

**Regular Meeting  
Board of Trustees**

**October 22, 2002**

*The Board of Trustees of the Arkansas Teacher Retirement System reconvened on Tuesday, October 22, 2002, at 9:00 a.m. The meeting was held in the ATRS Board Room, 1400 West Third, Little Rock, Arkansas.*

**Members of the Board Present:**

Linda Parsons, Chair  
Charles Vondran, Vice Chair  
Winfred Clardy  
Hazel Coleman  
Charles Dyer  
Dr. Paul Fair  
John Fortenberry  
Ann Harbison  
Mary Harris  
Betty McGuire  
Raymond Simon

**Members of the Board Absent:**

Jimmie Lou Fisher  
Gus Wingfield  
Frank White

**Staff Present:**

Wayne Greathouse, Interim Executive Director  
Michael Ray, Interim Deputy Director  
Gail Blair, Manager, Data Processing  
Suzanne Davenport, Accounting Records Management Coordinator  
Dena Dixon, Manager, Membership & Payroll  
Donna Hobbs, ATRS Personnel Manager  
Tammy Medlock, Administrative Assistant  
Hugh Roberts, Retirement Fund Investment Supervisor  
Bernice Smith, Manager, Accounting  
Barbara Waldrop, Manager, Pre-Retirement Education

**Others Present:**

Lloyd Black, Arkansas Retired Teachers Association  
Tom Ferstl, Ferstl Enterprises  
David Malone, University of Arkansas Foundation  
James McGuire, Guest of Betty McGuire  
Don Roberts, Arkansas Retired Teachers Association  
DeWitt Smith, Cooper Realty Investments  
Carol Stapleton, Legislative Council  
Mike Wickline, AR Democrat-Gazette

## VII. Roll Call

The minutes were recorded by Tammy Medlock of the Teacher Retirement staff.

## VIII. Adoption of Agenda

Ms. Parsons indicated Mr. Smith with Cooper Realty Investments would be added to the agenda following Public Comments. Mr. Fortenberry made a motion to adopt the agenda as amended. The motion carried.

## IX. Next Regular Meeting Date(s)

The next regular meeting dates were tentatively scheduled for December 9-10, 2002.

## X. Public Comments on Agenda Items

## XI. Cooper Realty Investments (CRI) Capital Call – DeWitt Smith

No action was taken. Ms. Parsons noted ATRS would revert to the language of the contract with CRI. By common consent, the board agreed to Mr. Vondran's request of Mr. Ferstl to supply the board a breakdown of soft costs on the Memphis property.

## XII. Investment Committee Report - Charles Vondran, Chair

Mr. Vondran reviewed actions taken by the Investment Committee on October 21, 2002.

**Retirement Village Proposal by Cascadia.** Mrs. Coleman made a motion to accept the recommendation of the Investment Committee and to proceed with the agreement with Cascadia. The motion carried. *Mr. Roberts indicated the agreement entails taking the property off the market for a six-month period in order for Cascadia to conduct a feasibility study. At the end of the six-month period, if Cascadia were interested in the purchase, ATRS would require an earnest money deposit.*

**LJM2.** Mr. Dyer made a motion to accept the Investment Committee's recommendation to participate with the group of limited partners in seeking mitigation of ATRS' losses with the LJM2 investment and to authorize \$100,000 for legal fees. The motion carried.

**Expiring Contracts.** Mr. Vondran reported the following recommendations of the Investment Committee regarding expiring contracts:

- **Dover Dixon Horne.** ATRS should issue an RFP for legal services after the new Director comes on board, and that the current contract should be amended and extended until June 30, 2003.
- **Flake & Kelly Management Contracts.** Authorize Mr. Ferstl to go month to month with the Flake & Kelly contracts for the ATRS Building, Arkla Building, and the

Harvest Foods property, and to advertise for management contracts for all but the Victory Building. The motion carried.

Mr. Fortenberry made a motion to accept the Investment Committee's recommendations as presented. The motion carried.

### **XIII. Real Estate Committee Report – Tom Ferstl, ATRS Real Estate Manager**

Mr. Ferstl reported the following activity:

- The lease agreement with the Salvation Army will not take place due to a disagreement of lease terms.
- He is working on a couple of prospects for leases at the Victory Building.
- The soils report for the West Memphis property has not been obtained to date.
- He will be inspecting telephone and electrical easements at the retirement village property in the next week.

### **XIV. Policies Committee Report – Dr. Paul Fair, Chair**

Dr. Fair made a motion to approve the revised travel resolution for 2002 as presented (*Attachment C*). The motion carried.

Dr. Fair made a motion to approve the draft legislation pertaining to board terms of offices and vacancies on the board as presented (*Attachment D*). The motion carried.

### **XV. Oversight Committee Report – Linda Parsons**

Ms. Parsons reported the Oversight Committee had selected Mercer Human Resource Consulting to conduct the T-DROP study. The complete report is expected in late December, 2002. Mr. Greathouse was directed to inform Mercer to schedule individual interviews with board members the week following November 7.

### **XVI. Teacher Retirement System Reports**

#### **A. Medical Board Summary Report – Michael Ray**

Mr. Vondran made a motion to approve the report for September 11, 2002, as presented. The motion carried.

