

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

**Monday, April 5, 2021  
11:00 a.m.  
1400 West Third Street  
Little Rock, AR 72201**

**ATTENDEES**

**Board Members Present**

Danny Knight, Chair  
Lloyd Black, Vice Chair\*  
Anita Bell\*  
Kathy Clayton\*  
Kelly Davis\*  
Dr. Mike Hernandez\*  
Michael Johnson\*  
Bobby Lester\*  
Chip Martin\*  
Robin Nichols\*  
Susannah Marshall, Bank Commissioner\*  
Hon. Andrea Lea, State Auditor\*  
Jason Brady, designee for Dennis Milligan,  
State Treasurer\*

**Board Members Absent.**

Shawn Higginbotham.  
Johnny Key, Secretary, Dept. of Ed.

**ATRS Staff Present**

Clint Rhoden, Executive Director  
Rod Graves, Deputy Director\*  
Tammy Porter, Ex. Assistant/Board Secretary  
Curtis Carter, Chief Financial Officer\*  
Dena Dixson, Int. Audit/Risk Mgmt.\*  
Vicky Fowler, Directory, Human Resources  
Willie Kincade, Director of Operations\*  
Jerry Meyer, Manager, Real Assets\*  
Martha Miller, General Counsel\*  
Joe Sithong, Information Systems Coordinator  
Brenda West, Int. Audit/Risk Mgmt.\*  
Misty Yant

**Guest Present**

Duncan Baird, APERS\*  
Katie Comstock, Aon Hewitt (AHIC)\*  
PJ Kelly, Aon Hewitt (AHIC)\*  
Donna Morey, ARTA\*

*via Zoom\**

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 10:54 a.m. Roll call was taken. Mr. Shawn Higginbotham and Mr. Johnny Key were absent.
  
- II. **Motion for Excused Absences.**

**Mr. Black *moved to excuse* Mr. Shawn Higginbotham and Mr. Johnny Key from the April 5, 2021 Board of Trustees Meeting. Mr. Lester *seconded the motion*, and the Board *unanimously approved the motion.***

**III. Adoption of Agenda.**

**Ms. Nichols *moved for adoption of the Agenda. Ms. Bell 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 1, 2021, Minutes.**

**Ms. Clayton *moved for approval of the Minutes of the Board of Trustees meeting of February 1, 2021. Ms. Davis seconded the motion, and the Board unanimously approved the motion.***

**B. March 3, 2021, Minutes.**

**Ms. Davis *moved for approval of the Minutes of the Board of Trustees meeting of March 3, 2021. Ms. Nichols seconded the motion, and the Board unanimously approved the motion.***

**VI. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205.** 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. Since ATRS has implemented the actuarial cost method for the purchase of service credit, interest waived is slowly disappearing, as well as the number of members who purchase service credit. No member interest was waived for this reporting period. This is a standard report for information and is not an action item

**VII. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 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. Fifteen (15) employer penalties and interest amounts were waived for this reporting period in the amount of \$4,390.29. This is a standard report for information and is not an action item.

**VII. Adoption of Number of Years for Calculating Final Average Salary pursuant to A.C.A. 24-7-736(c)(1).** A.C.A. § 24-7-736 authorizes the Board to adjust the final average salary calculation annually. One method to adjust the final average salary calculation is to adjust the number of years used in the calculation of the final average salary between three (3) and five (5) years of service. ATRS staff recommends maintaining the five (5) year final average salary as adopted by the Board on November 13, 2017.

**A. Resolution 2021-18**

**Mr. Lester *moved to adopt* Resolution 2021-18, Adoption of Number of Years for Calculating Final Average Salary pursuant to A.C.A. 24-7-736(c)(1). Mr. Johnson *seconded the motion*, and the Board *unanimously adopted the resolution*.**

**IX. Manifest Injustice Board Review.**

**A. In the Matter of MI Claim #2021-03.** Director Rhoden presented the Board with MI Claim #2021-03. Executive Staff recommended the Board find a manifest injustice exists in this case and grant a three (3) month extension retroactively

**B. Mr. Lester *moved to approve* the Recommendation to find a manifest injustice exists and grant a three (3) month extension retroactively. Ms. Nichols *seconded the motion*, and the Board *unanimously approved the motion*.**

**C. In the Matter of MI Claim #2020-07.** Director Rhoden presented the Board with MI Claim #2020-07. Executive Staff recommended the Board find a manifest injustice exists in this case and grant a ten (10) month extension retroactively

**D. Ms. Clayton *moved to approve* the Recommendation to find a manifest injustice exists and grant a ten (10) month extension retroactively. Mr. Black *seconded the motion*, and the Board *unanimously approved the motion*.**

**X. Investment Committee Report.** Robin Nichols, 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.
2. **Discussion of US Agriculture Investment Queue.** Rod Graves, Deputy Director, gave the Committee an update on the US Agriculture Queue.

