22, authorizing an investment of up to \$35 million dollars in The Veritas Capital Fund IX, L.P., and the Board *unanimously approved* the motion.

3. **Motion to approve for Board reaffirmation investment of up to \$40 million dollars in Franklin Park Venture Capital Opportunity Fund II, L.P.**

Director White stated that staff concurs with the recommendation.

Mr. Martin *moved to approve motion* authorizing up to \$40 million dollars in Franklin Park Venture Capital Opportunity Fund II, L.P., and the Board *unanimously approved* the motion.

XVI. Operations Committee Report. Dr. Hernandez, 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.

C. ATRS 2025 Legislative Package.

Dr. Hernandez *moved to approve* ATRS 2025 Legislative Package as presented to the Board, *and the the Board unanimously approved* the motion.

D. Update to ATRS Policy 2 - Board Objectives.

Dr. Hernandez *moved to approve* the update to ATRS Board Policy 2 – Board Objectives as presented to the Board, *and the Board unanimously approved the motion.*

E. Update to ATRS Board Policy 4 – Investment Policy. 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#233403.

Mr. Walther *moved to approve* the Disability Order of the Medical Committee. Mr. Stubblefield *seconded the motion* and the Board *unanimously approved the motion.*

XVIII. Staff Reports.

- A. Medical Committee Report.** Mr. Kincade reported that a total of Twenty-Five (25) Disability Retirement Applications were approved.

Ms. Marshall moved to approve the Medical Committee Report. Mr. Bailey seconded the motion and the Board unanimously approved the Motion.

- B. Contract Renewals.** Curtis Carter, Chief Financial Officer gave the Board an update on Contract Renewals.

- C. ATRS Biennial Budget Request.** Director White gave the Board an update on ATRS Biennial Budget Request.

- D. Authorization to Issue Request for Qualifications for Securities Litigation and Class Action monitoring.**

Mr. Johnson moved to approve the authorization to Issue Request for Qualifications for Securities Litigation and Class Action monitoring. Mr. Bailey seconded the motion and the Board unanimously approved the motion.

- E. Recommendation – Securities Litigation Lead Plaintiff**

Mr. Knight moved to approve the Recommendation as Lead Plaintiff in a Securities Litigation. Dr. Hernandez seconded the motion, and the Board unanimously approved the motion.

- XIX. Other Business: None**

- XX. Adjourn.**

Mr. Martin moved to adjourn the Board meeting. Mr. Bailey seconded the motion and the Board unanimously approved the motion.

Meeting adjourned at 11:50 a.m.

Mr. Mark White
Executive Director

Mr. Danny Knight, Chair
Board of Trustees

Tammy Porter,
Recorder

Date Approved