

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

**Monday, June 6, 2022
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Danny Knight, Chair
Lloyd Black, Vice Chair*
Anita Bell
Kelly Davis
Dr. Mike Hernandez
Shawn Higginbotham
Michael Johnson
Bobby Lester
Chip Martin
Amanda Webb
Susannah Marshall, Bank Commissioner
Jason Brady, designee for Hon. Dennis Milligan

Board Members Absent

Kathy Clayton.
Johnny Key, Secretary, Dept of Ed.
Hon. Andrea Lea, State Auditor

Reporters Present

Mike Wickline, AR Dem Gaz.

ATRS Staff Present

Clint Rhoden, Executive Director
Rod Graves, Deputy Director
Curtis Carter, Chief Financial Officer
Dena Dixson, Internal Audit/Risk Mgmt.
Braeden Duke, Software Specialist
Willie Kincade, Director of Operations
Jennifer Liwo, Attorney Specialist*
Martha Miller, General Counsel*
Joe Sithong, Information Tech Coordinator*
Whitney Sommers, Admin. Analyst
Leslie Ward, Manager, Private Equity*
Brenda West, Internal Audit/Risk Mgmt.*
Misty Yant, Manager, Reporting*

Guest Present

Katie Comstock, Aon Hewitt (AHIC)*
PJ Kelly, Aon Hewitt (AHIC)
Michael Bacine, Franklin Park
Donna Morey, ARTA*
Gar Chung, FIN-News*
Kevin Baload – Journalist, With.Intelligence*
Amy Fecher*
Susan Ford
Jeff Stubblefield

**via ZOOM*

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:08 a.m. Roll call was taken. Ms. Clayton, Mr. Key and Auditor Lea were absent.

- II. **Motion to Excuse Absent Board Members.**

Mr. Lester *moved to excuse Ms. Clayton, Mr. Key and Auditor Lea from the June 6, 2022, Board Meeting. Ms. Bell seconded the motion, and the Board unanimously approved the motion.*

III. Adoption of Agenda.

Mr. Brady *moved for adoption of the Agenda. Mr. Higginbotham 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. April 4, 2022, Minutes

Ms. Marshall *moved for approval of the Minutes of the Board of Trustees meeting of April 4, 2022. Ms. Davis seconded the motion, and the Board unanimously approved the motion.*

B. May 9, 2022, Minutes.

Mr. Lester *moved for approval of the Minutes of the Board of Trustees meeting of May 9, 2022. Ms. Davis seconded the motion, and the Board unanimously approved the motion.*

VI. 2022 Board of Trustee Election Results.

A. Resolution 2022-30.

Mr. Higginbotham *moved to approve adoption of Resolution 2022-30, certification of the 2022 Board of Trustee Election Results. Ms. Bell seconded the motion, and the Board unanimously adopted the Resolution.*

VII. Report of Member Interest Waived Under A. C. A. Section 24-7-205. Mr. Rhoden 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. No member interest was waived for this reporting period.

VIII. Report of Employer Interest and Penalties Waived Under A. C. A. Sec. 24-7-411. Mr. Rhoden 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. Twenty-one (21) employer penalties and interest amounts were waived for this reporting period in the amount of \$9,201.48.

IX. Legislative Audit Report, June 20, 2021 Official Review.

Dr. Hernandez moved for approval of the Legislative Audit Report, June 20, 2021 Official Review. Mr. Lester seconded the motion, and the Board unanimously approved the motion.

X. GASB Report After Legislative Audit Review.

Mr. Higginbotham moved for approval of the GASB Report After Legislative Audit Review. Ms. Davis seconded the motion, and the Board unanimously approved the motion.

XI. Unreported Service – Employer Contributions Due.

A. In Re: ATRS ID: 294677

1. Resolution 2022-34.

Mr. Higginbotham moved to approve adoption of Resolution 2022-34, approving the waiver of interest due on contributions for unreported service. Mr. Martin seconded the motion, and the Board unanimously adopted the Resolution.

