

**MINUTES  
 ARKANSAS TEACHER RETIREMENT SYSTEM  
 BOARD of TRUSTEES MEETING  
 1400 West Third Street  
 Little Rock, AR 72201**

**Monday, December 8, 2008  
 1:00 p.m.**

<b>ATTENDEES</b>	
<b>Board Members Present</b>	<b>Staff</b>
Dr. Richard Abernathy, Chairman	Gail Bolden, Interim Executive Dir.
Monty Betts	Christa Clark, Chief Legal Counsel
Hazel Coleman, Vice Chair	Suzanne Davenport, Chief Financial Officer
Dr. Paul Fair	Kim Godfrey, Deputy Legal Counsel
John Fortenberry	Markay Grimmett, Investments
Candace Franks	Michael Ray, Dir. Member Services
Steve Kelly as Designee for Ken James	Hugh Roberts, Dir. Real Estate
Jim Wood	Gaye Swaim, Dir. Human Resources
Beverly Leming	Jane Toledo, Secretary
Bobby Lester	George Snyder, Risk Management/Internal Audit
Robin Nichols	Leslie Ward, Dir. Private Equity
Linda Parsons	
Janelle Riddle	<b>Guests</b>
Martha Shoffner	<b>Department of Legislative Audit</b>
	Bob Berry
<b>Board Members Absent</b>	Traci Boyd
None	Jon Moore
	Brenda West
<b>Guests</b>	<b>Ennis Knupp</b>
Bryant Cranford, Rose Law Firm	Heather Christopher
Robert Garcia, JP Morgan	PJ Kelly
Erika Gee, AG's Office	Joseph Marzano
Laura Gilson, BLR	Christian Reel
George Hopkins	<b>Gabriel Roeder &amp; Co</b>
Richard Hutchinson, AAEA	Judy Kermans
Danny Knight	Brian Murphy
Mike Mertens, AAEA	<b>Franklin Park</b>
Estella Smith, BLR	Michael Bacine
Steve Singleton, ARTA	
	<b>Reporters Present</b>
	Mike Wickline, AR Democrat Gazette

- I. **Call to Order/Roll Call.** Chair, Dr. Abernathy, called the Board of Trustees meeting to order at 1:00 p.m. Roll call was taken and all members were present.

II. **Adoption of Agenda.**

Chair, Dr. Abernathy, requested one item added to the Agenda as Item IX 14. "Revised Investment Guidelines for Oppenheimer Capital."

**THE MOTION FOR ADOPTION OF THE AMENDED AGENDA WAS MADE BY MS. COLEMAN, SECONDED BY MR. LESTER, AND UNANIMOUSLY APPROVED BY THE BOARD.**

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

- IV. **Update on Executive Director Search.** On December 2, 2008 the Board of Trustees voted to hire Mr. George Hopkins as the new Executive Director of Arkansas Teacher Retirement System. Mr. Hopkins will assume his responsibilities on Monday, December 29, 2008.

V. **Proposed 2009 Board of Trustees Schedule.**

**THE MOTION FOR APPROVAL OF THE 2009 BOARD OF TRUSTEES MEETING SCHEDULE WAS MADE BY DR. FAIR, SECONDED BY MS. RIDDLE, AND UNANIMOUSLY APPROVED BY THE BOARD.**

VI. **Approval of Minutes:**

- A. **Board of Trustees Meeting of October 6, 2008.**
- B. **Board of Trustees Meeting of October 20, 2008.**
- C. **Board of Trustees Meeting of October 30, 2008.**

**THE MOTION FOR APPROVAL OF THE BOARD OF TRUSTEES MINUTES OF OCTOBER 6<sup>TH</sup>, OCTOBER 20<sup>TH</sup>, AND OCTOBER 30<sup>TH</sup>, 2008 WAS MADE BY MS. LEMING, SECONDED, BY MS. NICHOLS, AND UNANIMOUSLY APPROVED BY THE BOARD.**

VII. **IRS Determination Letter and Fiduciary Update.**

ATRS' Special Tax Counsel, Bryant Cranford of the Rose Law Firm, and ATRS Chief Legal Counsel, Christa Clark, discussed final recommendations

to pursue the IRS Determination Letter during Cycle C which closes in February 2009. The Board previously authorized staff to issue an RFQ for a law firm to perform a “voluntary compliance” audit on our §401(a) status (to be tax exempt and have tax deferred income to ATRS retirees) and to assist with legislative changes affecting compliance in 2009. Due to time constraints and the cost savings to ATRS, by using a firm familiar with ATRS’ plan, staff recommends utilizing the Rose Law Firm to conduct the compliance audit under the existing retainer contract. It is the recommendation of ATRS Staff to voluntarily file for an IRS Determination Letter and receive the incentives of a 50% reduction in filing fees and any penalties that may be assessed.

