

**ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES**

**MINUTES
February 13, 2007**

The Arkansas Teacher Retirement System Board of Trustees held a regular meeting on Tuesday, February 13, 2007, 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 (Bunny) Adcock, Jr.
Monty Betts
Hazel Coleman
Lawrence Colston
Dr. Paul Fair
Linda Parsons
Martha Shoffner
Ellen Terry
Jim Wood

Others Present

Paul Doane, *Executive Director-Elect*
Bobby Lester, *ARTA*
Lloyd Black, *ARTA*
Linda Nell-Colston
Mary Purselley, *ARTS*

Members of the Board Absent

Dr. T. Kenneth James
Beverly Leming

Staff Present

Julie Cabe, *Interim Executive Director*
Gail Bolden, *Interim Deputy Director*
Wayne Greathouse, *Deputy Director*
George Snyder, *Internal Auditor*
Christa Clark, *Staff Attorney*
Mullahalli Manjunath, *DP Manager*
Michael Ray, *Manager, Member Services*
Suzanne Davenport, *Interim Associate
Director/Fiscal Affairs*
Judy Brown, *Retiree Payroll Supervisor*
Nona Comer, *Reporting Supervisor*
Donna Hobbs, *Personnel Manager*
Mindy Looney, *B&C Supervisor*
Willana Prince, *Retirement Manager*
Hugh Roberts, *ARTS Real Estate*

I. Call to Order/Roll Call

John Fortenberry called the meeting to order at 9:31 a.m. The absences of Dr. James and Ms. Leming were noted and excused.

II. 2007 Board Travel Reimbursement

Robin Nichols moved adoption of **Resolution No. 2007-01** (*Attached*) authorizing reimbursement of approved travel expenses for members of the Board of Trustees during 2007, including those incurred in 2007 prior to the adoption of **Resolution No. 2007-01**. Dr. Richard Abernathy seconded the motion, which was unanimously adopted by the Board.

III. Legislative Committee Report

Ms. Cabe reported that the sponsor of SB 142 (Setting the Employer Contribution Rate) had informed her that the bill could not pass with a 14.5% rate and recommended that SB 142 be amended to set the rate at 14%. Hazel Coleman moved support of amending SB 142 to set the employer contribution rate at 14%, and Jim Wood seconded. After discussion, Ms. Coleman withdrew her motion, and Mr. Woods his second.

Linda Parsons moved that the Board support the original SB 142, as the 14.5% employer rate was the recommendation of the ATRS actuaries to bring the System below the 30-year amortization level. Dr. Fair seconded, but after more discussion, both withdrew the motion and the second.

The Board then agreed on a position of standing by SB 142 with an employer rate of 14.5% while acknowledging that the bill may have to be amended to 14%.

On other legislation, Ms. Cabe reported that SB 80 (Contributory/ Noncontributory) and SB 166 (Technical Corrections) had been sent to the Governor. SB 78 (ATRS Appropriation), which includes nine new positions for ATRS, was still in the Personnel Committee. The rest of the ATRS bills are awaiting actuarial reports.

HB 1190, the ATRS earnings limitation bill, is one of several introduced during the session and the only one supported by the System. Ms. Cabe hopes that proposed legislation dealing with the issue of earnings limitation will be referred to a legislative committee for in-depth study during the biennium to see if there is a way to eliminate the earnings limitations without cost to ATRS.

IV. Staff Reports

A. Medical Reports

Michael Ray presented the medical reports for December 2006 and January 2007, and Ms. Nichols moved approval of the reports. Mr. Colston seconded, and the Board unanimously supported the motion.

B. No other staff reports required action.

V. Interim Executive Director Comments

Ms. Cabe reported that the 2007 Board elections include one contested election and two without opposition. Ms. Nichols in Position #1 and Janelle Riddle in Position #3, currently held by Mr. Colston who did not file for reelection, have no opposition and, according to Board policy, will be declared elected by the Board. For Position #10 (Retirant Trustee), Bobby Lester, Executive Director of the Arkansas Retired Teachers Association, and Betty McGuire, a former Member Trustee on the Board, are running for the position. The winner of this election will serve out the unexpired term in Position #10 until June 30, 2011.

Ms. Cabe also announced that Robin Nichols had been appointed a member of the Legislative Committee of the National Council on Teacher Retirement.

VI. Adjournment

Following a brief Executive Session at 10:55 a.m., in which no action was taken, Mr. Fortenberry adjourned the meeting at 11:00 a.m.

Katherine Corcoran, *Recorder*

Julie Cabe, *Interim Executive Director*

John Fortenberry, *Board Chair*

Date Approved

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

**RESOLUTION
No. 2007-01**

WHEREAS, Act 1211 of 1995 (A.C.A. § 25-16-901 *et seq.*) provides that every state board may, by a majority vote of the total membership of the board cast during its first regularly scheduled meeting of each calendar year, authorize expense reimbursement for each board member for performing official board duties. Such reimbursement cannot exceed the rate established for state employees by state travel regulations.

WHEREAS, because Act 1211 of 1995 is the sole authority for expense reimbursement for members of the Board of Trustees of the Arkansas Teacher Retirement System, it is necessary for the Board to adopt a resolution authorizing expense reimbursements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Arkansas Teacher Retirement System, by a majority vote of its total membership, authorizes expense reimbursement for each board member for performing official board duties during the calendar year 2007.