XIII. Audit Committee Report. Ms. Kelly Davis, Vice Chair, gave a report on the Audit Committee Meeting.

A. Internal Audit Follow-up Report: Lump Sum Death Benefit. Ms. Dena Dixson presented the report to the Committee.

B. Internal Audit Follow-up Report: Membership. Ms. Dena Dixson presented the report to the Committee.

- C. 2022-2023 Audit Plan.** Ms. Brenda West and Ms. Dena Dixon presented the Committee with the 2022-2023 Audit Plan. Mr. Quattlebaum, Chair, asked for additional information be added to the 2022-2023 Audit Plan.

1. Audit Plan for 2023.

Ms. Davis moved to approve the Audit Plan for 2023. The Board unanimously approved the motion.

- XIV. Investment Committee Report.** Mr. Chip Martin, Chair, gave a report on the Investment Committee meeting.

A. Arkansas Related and Investment Update.

- 1. List of Fund Closings.** Rod Graves, Deputy Director, gave an update on recent investment activity and Board Policies Report.

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

- 1. Preliminary Performance Report for the Quarter Ending March 31, 2022.** Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a preliminary portfolio update for the quarter ending March 31, 2022.

- 2. Preliminary Performance Report for the Month Ending April 30, 2022.** Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a preliminary performance report for the month ending April 30, 2022

- 3. Asset Liability Study.** Phil Kivarkis of Aon Hewitt Investment Consulting presented the Committee and Board Members present with the Asset Liability Study.

C. Private Equity Consultant Report. *Franklin Park*

- 1. Private Equity Portfolio Review for the Quarter Ending December 31, 2021.** Mr. Michael Bacine of Franklin Park provided the Committee with the Private Equity Portfolio Review for the Quarter Ending December 31, 2021.

2. **Recommendation to approve for Board adoption Resolution 2022-31, authorizing an Investment of up to \$30 million dollars in BVIP Fund XI, L.P**

Staff concurs with the recommendation.

Mr. Martin *moved to approve* adoption of Resolution 2022-31, authorizing an Investment of up to \$30 million dollars in BVIP Fund XI, L.P. The Board *unanimously approved the motion.*

D. Real Assets Consultant Report.

1. **Performance Report for the Quarter Ending December 31, 2021.** Chae Hong Aon Hewitt Investment Consulting provided the Committee with a performance report for the quarter ending December 31, 2021.
2. **Recommendation to approve for Board adoption Resolution 2022-32, authorizing an investment of up to \$75 million dollars in Blackstone Real Estate Partners X L.P. (BREP X).**

Staff concurs with the recommendation.

Mr. Martin *moved to approve* adoption of Resolution 2022-32 authorizing an investment of up to \$75 million dollars in Blackstone Real Estate Partners X L.P. (BREP X). The Board *unanimously approved the motion.*

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

A. Open Forum for Potential Rule and Law Changes by Committee Members and Board Members Presents.

1. **Open Forum.** None.

B. Rules Promulgation Status Update. Ms. Jennifer Liwo gave the Committee a report that the final Rules recently promulgated were effective May 20, 2022.

- C. Calculation of Lump Sum Death Benefit.** Director Rhoden gave the Committee a recommendation on calculation of the LSDB.

Mr. Lester *moved to approve* Resolution 2022-33, Clarification on the Calculation of the Lump Sum Death Benefit. The Board *unanimously approved the motion.*

- D. Proposed Legislation for 2023.** Director Rhoden presented the Committee with the proposed legislation for 2023. This was not an action item.

XVI. Staff Reports

- A. Medical Committee Report.** Mr. Kincade reported that a total of Eleven (11) Disability Retirement Applications were approved.

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

XVII. Other Business: None.

- XVIII. Adjourn.** With no other business, Mr. Danny Knight, Chair adjourned the meeting.

Meeting adjourned at 11:33 p.m.

Clint Rhoden,
Executive Director

Mr. Danny Knight, Chair
Board of Trustees

Tammy Porter,
Recorder

Date Approved