THE MOTION TO VOLUNTARILY SUBMIT TO AN IRS DETERMINATION LETTER WAS MADE BY MR. FAIR, SECONDED BY MS. RIDDLE.

Ms. Leming requested Dr. Fair agree to modify the motion to include “and to utilize the Rose Law Firm to conduct the compliance audit” without objection. Dr. Fair’s motion was amended to read as follows:

**THE MOTION TO VOLUNTARILY SUBMIT TO AN IRS DETERMINATION LETTER, AND TO UTILIZE THE ROSE LAW FIRM, TO CONDUCT THE COMPLIANCE AUDIT WAS MADE BY MR. FAIR, SECONDED BY MS. RIDDLE, AND UNANIMOUSLY APPROVED BY THE BOARD.**

#### **VIII. Preliminary Actuarial Valuation.**

Judy Kermans and Brian Murphy of Gabriel, Roeder, Smith and Co. presented the Annual Actuarial Valuation of Active and Inactive Members for the year ending June 30, 2008 performing forecasting using various investment rates of return to project unfunded liabilities of the System. The staff recommends the Board vote to adopt the actuary’s report.

*The Board requested that the ATRS website be updated to notify members that there will be no benefit reductions and that ATRS did not lose any money in the securities lending program.*

**THE MOTION TO ADOPT THE GABRIEL ROEDER SMITH & CO’S ANNUAL ACTUARIAL VALUATION OF ACTIVE AND INACTIVE MEMBERS FOR THE YEAR ENDING JUNE 30, 2008 WAS MADE BY MS. LEMING, SECONDED BY MS. NICHOLS, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**IX. Committee Reports:**

**A. Audit Committee.** George Snyder, Chief Risk Management and Internal Audit, updated the Board on items being addressed by ATRS' Audit Committee including conducting interviews of actuaries, a report of the Department of Legislative Audit (DLA) findings for the 2007 Fiscal Year, DLA is currently reviewing the proposed travel policies with recommendations pending to the Policy/Legislative Committee and has expressed their willingness to be a resource and work closely with ATRS Staff and the Audit Committee with these items.

**1. Minutes of the Audit Committee Meeting of October 1, 2008.** The Audit Committee Minutes of the October 1, 2008 meeting were provided for reference with no questions or expansions on the written summary.

**2. Approval of Updated Organization Chart.**

The Audit Committee, in the October 1, 2008, meeting, approved the recommendation of an indirect line of communication to the Board for the Legal Division and the Risk Management Division, as internal departments who are independent from the operations of ATRS without fear of retribution.

*The Board recommended that the Organizational Chart be reviewed by the Policy/Legislative Committee for additional study, review and recommendations/changes to encompass a broader level of communication throughout the Agency to the Board; that the Organizational Chart be incorporated as part of ATRS' Policies, Rules and Regulations manual; and then resubmit to the Board for final approval.*

**THE MOTION TO ADOPT THE UPDATED ORGANIZATION CHART, AS PRESENTED BY THE AUDIT COMMITTEE, WAS MADE BY MS. NICHOLS, SECONDED BY MS. RIDDLE, AND PASSED WITH ONE NAY VOTE BY MS. COLEMAN.**

*The Board also requested that NCTR's Whistle Blower Policy provided to staff be reviewed by the Policy/Legislative Committee, Audit Committee and Legal and be resubmitted to the Board for final approval.*

**THE MOTION TO RECOMMEND THAT THE ORGANIZATIONAL CHART AND NCTR'S WHISTLE BLOWER POLICY BE STUDIED BY THE POLICY / LEGISLATIVE COMMITTEE, AUDIT COMMITTEE AND LEGAL FOR RECOMMENDATIONS TO CLARIFY AN OVERALL ENCOMPASSING APPROACH TO THE DELEGATION OF RESPONSIBILITIES THROUGHOUT THE MAJOR DIVISIONS OF THE AGENCY FOR CLARIFICATION OF THE OVERALL OPERATIONAL AND GOVERNANCE PROCEDURES WAS MADE BY DR. FAIR, SECONDED BY MR. LESTER, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**B. Investment Committee.**

1. **Minutes of the Investment Committee Meeting of October 6, 2008.** The Investment Committee Minutes of the October 6, 2008 meeting were provided for reference with no questions or expansions on the written summary.

