

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

**Monday, April 3, 2023  
11:00 a.m.  
1400 West Third Street  
Little Rock, AR 72201**

**ATTENDEES**

**Board Members Present**

Danny Knight, Chair  
Kelly Davis, Vice Chair  
Anita Bell  
Kathy Clayton  
Dr. Mike Hernandez  
Shawn Higginbotham  
Michael Johnson  
Bobby Lester  
Chip Martin  
Jeff Stubblefield\*.  
Susannah Marshall, Bank Commissioner  
Jason Brady, designee for Dennis Milligan  
Eric Munson, designee for Mark Lowery, State Treasurer

**Board Members Absent**

Susan Ford  
Jacob Oliva, Secretary, Department of Ed.

\*VIA ZOOM

**ATRS Staff Present**

Rod Graves, Deputy Director  
Tammy Porter, Ex. Assistant/Board Secretary\*  
Curtis Carter, Chief Financial Officer  
Dena Dixson, Int. Audit/Risk Mgmt.  
Braeden, Duke, Software Support Analyst  
Vicky Fowler, Manager, Human Resources  
Willie Kincade, Director of Operations  
Mike Lauro, Information System Manager  
Jennifer Liwo, General Counsel  
Manju, Director, Information Technology  
Jerry Meyer, Manager, Real Assets  
Martha Miller, Extra Help\*  
Joe Sithong, Information System Coordinator \*  
Whitney Sommers, Administrative Analyst  
Brenda West, Internal Audit/Risk Mgmt.  
Misty Yant, Manager, Accounting/Reporting\*

**Guest Present**

PJ Kelly, Aon Hewitt  
Jack Dowd., Aon Hewitt\*  
Kevin Hrad, Aon Hewitt\*  
Bela Kirpalani, MandateWire\*  
Donna Morey, ARTA\*

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:03 a.m. Roll call was taken. Ms. Ford and Mr. Oliva were absent.
  
- II. **Motion to Excuse Absent Board Members.**

**Mr. Martin *moved to excuse Ms. Ford and Mr. Oliva from the April 3, 2023, meeting. Ms. Bell seconded the motion, and the Board unanimously approved the motion.***

**III. Adoption of Agenda.**

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

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

**V. Approval of Prior Meeting Minutes.**

**A, February 6, 2023, Minutes**

**Ms. Clayton *moved for approval of the Minutes of the Board of Trustees meeting of February 6, 2023. Mr. Martin seconded the motion, and the Board unanimously approved the motion.***

**B, March 9, 2023, Minutes.**

**Ms. Clayton *moved for approval of the Minutes of the Board of Trustees meeting of March 9, 2023. Ms. Davis seconded the motion, and the Board unanimously approved the motion***

**V. Member's Eligibility to Retire Using Purchased Future Service Credit.** Ms. Jennifer Liwo gave the Board a report regarding member's eligibility to retire using purchased future service credit. Member was given the opportunity to speak to the Board in support of his claim.

**Ms. Bell *moved to uphold and support rule Option No.1, "A member cannot use unearned future service credit (nonqualified service credit) purchased through a contract buyout settlement agreement to retire under voluntary retirement or early voluntary retirement before the member's employment contract with the school district would naturally have terminated", from the list of proposed rules recommended by staff. Mr. Lester seconded the motion and the Board unanimously approved the motion.***

**VI. Legislative Audit – Financial Report June 30, 2022, Update.** Deputy Director Rod Graves gave an update on the legislative audit Financial Report from June 30, 2023.

**VII. Legislative Audit – GASB Report Update.** Deputy Director Rod Graves gave a update on the GASB report.

**VIII. Report of Member Interest Amount Waived under A.C.A. §24-7-205.** No member interest was waived for this reporting period. This is a standard report for information and is not an action item.

**IX. Report of Employer Penalties and Interest Waived Under A.C.A. §24-7-411.** 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. Seven (7) employer penalties and interest amounts were waived for this reporting period in the amount of \$2,890.57. This is a standard report for information and is not an action item.

**X. Audit Committee Report.** Ms. Kelly Davis, Vice Chair.

A. Internal Audit: Application of IRS 415 Limit Follow-up Report. Ms. Dena Dixon gave the Committee a report on the Application of IRS 415 Limit.

**XI. Investment Committee Report.** Mr. Chip Martin, Chair, gave a report on the Investment Committee Meeting.

**A. Arkansas Related and Investment Update.**

1. **List of Fund Closings.** Rod Graves, Deputy Director, gave an update on recent investment activity..

**B. General Investment Consultant Report. *Aon Hewitt Investment Consulting.***

1. **Preliminary Performance Report for the Month Ending February 28, 2023.** PJ Kelly of Aon Hewitt Investment Consulting provided the Committee with a preliminary portfolio update for the month ending February 28, 2023.

