

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

**Monday, April 6, 2020**

**10:00 a.m.**

**1400 West Third Street  
Little Rock, AR 72201**

**ATTENDEES**

**Board Members Present**

Danny Knight, Chair  
Dr. Richard Abernathy, Vice Chair\*  
Anita Bell\*  
Lloyd Black\*  
Kathy Clayton\*  
Kelly Davis\*  
Shawn Higginbotham \*  
Bobby Lester\*  
Chip Martin \*  
Robin Nichols\*  
Janet Watson\*  
Candace Franks, Bank Commissioner\*  
Hon Andrea Lea, State Auditor\*  
Jason Brady, designee for Hon. Dennis Milligan\*

**Board Members Absent**

Johnny Key, Cabinet Secretary of Department of Education

**Reporters Present**

Mike Wickline, Ark. Democrat Gazette

**ATRS Staff Present**

Clint Rhoden, Executive Director  
Rod Graves, Deputy Director\*  
Tammy Porter, Ex. Assistant/Board Secretary  
Curtis Carter, Chief Financial Officer  
Willie Kincade, Assoc. Director of Operations  
Mike Lauro, Information System Manager  
Manju, Director of Information Technology\*  
Martha Miller, General Counsel\*  
Kevin Odum, Attorney Specialist\*  
Brenda West, Internal Audit/Risk Mgmt.\*

**Guest Present**

PJ Kelly, AHIC (Aon Hewitt)\*  
Katie Comstock, AHIC (Aon Hewitt)\*  
Michael Bacine, Franklin Park\*  
Donna Morey, ARTA\*

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 10:01 a.m. Roll call was taken. Mr. Johnny Key was absent
  
- II. **Adoption of Agenda.**

***Ms. Nichols moved for adoption of the Agenda. Mr. Brady seconded the motion, and the Board unanimously approved the motion.***

**III. Executive Summary.** The Executive Summary was provided for reference with no questions or expansions on the written summary.

**IV. Approval of Prior Meeting Minutes.**

**A. February 3, 2020 Minutes**

**Ms. Bell moved for approval of the Minutes of the Board of Trustees meeting of February 3, 2020. Ms. Watson seconded the motion, and the Board unanimously approved the motion.**

**B. March 9, 2020 Minutes.**

**Mr. Martin moved for approval of the Minutes of the Board of Trustees meeting of March 9, 2020. Dr. Abernathy seconded the motion, and the Board unanimously approved the motion.**

**V. 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 this reporting period.

**VI. 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. Two (2) employer penalties and interest were waived for this reporting period in the amount of \$48.90. This is a standard report for information and is not an action item.

**VII. Legislative Audit Report June 30, 2019 Official Review.** Mr. Clint Rhoden, Executive Director, presented the Board with the Legislative Audit Report for June 30, 2019-Official Review for review and approval by the Board.

**Mr. Lester moved for approval of the Legislative Audit Report, June 30, 2019-Official Review. Dr. Abernathy seconded the motion, and the Board unanimously approved the motion.**

**VIII. GASB Report after Legislative Audit Review.** Mr. Curtis Carter, Chief Financial Officer, presenting the Board with the GASB Report after Legislative Audit Review for review and approval by the Board.

**Mr. Lester moved for approval of the GASB Report after Legislative Audit Review. Ms. Nichols seconded the motion, and the Board unanimously approved the motion.**

- IX. Adoption of Number of Years for Calculating Final Average Salary pursuant to A.C.A. 24-7-736(c)(1).** Director Rhoden presented the Board with a proposal for Adoption of Number of Years for Calculating Final Average Salary.

**Mr. Higginbotham moved for adoption of Resolution 2020-10, Adoption of Number of Years for Calculating Final Average Salary pursuant to A.C.A. 24-7-736(c)(1). Dr. Abernathy seconded the motion, and the Board unanimously adopted the Resolution.**

- X. Investment Committee Report.** Robin Nichols, Chair, gave a report on the Investment Committee meeting.

**A. Arkansas Related and Investment Update.** Rod Graves, Deputy Director, gave the Committee a report on Arkansas Related and Investment Update

**B. General Investment Consultant Report.**

- 1. Preliminary Performance Report for the Month Ending February 29, 2020.** PJ Kelly and Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a preliminary performance report for the month ending February 29, 2020.
- 2. Market Update March 2020.** P.J. Kelly and Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a market update for March 2020.
- 3. Recommendation to Redeem in Full the ATRS Investments in the Three Allianz Structured Alpha Funds.** P.J. Kelly of Aon Hewitt Investment Consulting presented the Committee with the recommendation to redeem in full the ATRS Investments in the Three Allianz Structured Alpha Funds.