2. **October Portfolio Performance Report and Market Update.**

Joe Marzano and P.J. Kelly of Ennis Knupp reviewed the October Portfolio Performance Report and recent market trends that occurred through November 2008. October has been the worst month in equity markets over the past 20 year in the market mostly due to recessionary fears, rising unemployment and a decline in personal consumption, and reduction of the Federal Fund Rate. The Total Global Equity investments/ transition over the past year has benefited the portfolio. The market has seen a flight to the dollar, which has appreciated this year, and also improved performance of Government Bonds. Mr. Marzano also reviewed ATRS' current asset allocation.

3. **Report of RFP/Master Custodian Search and Recommendation.**

P.J. Kelly of Ennis Knupp made this presentation to the Investment Committee, including Board Members, earlier today and therefore the following motion was made:

**THE MOTION TO HAVE ENNIS KNUPP AND STAFF MOVE FORWARD WITH AN RFP SEARCH FOR A MASTER CUSTODIAN, WAS MADE BY MS. LEMING, SECONDED BY**

**MS. NICHOLS, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**4. Approval of Real Estate Pacing Schedule for 2009.**

Heather Christopher of Ennis Knupp presented the 2009 Pacing Schedule for the Real Estate Investment Program to the Board of Trustees. The pacing schedule dictates the overall commitment level to new real estate investments for the 2009 calendar year and investments that should be targeted in 2009 for the program, including a target allocation of 10% for real estate.

**THE MOTION TO ADOPT THE REAL ESTATE PACING SCHEDULE FOR 2009 WAS MADE BY MS. LEMING, SECONDED BY MS. COLEMAN, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**5. Discussion of RFP Search for Real Estate/Direct Investment Account Manger for Arkansas Properties.**

Heather Christopher of Ennis Knupp presented details of the RFP Search for a Real Estate/Direct Investment Account Manager for Arkansas Properties to the Board members. Consultant, ATRS staff and the Investment Committee recommend that the Board approve a national RFP search in January, for a manager to come in and serve as an asset manager for the Arkansas Property Portfolio. This would allow more efficient use of ATRS staff time to refocus their actions and time on other system related investments and activities and add another layer of separation and fiduciary responsibility to another entity outside of the System. An analysis of the final candidates will be presented to the Investment Committee and Board of Trustees at a future meeting.

**THE MOTION TO HAVE CONSULTANT ENNIS KNUPP PERFORM AN RFP SEARCH FOR A REAL ESTATE/DIRECT INVESTMENTS ACCOUNT MANAGER FOR ARKANSAS PROPERTIES WAS MADE BY MS. LEMING, SECONDED BY MS. PARSONS, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**6. Revised Real Estate Investment Guidelines.**

Heather Christopher of Ennis Knupp presented the details of the Revised Real Estate Investment Guidelines to the Board, noting grammatical corrections, including a revision history, scope, allocation and benchmark changes. Consultant, ATRS staff and the Investment Committee recommend that the Board adopt the Revised Real Estate Investment Guidelines.

**THE MOTION TO ADOPT THE REVISED REAL ESTATE INVESTMENT GUIDELINES WAS MADE BY MS. LEMING, SECONDED BY MS. RIDDLE, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**7. Private Equity Market Update.**

Leslie Ward, Director of Private Equity and Michael Bacine of Franklin Park discussed the status of the private equity markets and trends affecting the Private Equity portfolio. The ATRS Private Equity Portfolio performance numbers will be presented at the next scheduled Board meeting.

**8. Approval of 2009 Private Equity Commitment/Pacing Schedule.**

Michael Bacine of Franklin Park reviewed the recommended commitment levels and pacing schedule for the ATRS Private Equity program for 2009, including a Historical Performance and a summary of current market dislocations, near term impacts, summary recommendations, and commitment pacing analysis. Mr. Bacine also reviewed the private equity commitments and pacing schedule of 2008.

