

ARKANSAS TEACHER RETIREMENT SYSTEM BOARD OF TRUSTEES

MINUTES October 2, 2006

The Arkansas Teacher Retirement System Board of Trustees held a regular meeting at 1:30 p.m., on Monday, October 2, 2006, in the Board Room of the ATRS Building at 1400 West Third Street in Little Rock, Arkansas.

Members of the Board Present:

John Fortenberry, *Chair*
Robin Nichols, *Vice Chair*
Dr. Richard Abernathy
Robert H. "Bunny" Adcock Jr.
Monty Betts
Hazel Coleman
Lawrence Colston
Dr. Paul Fair
Beverly Leming
Linda Parsons
Ellen Terry

Staff Present:

David Malone, *Executive Director*
Julie Cabe, *Deputy Director*
Christa Clark, *Attorney Specialist*
Kim Kight, *MPA*
Katherine Corcoran

Members of the Board Absent:

Dr. T. Kenneth James
Gus Wingfield
Jim Wood

Others Present:

Rob Moritz, *Stephens Media*
Bobby Lester, *ARTA*
Mike Wickline, *AR Democrat-Gazette*
Betty McGuire, *former Board member*
Jim McGuire
Ken G. McRae, *McRae Mortgage & Investments*
Charles D. Knight, *Watson Chapel Schools*
Ivy Lincoln, *Watson Chapel Schools*
Charles Harwell, *Attorney*
George Mullens
P. J. Kelly, *Ennis Knupp*

I. Call to Order

John Fortenberry, Board Chair, called the meeting to order at 1:30 p.m., with a quorum present. He announced that following the Board meeting the Investment Committee would reconvene to complete its business.

II. Roll Call

The Board noted that a quorum was present and that Dr. T. Kenneth James, Gus Wingfield, and Jim Wood were absent.

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III. Public Comment on Agenda Items

There were no comments to report.

IV. Adoption of Agenda

Mr. Fortenberry announced the addition of **Resolution 2006-26 - Recognition of Winfred Clardy** to the agenda. Hazel Coleman moved adoption of the agenda including the addition, Ellen Terry seconded, and the motion passed unanimously.

V. Recognition of Winfred Clardy – Resolution 2006-26.

Upon the motion of Linda Parsons, the ATRS Board unanimously adopted **Resolution No. 2006-26 (Attachment No. 1)** recognizing the long service of Wilfred Clardy to the Arkansas Teacher Retirement System. The Board maintained a moment of silence in his memory.

VI. Approval of Minutes

Minutes - June 5, 2006: Dr. Paul Fair moved approval of the minutes of June 5, 2006, as amended to show Beverly Leming absent. Ms. Coleman seconded and the motion passed unanimously.

Minutes – June 6, 2006: Linda Parsons moved approval of the minutes of June 6, 2006, as amended to show Beverly Leming present. Dr. Fair seconded and the motion passed unanimously.

Minutes – August 28, 2006: Ms. Terry moved approval of the minutes of August 28, 2006, Ms. Leming seconded, and the motion passed unanimously.

Minutes – September 11, 2006: Motion to approve the minutes made by Monty Betts, seconded by Ms. Leming, and passed unanimously.

VII. Appeals

Mr. C. [REDACTED] D. K. [REDACTED] – Petition for Declaratory Order

The Board of Trustees reviewed the Petition for Declaratory Order and ATRS Response to the Petition, including the administrative record for C. [REDACTED] D. K. [REDACTED] as it relates to his petition. C. [REDACTED] D. K. [REDACTED] appeared at the meeting with his attorney Ivy Lincoln. Mr. K. [REDACTED] requested in his petition that, among other things, Rule 9 of ATRS Policy 10-3 be repealed and that Rule 9 of Policy 10-3 be otherwise amended to exclude the ten (10) year limit on the payment of interest to C. [REDACTED] D. K. [REDACTED] T-DROP account.

After reviewing the petition, ATRS response, administrative record, and hearing argument from counsel for petitioner and ATRS legal counsel, the Board of Trustees voted on a motion to deny the petition and all relief requested by C. D. based on the ATRS Response to the petition and arguments made therein. The Board of Trustees cast seven (7) votes in favor of denying the petition and three (3) votes in opposition. (See **Resolution No. 27** – Attachment No. 2).

Mr. G. H. M. – Appeal of Denial of Survivor Annuity

Mr. Charles Harwell, attorney for G. H. M., requested on behalf of Mr. M. that he be awarded the 100% survivor annuity on his deceased wife's ATRS account under Arkansas Code § 24-7-706(d)(1). The Board of Trustees reviewed the ATRS staff decision denying Mr. survivor annuity under Ark. Code § 24-7-706(d)(1) which was based on his failure to submit the Change of Annuity Option form within the time limits prescribed in Arkansas Code § 24-7-706(d)(1)(B)(3).