ATRS staff concurs with the recommendation.

**Ms. Nichols moved to adopt Resolution 2020-14, to Redeem ATRS assets in the AllianzGI Structured**

**Alpha U.S. Equity 250, LLC. The Board *unanimously adopted the Resolution.***

**Ms. Nichols *moved to adopt* Resolution 2020-16, to Redeem ATRS assets in the AllianzGI Structured Alpha U.S. Equity 500, LLC The Board *unanimously adopted the Resolution.***

**Ms. Nichols *moved to adopt* Resolution 2020-15, to Redeem ATRS assets in the AllianzGI Structured Alpha U.S. Equity 350, LLC. The Board *unanimously adopted the Resolution.***

**C. Private Equity Consultant Report.**

1. **Recommendation to Commit up to \$35 Million Dollars in GCG Investors V, L.P., a Mezzanine Fund Focused on Investments in both Debt and Equity Securities in the Small and Lower Middle Market with Imminent Need.** Michael Bacine provided the Committee with the recommendation to Commit up to \$35 Million Dollars in GCG Investors V, L.P., a Mezzanine Fund Focused on Investments in both Debt and Equity Securities in the Small and Lower Middle Market with Imminent Need.

ATRS staff concurs with the recommendation.

**Ms. Nichols *moved to adopt* Resolution 2020-11, to Commit up to \$35 Million Dollars in GCG Investors V, L.P., a Mezzanine Fund Focused on Investments in both Debt and Equity Securities in the Small and Lower Middle Market with Imminent Need. The Board *unanimously adopted the Resolution.***

2. **Recommendation to Commit up to \$20 Million Dollars in Thoma Bravo Discover Fund III, L.P., a Buyout Fund Focused on U.S. Investments with a Specialization in Software Companies with Imminent Need.** Michael Bacine provided the Committee with the recommendation to commit up to \$20 Million Dollars in Thoma Bravo Discover Fund III, L.P., a Buyout Fund Focused on U.S. Investments with a Specialization in Software Companies with Imminent Need.

ATRS staff concurs with the recommendation.

**Ms. Nichols moved to adopt Resolution 2020-12, to Commit up to \$20 Million Dollars in Thoma Bravo Discover Fund III, L.P., a Buyout Fund Focused on U.S. Investments with a Specialization in Software Companies with Imminent Need. The Board unanimously adopted the Resolution.**

3. **Recommendation to Commit up to \$20 Million Dollars in Thoma Bravo Fund XIV, L.P., a Private Equity Buyout Fund that Invests in Larger Market Software Companies with Imminent Need.** Michael Bacine provided the Committee with the recommendation to commit up to \$20 Million Dollars in Thoma Bravo Fund XIV, L.P., a Private Equity Buyout Fund that Invests in Larger Market Software Companies with Imminent Need.

ATRS staff concurs with the recommendation.

**Ms. Nichols moved to adopt Resolution 2020-13, to Commit up to \$20 Million Dollars in Thoma Bravo Fund XIV, L.P., a Private Equity Buyout Fund that Invests in Larger Market Software Companies with Imminent Need. The Board unanimously adopted the Resolution.**

## XI. Staff Reports.

- A. **Medical Committee Report.** Mr. Kincade reported that a total of Eight (8) Disability Retirement Applications were approved.

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

- XII. **Other Business:** Chairman Knight discussed giving Director Rhoden authority to waive some minor discrepancies this year in the deadline for retirement applications for the months of March, April and May if people miss the deadline because of COVID-19. Director Rhoden will take them up on an individual basis. He will also provide the Board with a full report of the waiver deadlines.

**Dr. Abernathy *moved for approval* to allow the Executive Director discretion in waiving minor discrepancies this year in the deadline for retirement applications, let him take them up on an individual basis and deal with them on an individual basis, and have him provide the Board with a full report of the waivers of deadlines. Mr. Black *seconded the motion*, and the Board *unanimously approved the motion*.**

**XIII. Adjourn.**

**Mr. Lester *moved to adjourn* the Board Meeting. Dr. Abernathy *seconded the motion*, and the Board *unanimously approved the motion*.**

**Meeting adjourned at 10:38 a.m.**

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Clint Rhoden,  
Executive Director

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Mr. Danny Knight, Chair  
Board of Trustees

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Tammy Porter,  
Recorder

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Date Approved