The pacing schedule sets the total amount of the ATRS commitment to the private equity asset class for 2009 and the recommended types of investments to be targeted in the program. Consultant, ATRS Staff and the Investment Committee recommend adoption of the 2009 Private Equity Commitment of \$230M and the Pacing Schedule.

**THE MOTION TO ADOPT RESOLUTION NO. 2008-50, TO APPROVE THE 2009 PRIVATE EQUITY COMMITMENT OF \$230M AND THE 2009 PRIVATE EQUITY PACING SCHEDULE WAS MADE BY MS. LEMING, SECONDED BY**

**MS. NICHOLS, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**9. Recommendation of \$50M Investment in Insight Equity II / Insight Mezzanine I Fund.**

Michael Bacine of Franklin Park presented a potential new Private Equity commitment to the Insight Equity Fund II and its accompanying Mezzanine Fund I. The ATRS commitment at the \$50M will complete ATRS' 2008 allocation to private equity. Consultant, ATRS staff and the Investment Committee recommend approval of *up to* a \$50M investment in Insight Equity Fund II/Mezzanine Fund I, allocating ½ of the total commitment between the Equity II and Mezzanine I funds.

**THE MOTION TO ADOPT RESOLUTION NO. 2008-65, TO MAKE AN INVESTMENT OF UP TO \$50M IN THE INSIGHT EQUITY II / INSIGHT MEZZANINE I FUND, WAS MADE BY MS. LEMING, SECONDED BY MS. COLEMAN, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**10. Recommendation of up to \$25M Investment in Franklin Park Venture Vehicle for 2009.**

Michael Bacine of Franklin Park presented the proposal to invest *up to* \$25M in the Franklin Park Venture Vehicle for 2009. The Franklin Park Venture Fund is co-mingled and provides better access to smaller private equity investments not typically accessible to large, institutional investors at no additional cost to ATRS. Consultant, ATRS staff and the Investment Committee recommend approving a commitment of *up to* \$25M to the 2009 Franklin Park Venture Series Fund.

**THE MOTION TO ADOPT RESOLUTION NO. 2008-66, TO INVEST UP TO \$25M IN THE FRANKLIN PARK VENTURE VEHICLE FOR 2009, WAS MADE BY MS. LEMING, SECONDED BY MR. LESTER, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**11. Other Investment Committee Updates.** Investment Committee Chair, Ms. Leming, updated the Board on the status of the bid for ATRS property located at 1500 West Third Street, Little Rock, AR, which was accepted at a previous Board meeting. The buyer had some funding difficulties and has

rescinded the bid for purchase. Currently the sale of this property is on hold. Another bid for Board consideration is anticipated from the original buyer in early 2009.

**12. Proposed Revised Commitment Levels to Three New Global Equity Managers.**

P.J. Kelly of Ennis Knupp presented a proposal for a 25% reduction in the commitment levels being made to the three new Global Equity Managers (Bedlam, DE Shaw, and Lazard) previously approved at the October 6<sup>th</sup> Board meeting. Consultant, ATRS staff and the Investment Committee recommend approval of revised resolution 2008-64.

**THE MOTION TO ADOPT AMENDED RESOLUTION NO. 2008-64, TO REDUCE THE COMMITMENT LEVELS TO THREE NEW GLOBAL EQUITY MANAGERS BY 25% EACH, WAS MADE BY MS. LEMING, SECONDED BY DR. FAIR, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**13. Proposed Revised Commitment Levels on Conversion of Manager Mandates for Wellington and T. Rowe Price.**

In October 2008, the Board authorized changes to the existing mandates of Wellington and T. Rowe Price by adoption of Resolution 2008-64. Consultant, ATRS staff and the Investment Committee recommend this reduction in the amount of the managers' existing portfolios and being converted to the new mandates, to properly balance the commitments within the portfolio in the new strategies.

*Approval of Resolution 2008-64 is contingent upon these changes*

**THE MOTION TO REVISE AMENDED RESOLUTION NO. 2008-64, AS PROVIDED, TO INCLUDE THE RECOMMENDATIONS OF ENNIS KNUPP ON THE MANDATE CHANGES FOR WELLINGTON AND T. ROWE PRICE WAS MADE BY MS. PARSONS, SECONDED BY MS. COLEMAN, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**14. Revised Investment Guidelines for Oppenheimer Capital.**

Consultant, Ennis Knupp reviewed the proposed Investment Guidelines for Oppenheimer Capital with the Board. It is the recommendation of Consultant, ATRS staff and the Investment Committee to adopt the Revised Investment Guidelines for Oppenheimer Capital.