FURTHER RESOLVED, that the expense reimbursement shall not exceed the rate established for state employees by state travel regulations and shall be in compliance with the attached Addendum A to this Resolution, adopted by this Board on February 15, 2005, and amended February 7, 2006, to reflect changes in state travel regulations.

FURTHER RESOLVED, that Board members who live in the Little Rock area (excluding ex officio trustees) may be reimbursed for mileage and meal expenses incurred while performing official board duties in Little Rock at a rate not exceeding the rate established for state employees.

FURTHER RESOLVED, that the adoption of this resolution authorizes reimbursement for any such expenses including those incurred in 2007 prior to the adoption of this resolution.

FURTHER RESOLVED, that each Board member shall be reimbursed for no more than three (3) out-of-state retirement-related conferences for calendar year 2007.

Adopted this 13th day of February 2007

JOHN FORTENBERRY, *Chair*
Arkansas Teacher Retirement System

Addendum A
Resolution 2007-00

The following regulations have been adopted to provide guidance to board members and employees of the Arkansas Teacher Retirement System (ATRS).

For purposes of these rules, the following definitions shall apply:

1. "Official Station" shall be:
 - (a) For board members, the city or town in which a board member has a permanent address.
 - (b) For employees, the city or town of the employee's actual location of work.
2. Travel expenses will be reimbursed when board members or employees are required to travel away from their official station on ATRS business. Minimization of expenses while traveling should be the same, as a prudent person would exercise if traveling on personal business.
3. A Travel Reimbursement Form (TR-1) must be verified and signed by the traveler, accompanied by the proper receipts, and duly signed by the Executive Director, or designee, before reimbursement may be processed.
4. All travel reimbursement requests, whether for in-state or out-of-state travel, shall adhere to the reimbursement rates listed in the Federal Travel Directory. Cities not identified or located in listed counties have a Standard rate of \$60 per day for lodging and \$36 per day for meals. Current rates can be found on the Federal General Services Administration Website:
http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=1794tcontentType=GSA_BASIC
5. Reimbursement may be claimed for actual expenses only, and must not exceed the Federal Directory maximums. In-state meals will not be reimbursed without overnight lodging. There are no exceptions to the maximum meal rates.
6. Exceptions to lodging maximums may be allowed only with good justification, i.e., when conference hotel rates exceed area maximums, and staying elsewhere would incur transportation charges. The Executive Director, or designee, must approve all requests for exceptions prior to incurring the expense.
7. Private vehicle mileage is reimbursable at the current rate per mile authorized by the Arkansas Department of Finance and Administration. If a

- traveler's personal vehicle is used for transportation to and from the airport, a mileage reimbursement may be requested.
8. Reimbursable travel expenses are limited to those expenses authorized and essential to conducting official ATRS business. Telephone, Internet access, and telegraph expenses shall be allowed only when necessary for the completion of official business. Incidental amounts not directly related to travel (such as postage, small emergency supplies, etc.) may be allowed, when necessary, if incurred during the performance of official business while traveling. These necessary incidental expenses shall be itemized on the TR-1 form with receipts attached.
 9. If one-way travel exceeds 400 miles from the traveler's official station, reimbursement may be requested for no more than one day prior to, and/or after, the official start/end of an approved conference/convention.
 10. Travelers shall not be reimbursed for the purchase of alcoholic beverages, entertainment, tips, flowers, valet service, laundry, cleaning, printing items, or other discretionary purchases.
 11. Travel expenses shall not be billed to ATRS by a third-party except for lodging, meals, and air transportation, duly approved in advance by the Executive Director.
 12. Travel may be achieved by plane, train, bus, private- or system-owned vehicle, rented vehicle, or taxi, whichever method serves the requirements of ATRS most economically and advantageously. The maximum allowable mileage will be computed by the shortest major highway route. Flights resulting in the lowest available airfare for ATRS should be used for all business trips, unless there are extenuating circumstances, such as unreasonable arrival/departure times or unusually long layovers.
 13. When common carriers (airplane, train, or bus) are needed to transport persons on ATRS business, ATRS will make the travel arrangements, if possible, in order for the system to be billed direct. If this is not possible, the traveler may make and pay for arrangements and request reimbursement. Items that are properly purchased by, and invoiced directly to ATRS, are not reimbursable to the traveler.
 14. For out-of-state travel, reimbursement shall be the lesser of coach class air, or the current rate per mile authorized by the Arkansas Department of Finance and Administration.
 15. If more than one traveler is transported in the same vehicle, only the owner can claim a mileage reimbursement.

16. When attending out-of-state conferences, travelers should choose the most economical mode of transportation between airports and hotels, i.e., rental car, shuttle, or taxi. Consideration must be given to mileage, fuel and parking fees when selecting a rental. If a rental car is obtained, and two (2) or more board members or employees travel to the same location, rentals should be shared, if possible.

17. Board members and employees of ATRS shall be reimbursed for their own travel expenses only. Board members and employees shall not be reimbursed for expenses incurred by their spouse or guest.