

ARKANSAS TEACHER RETIREMENT SYSTEM BOARD OF TRUSTEES

Minutes of Special Meeting May 5, 2005

The Board of Trustees of the Arkansas Teacher Retirement System held a special meeting by conference call at 4:00 p.m. on Thursday, May 5, 2005.

Members of the Board Present:

John Fortenberry, Vice Chair
Monty Betts
Hazel Coleman
Lawrence Colston
Charles Dyer
Dr. Paul Fair
Betty McGuire
Robin Nichols

Members of the Board Absent:

Robert H. "Bunny" Adcock
Winfred Clardy
Dr. T. Kenneth James
Linda Parsons, Chair
Ellen Terry
Gus Wingfield
Jim Wood

Staff Present:

David Malone, Director
JoAnn Carroll, Management Project Analyst

I. Call to Order

Vice Chair John Fortenberry called the meeting to order at 4:01 p.m., roll was called, and a quorum was declared.

2. Hazel Coleman moved approval of **Resolution No. 2005-16** (*Attachment No. 1*) to set the Employer contribution rate for fiscal year 2005-2006 at 14%, Betty McGuire seconded, and the Board unanimously concurred.
3. Charles Dyer moved approval of **Resolution No. 2005-17** (*Attachment No. 2*) to set the Executive Director's salary for fiscal year 2005-2006, Robin Nichols seconded, and the Board unanimously approved the motion.
4. David Malone advised that legislation passed in the 2003 2nd Extraordinary Session regarding the eligibility of active members who have previously elected to be non-contributory to make irrevocable elections to make future contributions to the retirement system is set to go into effect July 1, 2005. Mr. Malone further advised that a request for a revenue ruling on the treatment of such contributions has been submitted to the Internal Revenue Service but a final ruling has not been issued and he requested the Board to delegate to him the authority to take appropriate action and give appropriate notice to the affected active members.

Mr. Dyer moved approval of **Resolution No. 2005-18** (*Attachment No. 3*), Ms. McGuire seconded, and the Board unanimously approved the motion.

4. With no other items on the agenda, Dr. Fair moved approval to adjourn the meeting, Ms. McGuire seconded, and the Board unanimously approved the motion. The meeting adjourned at 4:07 p.m.

JoAnn Carroll, Recorder

David Malone, Executive Director

John Fortenberry, Board Vice Chair

Date Approved

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**RESOLUTION
No. 2005-16**

WHEREAS, A.C.A. §§24-2-701(c) and 24-7-401(c) authorize the Board of Trustees of the Teacher Retirement System to establish the employer contribution rate paid into the System prospectively for each year; and

WHEREAS, A.C.A. §24-2-701(c) and 24-7-401(c) dictate that the rate shall be set by the Board following consultation with its actuary based on the annual actuarial valuation and that the rate shall be based on the actuary's determination of the rate required to fund the plan in accordance with the financial objectives set forth in A.C.A. §24-2-701(a) and §24-7-401(a); and

WHEREAS, Act 1968 of 2005 limits the Board's authority to set employer contribution rates to the fiscal years ending June 30, 2006, and June 30, 2007; and

WHEREAS, A.C.A. §24-2-701(c) and 24-7-401(c) as amended by Act 1968 of 2005 provide that, for the fiscal year ending June 30, 2006, the employer contribution rate shall not exceed fourteen percent; and

WHEREAS, the Board desires to set the employer contribution rate for the fiscal year July 1, 2005 - June 30, 2006, based on the actuary's determination of the rate required to fund the plan in accordance with these financial objectives and in accordance with the legislative restrictions.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the actuary's valuation report as of June 30, 2004, and hereby sets the employer contribution rate for the fiscal year beginning July 1, 2005, at fourteen percent (14%).

Adopted this 5th day of May, 2005

LINDA PARSONS, *Chair*
Arkansas Teacher Retirement System Board

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third
Little Rock, Arkansas 72201**

**R E S O L U T I O N
No. 2005-17**

BE IT RESOLVED, that, pursuant to Board policy, the Board of Trustees of the Arkansas Teacher Retirement System approves increasing the Executive Director's salary to the line item maximum of \$130,424.00 established by the Arkansas General Assembly for fiscal year 2005-2006, effective July 1, 2005.

Adopted this 5th day of May, 2005

LINDA PARSONS, *Chair*
Arkansas Teacher Retirement System Board

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third
Little Rock, Arkansas 72201**

**R E S O L U T I O N
No. 2005-18**

WHEREAS, Acts 23 and 47 of the 2nd Extraordinary Session of 2003, as amended by Act 385 of 2005 (A.C.A. § 24-7-406(f)(5)) provide that, subject to a determination by the Board, effective July 1, 2005, and each July 1 thereafter, active members who have previously elected to eliminate member contributions may make an irrevocable election to make future contributions to the retirement system; and

WHEREAS, A.C.A. § 24-7-406(f)(5)(C) further provides that if the Board determines that a member's contributions may not be treated as employer contributions under the Internal Revenue Code or Income Tax Act of 1929, § 26-51-101 et seq., the Board may exclude such member's participation; and

WHEREAS, a request for a revenue ruling on the treatment of such contributions was submitted to the Internal Revenue Service on August 3, 2004; and

WHEREAS, such revenue ruling has not yet been received but may be restricted to members employed by certain employers; and

WHEREAS, timely action by ATRS will be necessary upon receipt of the Internal Revenue Service's response to the revenue ruling request.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees pursuant to its authority under A.C.A. § 24-7-303(c) delegates its authority to the Executive Director to take appropriate action and give appropriate notice concerning the eligibility of active members who have previously elected to be non-contributory to make irrevocable elections to make future contributions to the retirement system.

Adopted this 5th day of May, 2005

LINDA PARSONS, *Chair*
Arkansas Teacher Retirement System Board