**THE MOTION TO APPROVE THE REVISED INVESTMENT GUIDELINES FOR OPPENHEIMER CAPITAL WAS MADE BY MS. LEMING, SECONDED BY MS. RIDDLE, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**C. Policy/Legislative Committee:**

**1. Approval of Survivor Benefit Statute Changes.**

ATRS staff and the Legal Department recommend that the current survivor benefit law be substantially revised due to the archaic language and complexity of the benefit provisions. The Policy/Legislative Committee recommended that the Board authorize staff to seek cost studies of the changes and include the amended survivor statute change in its 2009 Legislative package.

*The Board requested an Actuarial study on any bills for the 2009 Legislative Package to determine any costs to the System which would be presented at future meetings.*

**THE MOTION TO ADOPT RESOLUTION NO. 2008-70, TO APPROVE THE SURVIVOR BENEFIT STATUTE CHANGES WAS MADE BY MS. PARSONS, SECONDED BY MS. NICHOLS, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**2. Approval of Lump Sum Death Benefits Statutory Revisions.**

The ATRS Legal Department has been working with Special Tax Counsel to determine if certain statutory changes to the lump sum death benefit law would allow ATRS to treat the lump sum as tax exempt and otherwise clarify the intent of the benefit. A draft of the proposed statutory amendment was presented to the Policy/Legislative Committee for review. The draft suggested that ATRS eliminate the requirement that the

benefit be prorated between contributory and noncontributory and include language that the intent of the law was that it be a tax-free insurance benefit. The statute changes will not require the Board to adjust the benefit but it will allow the Board the flexibility to set the benefit, at the same rate for contributory/noncontributory members, if appropriate. The Policy/Legislative Committee recommended that the Board authorize staff to seek cost studies of the proposed bill and include the amended Lump Sum Death Statute in the 2009 Legislative package.

THE MOTION TO ADOPT RESOLUTION 2008-70 WAS ALREADY UNANIMOUSLY APPROVED BY THE BOARD ABOVE.

**3. Designation of Legislative Spokesperson.**

ATRS policy requires the Board authorize a legislative spokesperson to present its bills to the committees of the Legislature. The Policy/Legislative Committee recommended that the Interim Director, Gail Bolden, serve in this capacity until a permanent Director is hired.

**THE MOTION TO ADOPT RESOLUTION NO. 2008-67, TO APPROVE THE DESIGNATION OF MR. HOPKINS, ATRS DIRECTOR, AS LEGISLATIVE SPOKESPERSON, WAS MADE BY MS. PARSONS, SECONDED BY MS. RIDDLE, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**4. Board Committee Assignments as of November 18, 2008.**

The Board Chair revised the Committee assignments since Ms. Nichols stepped down as Board Chair. Interim Director, Gail Bolden, provided the Board with an updated listing of these new assignments to the Board Committees.

**X. Approval of Board Election Vendor.**

The staff developed and executed a RFQ (Request for Quotation) in accordance with the Board's directive in October/November 2008. Two of the three vendors included in the process submitted proposals to conduct the elections. VR Election Services of Carrollton, Texas, submitted the lowest bid. This is the same company that conducted the election in 2007, and is knowledgeable of the ATRS policies regarding elections. Staff recommends that VR Election Services be employed to conduct the 2009 Board Elections.

**THE MOTION TO ADOPT RESOLUTION 2008-68, FOR APPROVAL OF A BIENNIUM ELECTION VENDOR AS VR ELECTION SERVICES OF CARROLLTON, TEXAS, WAS MADE BY MS. NICHOLS, SECONDED BY DR. FAIR, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**XI. Staff Reports:**

- A. Medical Committee Report.** Michael Ray, Director of Member Services, reported the October and November, 2008 Summary of Disability Applications Submitted for Consideration by the Medical Committee to the Board.