#### **B. Personnel Report – Michael Ray**

Dr. Fair made a motion to approve the report for October, 2002, as presented. The motion carried.

- C. Membership & Payroll – Dena Dixson
- D. Arkansas Related Investments – Hugh Roberts
- E. Investment Summaries – Wayne Greathouse
- F. Financial Statements – Bernice Smith

Mrs. Smith distributed financials for the periods ending May & June 2002. Mr. Greathouse was directed to forward copies of the reports to Mercer for the T-DROP study.

## **XVII. New Business**

- A. Resolution – Board Expense Reimbursement for 2002

*The Board took action on the resolution during the Policies Committee Report.*

- B. Discussion – Dinners Following Regular Board Meetings

Mrs. Coleman made a motion to have dinner with the money managers following board meetings. The motion was withdrawn. Mr. Greathouse was directed to contact the Ethics Commission regarding this proposal and check on the \$100 rule.

- C. Discussion – Board Seminar 2003

Mr. Greathouse reported the next board seminar is scheduled in Little Rock, at the ATRS Building, June 9-10, 2003. Ms. Parsons indicated board members should contact Mr. Greathouse regarding their preferences for dates of the seminar. Mr. Greathouse indicated board members would be surveyed regarding topics to be covered at the next seminar. By common consent, the board agreed with Ms. Harris' request that the board be provided with the cost of the seminars in the last few years.

- D. Responses to Board Election RFP

Mr. Vondran made a motion to select Voice Retrieval & Information Services to conduct the election. The motion carried. Mrs. Coleman and Mrs. Harris voted, "No." *It was noted the bids provided do not include costs for run-offs.*

- E. Review of Expiring Contracts

*The Board took action on the contracts during the Investment Committee Report.*

## **XVIII. Executive Director's Comments**

**In other business:**

**New Agenda Item Suggestion.** By common consent, the Board agreed to Mr. Vondran's suggestion to place an item on future board agendas entitled, "Action Items," in which board members would be provided supporting documents for each item to be considered for action.

**Executive Session.** The Board convened in executive session to discuss a personnel issue. No action was taken.

*As there was no further business to consider, Mr. Dyer made a motion to adjourn. The motion carried and the meeting adjourned at 11:35 a.m.*

*Linda Parsons*

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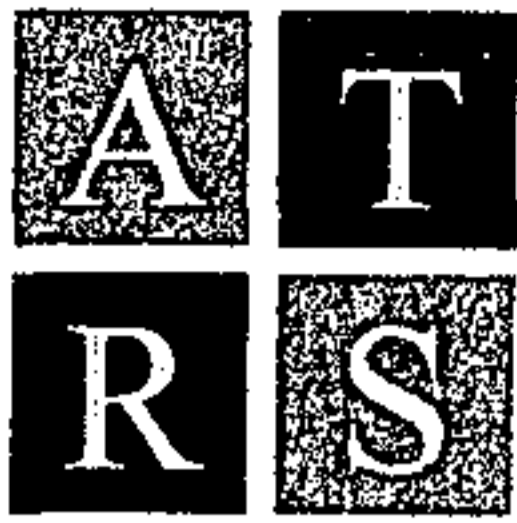
Linda Parsons, Chair

*Wayne Greathouse*

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Wayne Greathouse, Interim Executive Director,  
Secretary to the Board

*3/6/03*  
Date



Arkansas  
Teacher  
Retirement  
System

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## RESOLUTION 10.22.02

### Board Expense Reimbursement For 2002

BE IT RESOLVED, *the members of the Board of Trustees of the Arkansas Teacher Retirement System are authorized reimbursement of expenses for attending trustee meetings in accordance with Act 1211 of 1995;*

NOW, THEREFORE, BE IT RESOLVED, *members of the ATRS Board of Trustees may attend and be reimbursed for any two (2) of the following conferences for the calendar year 2002:*

- National Council on Teacher Retirement (NCTR)
- Southern Conference on Teacher Retirement (SCTR)
- National Education Association (NEA) Forum on Retirement
- National Retired Teachers Association (NRTA) Pension Review

BE IT FURTHER RESOLVED, *trustees may be reimbursed expenses for attending two (2) additional retirement education conferences during the calendar year 2002.*

BE IT FURTHER RESOLVED, *trustees who live in the Little Rock area (excluding ex officio trustees) may be reimbursed actual mileage and meal expenses, as required in the performance of official board duties. In addition, trustees who live outside the Little Rock area may be reimbursed actual mileage and meal expenses, as required in the performance of official board duties. Reimbursable meal expenses will not exceed the State rate.*

BE IT FURTHER RESOLVED, *trustees will submit travel reimbursement requests in accordance with Addendum A to this Resolution.*

ADOPTED this 22nd Day of October, 2002

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Linda Parsons, Chairman  
Arkansas Teacher Retirement System

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, including that within the borders of Arkansas, 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 \$55 per day for lodging and \$30 per day for meals. Current rates can be found on the Federal General Services Administration website:  
<http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd02d.html>, and the Arkansas Department of Finance and Administration website: <http://www.state.ar.us/dfa/accounting/perdiem.html>.
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 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, to 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 500 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.

**Addendum A**  
**Resolution 10.22.02**

Page 2/2

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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.