

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

February 7, 2022
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Motion to Excuse Absent Board Members.**
- III. ***Adoption of Agenda.** page 2.
- IV. Executive Summary. (Attachment No. 1) page 9.
- V. ***Approval of Prior Board Minutes.**
 - A. ***April 5, 2021, Minutes - Scrivener's Error.** (Attachment No. 2) page 29.
 - B. ***December 6, 2021, Minutes.** (Attachment No. 3) page 36.
- VI. ***Member Appeal.** *Kevin Odum, Attorney Specialist*
 - A. ***In re: Mary K. Wood, Case No. 2021-MA-002.** (Attachment No. 4) page 46.
- VII. ***Staff Empowerment.** *Clint Rhoden, Executive Director*
 - A. ***Authority to Transact Business.**
 - 1. ***Resolution 2022-01.** (Attachment No. 5) page 53.
 - B. ***Specific Powers of Executive Director.**
 - 1. ***Resolution 2022-02.** (Attachment No. 6) page 54.
 - C. ***Appointment of ATRS as Manager of LLCs.**
 - 1. ***Resolution 2022-03.** (Attachment No. 7) page 55.
- VIII. ***Authority to Reimburse Trustee Expenses for 2022.**
 - A. ***Resolution 2022-04.** (Attachment No. 8) page 56.

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- IX. ***Authorization for Board Travel and Expense Reimbursement for 2022.**
 - A. ***Resolution 2022-05.** (Attachment No. 9) page 57.

- X. ***2022-2023 Employer Contribution Rate.**
 - A. ***Resolution 2022-06.** (Attachment No. 10) page 62.

- XI. ***2022-2023 Member Contribution Rate.**
 - A. ***Resolution 2022-07.** (Attachment No. 11) page 63.

- XII. ***Surcharge Rate for Outsourced Positions.**
 - A. ***Resolution 2022-08.** (Attachment No. 12) page 64.

- XIII. ***Retirement Benefit Formula.**
 - A. ***Resolution 2022-09.** (Attachment No. 13) page 65.

- XIV. ***Board of Trustee Election Update.**
 - A. Position No. 1 and Position No. 9.
 - B. ***Selection of Election Vendor.** (Attachment No. 14) page 68.
 - 1. ***Resolution 2022-17.** (Attachment No. 15) page 69.
 - C. ***Selection of Vendor for Campaign Material.**
 - 1. ***Resolution 2022-22.** (Attachment No. 16)

- XV. ***Actuarial Valuations, June 30, 2021.**
 - A. ***Active & Inactive Members.** (Attachment No. 17) page 70.
 - B. ***Retirees & Beneficiaries.** (Attachment No. 18) page 144.

- XVI. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205.
(Attachment No. 19) page 188.

- XVII. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411.
(Attachment No. 20) page 189.

- XVIII. ***Unreported Service: Employer and Member Contributions Due.**
 - A. In Re: ATRS ID: 235667.
 - 1. ***Resolution 2022-21.** (Attachment No. 21) page 190.

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- XIX. ***Manifest Injustice Board Review.** *Clint Rhoden, Executive Director*
- A. ***In the Matter of MI Claim #2021-05.**
 - 1. ***Resolution 2022-19.** (Attachment No. 22) page 193.
 - B. ***In the Matter of MI Claim #2021-07.**
 - 1. ***Resolution 2022-20.** (Attachment No. 23) page 195.
- XX. ***Forfeiture Recommendations Pursuant to A.C.A. 24-7-734(6).** *Martha Miller, General Counsel* (Attachment No. 24) page 197.
- XXI. ***Approval of New ATRS Employer.** *Clint Rhoden, Executive Director*
- A. ***In the Matter of Economics Arkansas.** (Attachment No. 25) page 199.
 - 1. ***Resolution 2022-18.** (Attachment No. 26) page 206.
- XXII. Audit Committee Report. *Kelly Davis, Audit Committee Chair*
- A. ***Election of Committee Chair and Vice Chair.**
 - B. ***Board Policy No. 1 Revision.** (Attachment No. 27) page 209.
 - C. Internal Audit: Reciprocal Service Benefits Follow-Up Report. (Attachment No. 28) page 220.
- XXIII. Investment Committee Report.
- A. ***Election of Committee Chair and Vice Chair.**
 - B. Arkansas Related and Investment Update.
 - 1. List of Fund Closings.
 - a. Juniperus Insurance Opportunity Fund Limited, a fund that invests across insurance linked securities, including private reinsurance, reassignment of insurance risk to other carriers, catastrophe bonds, and other insurance linked investments, the Board authorized commitment of up to \$95 million dollars on September 27, 2021 was accepted and closed on December 16, 2021.
 - b. Morgan Stanley Prime Property Fund LLC, (PPF) an open end, core real estate fund focused on income producing properties, the Board authorized commitment of up to \$70 million dollars on October 18, 2021 with imminent need was accepted and closed on December 20, 2021.