**THE MOTION FOR APPROVAL OF THE MEDICAL COMMITTEE REPORTS, AS PRESENTED BY MICHAEL RAY, WAS MADE BY MS. PARSONS, SECONDED BY MS. NICHOLS, AND UNANIMOUSLY APPROVED BY THE BOARD.**

- B. Personnel Report.** Gaye Swaim, Director of Human Resources, provided a copy of the Personnel Report for November 2008 to the Board for review.
- C. Chief Fiscal Officer's Report.** Suzanne Davenport, Chief Financial Officer, provided a copy of the Balance Sheet, Income Statement, Expense Statement and Expense Statement with Details for the period ending July 31, 2008 to the Board for review.
- D. Payroll Report.** Judy Brown, Supervisor of Retiree Payroll, provided a copy of ATRS Payroll Report for the period ending October, 2008 to the Board for review.
- E. Investment Report.** Wayne Greathouse, Director of Public Markets and Markay Grimmatt, Investment Specialist, provided a status update on ATRS Investments to the Board for review.
- F. Arkansas Related Investments.** Markay Grimmatt, Investment Specialist, presented a report on the Arkansas Related Investments per the Board's request from a prior meeting.
- G. Chief Legal Counsel Report.** Christa Clark, Chief Legal Counsel, updated the Board on the status of the Compound Cola increase previously approved by the Board and due to go into effect in June 2009. The Joint Retirement Committee of the General Assembly has reviewed and referred this item to the Rules and Regulations Committee has reviewed the rules and actuarial study due to the

Financial Impact Statement that was filed and the cost related to that mandate. There has been no action taken at this time to endorse or make any recommendations to the Committee. Both the rules and Financial Impact Statement on Compound Cola will be subject of discussion during the Legislative Session.

**H. Chief Operating Officer's Report.**

**A. Statement of Financial Interest.** Each Board member was provided with a Statement of Financial Interest for 2008 and Gail Bolden, Chief Operations Officer, reminded of the filing deadline of January 31, 2009. The Board requested a copy of their previously filed Statement of Financial Interest for 2007, which was provided to the Board.

**B. Recognition of Monty Betts.** Mr. Betts won his election and is officially a member of the legislature. He had decided to resign his position on the Board of Trustees, effective December 31, 2008. A plaque was purchased for presentation to Mr. Betts and a Resolution was drafted in recognition of his service.

**THE MOTION FOR APPROVAL OF RESOLUTION NO. 2008-69, RECOGNITION OF MONTY BETTS' SERVICE TO ARKANSAS TEACHER RETIREMENT SYSTEM, WAS MADE BY MR. LESTER, SECONDED BY MS. RIDDLE, AND UNANIMOUSLY APPROVED BY THE BOARD.**

**I. Delinquent Employer Reporting.** Suzanne Davenport, Chief Financial Officer, advised the Board that an employer has a receivables balance, which has exceeded 30 days for FY 2009. Fiscal has been working with the Department of Education on this matter. The employer has requested to be given until the end of the fiscal year to get caught up for the first quarter. For October, it is their intention to stay current for the rest of the year and make monthly installments towards the arrearage of \$62,714.00 plus penalties and interest (approx. \$70K).

*The Board requested an update on this situation at the February Board of Trustees meeting.*

**XII. Legislative Audit Report, June 30, 2007 Findings.** Jon Moore of the Department of Legislative Audit reviewed the ATRS Annual Financial Report ending June 30, 2007, which was presented to the Audit Committee on

October 23, 2008. All items presented have been addressed by the Agency, some through procedural changes.

Mr. Moore presented findings with regard to the Woodland Heights issue wherein previous management had questionable expenditures in the amount of \$46,650. This issues has been reported to the State Police and they are in the process of gathering information with possible charges.

**XIII. Hedge Fund of Funds Educational Presentation.**

The Board postponed this educational presentation and requested a copy of the RFP and an analysis and recommendation from Consultant Ennis Knupp at a future meeting of the Board.

**XIV. Other Business.**

**XV. Adjourn Board Meeting.**

**THE MOTION TO ADJOURN THE BOARD OF TRUSTEES MEETING WAS UNANIMOUSLY MADE BY THE BOARD.**

Chair, Dr. Abernathy, adjourned the meeting of the Board of Trustees at 3:55 p.m.

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Jane Toledo, Recorder

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Gail Bolden, Interim Executive Director

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Dr. Richard Abernathy, Chair  
Board of Trustees

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Date Approved