

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

**Thursday, June 13, 2013
8:00 a.m.
1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Dr. Richard Abernathy, Chair
Jeff Stubblefield, Vice Chair*
Lloyd Black
David Cauldwell*
Kathy Clayton
Hazel Coleman*
Candace Franks*
Wes Goodner, designee for Honorable
Charles Robinson
Peggy Gram, designee for Honorable Charlie
Daniels*
Dr. Tom Kimbrell*
Bobby Lester
Donna Morey
Robin Nichols
Janelle Riddle
Honorable Charles Robinson**

**via teleconference*

ATRS Staff Present

George Hopkins, Executive Director
Gail Bolden, Deputy Director
Shane Benbrook, Internal Audit/Risk Mgmt
Laura Gilson, General Counsel
Amy Glavin, Administrative Assistant
Wayne Greathouse, Dir. Public Markets
Manju, Dir. Data Processing
Tammy Porter, Paralegal
Gaye Swaim, Operations Administrator
Brenda West, Internal Audit/Risk Mgmt

Guests Present

Chris Caldwell, Div. of Legislative Audit*
Lawrence Colston, Ex Trustee
KaTina Hodge, Attorney General's Office

Reporters Present

Mike Wickline, Arkansas Democrat Gazette

- I. **Call to Order/Roll Call.** Dr. Abernathy, Chair, called the Board of Trustees meeting to order at 8:00 A.m. Roll call was taken. All members were present.

**The Honorable Charles Robinson attended the meeting, but did not cast votes. His designee, Wes Goodner, voted for that position.

- II. **Adoption of Agenda.**

Ms. Nichols moved for adoption of the Agenda. Ms. Morey seconded the motion and the Board unanimously approved the motion.

III. **Election Challenge for Position #4.**

A. **Ms. Janelle Riddle's Challenge.** Dr. Abernathy presented Ms. Riddle's challenge to the run-off election results for Position #4. Ms. Riddle filed her challenge on June 7, 2013.

1. **Challenge Letter Dated June 7, 2013, via Fax.** In the first challenge letter, Ms. Riddle submitted two claims. The first claim was that the election vendor, VR Election Services, certified the election results on June 4, 2013, not June 5, 2013. The second claim was based on a prior email dated May 28, 2013, that Ms. Riddle sent to the Board stating that the election vendor released preliminary election results, made a final count of the ballots prior to the close of the election, certified those early election results, and released the election certification on or before May 28, 2013, to individuals associated with ATRS.
2. **Challenge Letter Dated June 10, 2013, with Addendum via Fax.** The second challenge letter sent by Ms. Riddle did not provide any further claims and served to update her previous challenge to the election. In the letter addendum, Ms. Riddle stated that additional information had been provided to the Division of Legislative Audit (DLA).

Dr. Abernathy stated that he had spoken with DLA about any additional information that had been sent to them regarding Ms. Riddle's claims. He was told that DLA had received information, but that information was not to be added to the report at this time.

B. **Executive Director Recommendation.** Dr. Abernathy presented the administrative record of the run-off election and the Executive Director's recommendation.

1. **Administrative Record.** The administrative record contained all correspondence regarding the run-off election and challenge. Affidavits were provided by Karl Koelker, Election Director of VR Election Services, and Mr. Lloyd Black, a trustee who was named in Ms. Riddle's challenge.
2. **Executive Director Written Recommendation.** The Executive Director's recommendation proposed dismissal of the first and second claims.

The first claim stated that the election results were certified on June 4, 2013, instead of June 5, 2013. The specific rule in ATRS Rules and Regulations, 4-2-2 II H., states that "upon the completion of the run-off election, results shall be certified by the election vendor to the system by June 5." The last day for the election votes to be counted was June 3,

2013. VR Election Services is located in Texas and, as has been the practice, certified the election results electronically on June 4, 2013, so that ATRS could receive the hard copy results by June 5, 2013, via overnight delivery. The Executive Director established that the electronic results were a correct and unaltered copy of the original document. The election vendor properly complied with the certification of the results and did not send the results too early to ATRS. The challenge that ATRS received certified results too early was unsubstantiated.

The second claim stated that VR Election Services released preliminary election results on May 28, 2013, before the close of the run-off election on June 3, 2013. A basis for Ms. Riddle's claim that the election results were released early was the fact that on or about May 28, 2013, Mr. Lloyd Black sent Ms. Riddle an email concerning the election. Per Mr. Black's affidavit, he has been a Trustee since 2010, three years less than Ms. Riddle. Mr. Black has sat beside Ms. Riddle at the ATRS Board Meetings and knew that she was running for Position #4. Mr. Black stated he also understood that Ms. Riddle was in the far northwest corner of her district and that the bulk of the voters in the district were in south Arkansas where Ms. Kathy Clayton, the other person in the runoff, lived and worked. Mr. Black stated that he always assumed that Ms. Riddle would have a difficult time in the election due to where Ms. Riddle lived as compared to where Ms. Clayton lived. Mr. Black said, based on his experience, he expected Ms. Clayton would win the election and that Ms. Riddle would lose. On Friday, May 31, 2013, Mr. Black came to the ATRS offices to inform ATRS staff that he was the source of the information to Ms. Riddle about the election. He said his mistake about the election being over and that she had already lost was what had made Ms. Riddle believe the election results had been counted early, certified, and revealed to certain parties.

Extensive investigation by ATRS staff, the Executive Director, and the Division of Legislative Audit found no evidence of any person outside of VR Election services possessing, knowing, or obtaining any information about the votes cast in the run-off election prior to June 4, 2013. The challenge that ATRS received election results prior to the election close date was unsubstantiated.

IV. **Board Consideration and Decision on the Challenge.**

Mr. Knight *moved to uphold* the election results for Position #4 and to dismiss Ms. Riddle's challenges to the election. Ms. Nichols *seconded the motion*, and the Board *approved the motion by majority vote*. Ms. Riddle voted no.

V. **Determination of Challenge and Declaration of Duly Elected Trustee.**

A. **Resolution 2013-23.**

Mr. Stubblefield *moved to adopt* Resolution 2013-23, declaring Ms. Kathy Clayton to be the winner of Position #4. Mr. Knight *seconded the motion*, and the Board *adopted the resolution by majority vote*. Ms. Riddle voted no.

VI. **Other Business.**

VIII. **Adjourn.**

Mr. Knight *moved to adjourn* the Board of Trustees Meeting. Mr. Lester *seconded the motion*, and the Board *unanimously approved the motion*.

Meeting adjourned at 8:14 a.m.

George Hopkins,
Executive Director

Dr. Richard Abernathy, Chair
Board of Trustees

Amy Glavin,
Recorder

Date Approved