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- c. RREEF Core Plus Industrial Fund L.P.(CPIF), an open end, core plus real estate fund specializing in industrial assets, the Board authorized commitment of up to \$70 million dollars on October 18, 2021 with imminent need was accepted and closed on December 29, 2021.
 - d. Bison Capital Partners VI, L.P., a private equity debt and equity fund focused on hybrid debt and equity investments in small to middle market companies, the Board authorized commitment of up to \$30 million dollars on September 27, 2021 was accepted and closed on October 23, 2021.
 - e. Franklin Park Venture Fund XIV, L.P., (formerly Franklin Park Venture Fund Series) a fund of funds managed by Franklin Park investing in venture capital private equity funds, the Board authorized commitment of up to \$30 million dollars on September 27, 2021 was accepted and closed on January 7, 2022.
 - f. Franklin Park Corporate Finance Access Fund II, L.P., a fund of funds managed by Franklin Park investing in smaller buyout, growth, and turnaround private equity funds, the Board authorized commitment of up to \$30 million dollars on September 27, 2021 was accepted and closed on January 14, 2022.
 - g. Purchase of the revenue stream generated by state of Arkansas tax credits associated with Highland Pellets, the Board authorized commitment of up to \$5,015,816 on December 6, 2021 with imminent need was accepted and closed on December 17, 2021.
 - h. Franklin Park International Fund XI, L.P., a fund of funds managed by Franklin Park investing in international private equity funds, the Board authorized commitment of up to \$30 million dollars on December 6, 2021 with imminent need was accepted and closed on January 14, 2022.
 - i. Franklin Park Venture Capital Opportunity Fund, L.P., a fund of funds managed by Franklin Park investing in later stage private equity funds, the Board authorized commitment of up to \$30 million dollars on December 6, 2021 with imminent need was accepted and closed on January 7, 2022.
2. ***Recommendation to approve for Board adoption Resolution 2022-10 authorizing the purchase of the revenue stream generated by state of Arkansas tax credits associated with Big River Steel with Imminent Need.** (Attachment No. 29) page 231.
- a. ***Resolution 2022-10.** (Attachment No. 30) page 238.

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- C. General Investment Consultant.
 - 1. Preliminary Performance Report for the Quarter Ending December 31, 2021. (Attachment No. 31) page 240.
 - 2. ***Recommendation to approve for Board adoption Resolution 2022-11 authorizing an investment of up to \$50 million dollars in Silver Point Capital Fund LP. with Imminent Need.** (Attachment No. 32) page 362.
 - a. ***Resolution 2022-11.** (Attachment No. 33) page 376.
- D. Real Asset Consultant Report.
 - 1. Performance Report for the Quarter Ending September 30, 2021. (Attachment No. 34) page 378.
- E. Private Equity Consultant Report.
 - 1. Private Equity Portfolio Review for the Quarter Ending September 30, 2021. (Attachment No. 35) page 431.
 - 2. ***Recommendation to approve for Board adoption Resolution 2022-12 authorizing an investment of up to \$30 million dollars in SK Capital Partners VI, L.P. with Imminent Need.** (Attachment No. 36) page 485.
 - a. ***Resolution No. 2022-12.** (Attachment No. 37) page 489.
 - 3. ***Recommendation to approve for Board adoption Resolution 2022-13 authorizing an investment of up to \$15 million dollars in Thoma Bravo Fund XV, L.P. with Imminent Need.** (Attachment No. 38) page 491.
 - a. ***Resolution No. 2022-13.** (Attachment No. 39) page 495.
 - 4. ***Recommendation to approve for Board adoption Resolution 2022-14 authorizing an investment of up to \$15 million dollars in Thoma Bravo Discover Fund IV, L.P. with Imminent Need.** (Attachment No. 40) page 497.
 - a. ***Resolution No. 2022-14.** (Attachment No. 41) page 501.
 - 5. ***Recommendation to approve for Board adoption Resolution 2022-15 authorizing an investment of up to \$15 million dollars in Thoma Bravo Explore Fund II, L.P. with Imminent Need.** (Attachment No. 42) page 503.
 - a. ***Resolution 2022-15.** (Attachment No. 43) page 507.

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6. ***Recommendation to approve for Board adoption Resolution 2022-16 authorizing an additional investment of up to \$30 million dollars in Franklin Park Corporate Finance Access Fund II, L.P. with Imminent Need.** (Attachment No. 44) page 509.
 - a. ***Resolution No. 2022-16.** (Attachment No. 45) page 518.

XXIV. Operations Committee Report.

- A. ***Election of Committee Chair and Vice Chair.**
- B. Open Forum for Potential Rule and Law Changes by Committee Members and Board Members in Attendance.
 1. Open Forum.
- C. ***Approval of Rules after Public Comment Period.**
 1. Approval of Rules after Public Comment Period.
 - a. ***Rule 4 Election of Board of Trustees.** (Attachment No. 46) page 520.
 - b. ***Rule 6 Membership Rules.** (Attachment No. 47) page 537.
 - c. ***Rule 7 Reporting and Eligibility.** (Attachment No. 48) page 571.
 - d. ***Rule 8 Purchases and Refunds.** (Attachment No. 49) page 594.
 - e. ***Rule 9 Retirement Benefits.** (Attachment No. 50) page 617.
 - f. ***Rule 10 T-DROP and Return to Service.** (Attachment No. 51) page 656.
 - g. ***Rule 11 Survivors and Domestic Relations Orders.** (Attachment No. 52) page 675.

XXV. ***Board of Trustees Disability Review.**

- A. ***Group Order - Approved - DR-2022-02-A.** (Attachment No. 53) page 699.

XXVI. ***Staff Reports.**

- A. ***Medical Committee Report.** *Willie Kincade, Director of Operations* (Attachment No. 54) page 701.
- B. ***Personnel Report.** *Vicky Fowler, Human Resources Director* (Attachment No. 55) page 703.

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- C. ***Direct Investment Consultant RFP/RFQ Discussion.** *Rod Graves, Deputy Director*

XXVII. Other Business.

XXVIII. ***Adjourn.**