**B. General Investment Consultant Report.**

1. **Preliminary Performance Report for the Month Ending February 28, 2021.** PJ Kelly and Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a preliminary portfolio update for the month ending February 28, 2021.
2. **Total Equity Review.** Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a Total Equity Review.

**XI. Operations Committee Report.** 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. Legislative Package.** Mr. Rhoden gave the Committee an update on the 2021 Legislative Package.

**C. Potential Rule Change.** Mr. Rhoden gave the Committee a report on potential rule changes based on the 2021 Legislative session.

1. **Rule 9: 160 Days at Retirement Exceptions.** The passage of Act 279 of 2021 allows for rules promulgation regarding the 160 day law. Staff suggests a modification to Rule 9 to allow for some exceptions to the 160 day law.
2. **Rule 9: Board of Trustees Disability Review.** The passage of Act 223 of 2021 clarified the ATRS law for disability eligibility. Staff suggests a modification to Rule 9 to clarify the process performed by the Board after a disability review denial.
3. **Rule 9: Current Draft.** All of the ATRS Rules will need to be reviewed and edited to account for the recent legislative session. This is just the first draft of Rule 9.

**XII. Board of Trustees Disability Review.** Under the Disability Review procedure described in A.C.A. §24-7-704(b)(3)(D) the Board shall approve the recommendations of the Medical Committee. Mr. Rhoden presented the Board with the following are proposed orders for Board approval regarding Disability Review recommendations.

- A. Group Order - Approved.** The proposed order is for the acceptance of 12 **approved** disability reviews from June 2018 to February 2021. Staff concurs with the recommendation.

**Dr. Abernathy moved to approve the Group Order – Approved for the acceptance of 12 approved disability reviews from June 2018 to February 2021. Auditor Lea seconded the motion and the Board unanimously approved the Motion.**

- B. Group Order - Denied.** The proposed order is for the acceptance of 4 **denied** disability reviews from June 2018 to February 2021. Staff concurs with the recommendation.

**Ms. Davis moved to approve the Group Order – Denied for the acceptance of 4 denied disability reviews from June 2018 to February 2021. Mr. Brady seconded the motion and the Board unanimously approved the Motion.**

- C. Member Order - ATRS ID #293902.** The proposed order is for the acceptance of an **approved** disability review for member ATRS ID #293902 after a second review conducted on September 4, 2019. Staff concurs with the recommendation.

**Mr. Black moved to approve the Member Order – ATRS ID# 293902 – acceptance of an approved disability review after a second review conducted on September 4, 2019. Ms. Bell seconded the motion and the Board unanimously approved the Motion.**

- D. Member Order - ATRS ID #498094.** The proposed order is to return the matter to the medical committee with a request that it reconsider the matter in light of the additional information available in the Social Security Decision for member ATRS ID #498094. Staff concurs with the recommendation.

**Ms. Nichols *moved to approve* the Member Order – ATRS ID# #498094 – return the matter to the medical committee with a request that it reconsider the matter in light of the additional information available in the Social Security Decision. Ms. Clayton *seconded the motion* and the Board *unanimously approved the Motion*.**

- E. Member Order - ATRS ID #368231.** The proposed order is to return the matter to the medical committee with a request that it reconsider the matter to confirm that the standard of review is based upon the ATRS standard established in A.C.A.§24-7-704(a)(1)(D) for member ATRS ID #368231. Staff concurs with the recommendation.

**Ms. Marshall *moved to approve* the Member Order – ATRS ID# #368231 – return the matter to the medical committee with a request that it reconsider the matter to confirm that the standard of review is based upon the ATRS standard established in A.C.A.§24-7-704(a)(1)(D). Ms. Davis *seconded the motion* and the Board *unanimously approved the Motion*.**

**XIII Staff Reports.**

- A. Medical Committee Report.** Mr. Kincade reported that a total of Eleven (11) Disability Retirement Applications were approved.

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

- XIV. Other Business:** Mr. Rod Graves gave the Board an update on the American Center.

**XV. Adjourn.**

**Mr. Bobby Lester *moved to adjourn* the Board of Trustees meeting. Ms. Davis *seconded the motion*, and the Board *unanimously approved the motion*.**

Meeting adjourned at 11:45 a.m.

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Mr. 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