After reviewing the appeal, the ATRS response to the appeal, the administrative record, and hearing oral argument from appellant and ATRS legal counsel, a motion was made by Ms. Parsons to affirm the ATRS staff decision denying the 100% survivor annuity under Arkansas Code § 24-7-706(d). Ms. Coleman seconded the motion, which passed with a vote of eight for and two against with one member not voting. (See **Resolution No. 28** – Attachment No. 3.)

VIII. Adjournment

Mr. Fortenberry declared the meeting adjourned at 2:40 p.m., after announcing that the Investment Committee would reconvene following a ten-minute break.

Katherine Corcoran, Recorder

David Malone, Executive Director

John Fortenberry, Chair

Date Approved

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

**RESOLUTION
No. 2006-26**

In respectful memory of Winfred S. Clardy, and in recognition of his many contributions to the Arkansas Teacher Retirement System and the teachers of Arkansas:

WHEREAS, Winfred S. Clardy, born October 5, 1926, served in many capacities with the Arkansas Teacher Retirement System including Teacher Retirement Administrator 1976 – 1980, Assistant Director 1980 – 1983; Deputy Director 1983 – 1986; and Executive Director 1986 - 1988; and

WHEREAS, Winfred S. Clardy, following his retirement, provided invaluable service to the active and retired teachers of Arkansas by serving as a member of the Board of Trustees of the Arkansas Teacher Retirement System from 1992 – 2006 as an elected retirant trustee; and

WHEREAS, Winfred S. Clardy devoted his lifetime to education in one capacity or another, earning the highest respect and admiration of his colleagues; and

WHEREAS, Winfred S. Clardy's knowledge, experience, tireless involvement, leadership, and vision will be sorely missed;

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Arkansas Teacher Retirement System that:

This Resolution is adopted in respectful memory of Winfred S. Clardy's many contributions to the Arkansas Teacher Retirement System and the State of Arkansas.

BE IT FURTHER RESOLVED that upon adoption of this Resolution, a copy shall be transmitted to his wife, Frances, and the other members of his family as an expression of sincere sympathy on behalf of the entire Board of Trustees of the Arkansas Teacher Retirement System.

Adopted this 3rd day of October 2006

**JOHN FORTENBERRY, Chair
Arkansas Teacher Retirement System**

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

RESOLUTION
No. 2006-27

WHEREAS, the Arkansas Teacher Retirement System heard the Petition for Declaratory Order filed by ATRS retiree, C█████ D. K█████ on October 2, 2006;

WHEREAS, C█████ D. K█████ requested in his Petition that, among other things, Rule 9 of ATRS Policy No. 10-3 be repealed;

WHEREAS, C█████ D. K█████ requested through his attorney at the meeting that Rule 9 of Policy No. 10-3 be otherwise amended to exclude the ten (10) year limit on the payment of interest to C█████ D. K█████ T-DROP account;

NOW, THEREFORE, BE IT RESOLVED, That, after reviewing the Petition, ATRS Response, administrative record, and hearing argument from counsel for Petitioner and ATRS legal counsel, the Board of Trustees denied the Petition and all relief requested by C█████ D. K█████ based on the ATRS Response to the Petition and arguments made therein.

FURTHER RESOLVED, That the Board of Trustees cast seven (7) votes in favor of denying the Petition, and three (3) votes were cast in opposition.

FURTHER RESOLVED, That the ATRS Staff informed C█████ D. K█████ of the outcome of the vote via telephone, and no request was made for a rehearing by the Petitioner.

Adopted this 2nd day of October 2006.

JOHN FORTENBERRY, Chair
Arkansas Teacher Retirement System

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RESOLUTION
No. 2006-28

WHEREAS, the Arkansas Teacher Retirement System Board of Trustees heard the appeal of G [REDACTED] M [REDACTED] on October 2, 2006;

WHEREAS, G [REDACTED] M [REDACTED] requested in his appeal to be awarded the 100% survivor annuity on his deceased wife's ATRS account under Arkansas Code § 24-7-706(d)(1);

WHEREAS, the Board of Trustees reviewed the ATRS staff decision denying Mr. [REDACTED] survivor annuity under Ark. Code § 24-7-706(d)(1), which was based on his failure to submit the Change of Annuity Option form within the time limits prescribed in Arkansas Code § 24-7-706(d)(1)(B)(3);

NOW, THEREFORE, BE IT RESOLVED, That, after reviewing the Appeal, the ATRS Response to the Appeal, the administrative record, and hearing oral argument from Appellant and ATRS 's legal counsel, the Board of Trustees affirmed the ATRS staff decision denying the 100% survivor annuity to G [REDACTED] M [REDACTED] under Arkansas Code § 24-7-706(d);

Adopted this 2nd day of October 2006.

JOHN FORTENBERRY, *Chair*
Arkansas Teacher Retirement System