2. **Recommendation to approve for Board adoption Resolution 2023-13, authorizing an investment of up to \$50 million dollars in Chatham Asset Private Debt and Strategic Capital Fund IV, L.P.** PJ Kelly of Aon Hewitt Investment Consulting provided the recommendation to approve for Board adoption Resolution 2023-13, authorizing an investment of up to \$50 million dollars in Chatham Asset Private Debt and Strategic Capital Fund IV, L.P.

Staff concurs with the recommendation.

**Mr. Martin *moved to approve* Resolution 2023-13, authorizing an investment of up to \$50 million dollars**

**in Chatham Asset Private Debt and Strategic Capital Fund IV, L.P. The Board *unanimously approved the motion.***

3. **Recommendation to approve for Board adoption Resolution 2023-14, authorizing an investment of up to \$40 million dollars in Prophet MSR Opportunities Fund.** PJ Kelly of Aon Hewitt Investment Consulting provided the recommendation to approve for Board adoption Resolution 2023-14, authorizing an investment of up to \$40 million dollars in Prophet MSR Opportunities Fund.

Staff concurs with the recommendation.

**Mr. Martin *moved to approve* Resolution 2023-14, authorizing an investment of up to \$40 million dollars in Prophet MSR Opportunities Fund. The Board *unanimously approved the motion.***

**C. Real Assets Consultant Report. *Aon Hewitt Investment Consulting.***

1. **Recommendation to approve for Board adoption Resolution 2023-15, authorizing an investment of up to \$50 million dollars in Lone Star Real Estate.** Chae Hong of Aon Hewitt Investment Consulting provided the recommendation to approve for Board adoption Resolution 2023-15, authorizing an investment of up to \$50 million dollars in Lone Star Real Estate.

Staff concurs with the recommendation.

**Mr. Martin *moved to approve* Resolution 2023-15, authorizing an investment of up to \$50 million dollars in Lone Star Real Estate. The Board *unanimously approved the motion.***

**XII. Operations Committee Report.** Mr. Bobby Lester, Chair gave a report on the Operations Committee meeting.

- A. **Open Forum for potential Rule or Law Changes by Committee Members and board Members in Attendance.**

1. **Open Forum.** None.

**B. ATRS 2023 Legislative Package Update.** Ms. Jennifer Liwo gave the Committee a report on the status of ATRS' legislative package.

**XIII. Staff Reports.**

**A. Medical Committee Report.** Mr. Kincade reported that a total of Nine (9) Disability Retirement Applications were approved.

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

**XIV. Recess for Lunch at 12:00 p.m.**

**XV. Reconvene Board Meeting.** Mr. Danny Knight, Chair called the Board meeting to order at 12:55 p.m.

**XVI. Appointment of Interim Executive Director.**

**Mr. Lester *moved to appoint* Mr. Rod Graves as Interim Executive Director to take over on April 29, 2023. Ms. Davis *seconded the motion* and the Board *unanimously approved the Motion*.**

**XVII. Work on Executive Director Application Process.**

1. **Mr. Brady *moved to approve* and adopt the timeline presented giving the Chair discretion on dates. Mr. Lester *seconded the Motion* and the Board *unanimously approved the Motion*.**

2. **Mr. Lester *moved to approve* the proposed vacancy announcement of the Executive Director's position. Ms. Clayton *seconded the motion* and the Board *unanimously approved the Motion*.**

3. **Mr. Martin *moved to approve* the proposed intent to fill the position of Executive Director Position. Mr. Higginbotham *seconded the Motion* and the Board *unanimously approved the Motion*.**

4. **Mr. Lester *moved to approve* the posting of the vacancy of the Executive Director Position. Ms. Marshall *seconded the Motion* and the Board *unanimously approved the Motion*.**

5. **Dr. Hernandez *moved to approve* the closing date of fourteen (14) days after the position is first posted. Ms. Davis *seconded the Motion* and the Board *unanimously approved the Motion*.**
  
6. **Ms. Marshal *moved to approve* authorizing staff to post the vacancy of the Executive Director on the Arkansas Jobs and ATRS websites, and in the Arkansas Democrat Gazette. Ms. Bell *seconded the Motion* and the Board *unanimously approved the Motion*.**

**XVIII. Other Business:** None

**XIX. Adjourn.** With no other business, Danny Knight, Chair entertained a motion to adjourn the meeting.

**Mr. Lester *moved to adjourn* the Board Meeting. Ms. Davis *seconded the Motion* and the Board *unanimously approved the Motion*.**

**Meeting adjourned at 1:23 p.m.**

---

Rod Graves,  
Interim Executive Director

---

Mr. Danny Knight, Chair  
Board of Trustees

---

Tammy Porter,  
Recorder

---

Date Approved