

# ARKANSAS TEACHER RETIREMENT SYSTEM BOARD OF TRUSTEES

## MINUTES October 2, 2006

The Arkansas Teacher Retirement System Board of Trustees held a regular meeting at 1:30 p.m., on Monday, October 2, 2006, 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 H. "Bunny" Adcock Jr.  
Monty Betts  
Hazel Coleman  
Lawrence Colston  
Dr. Paul Fair  
Beverly Leming  
Linda Parsons  
Ellen Terry

### **Staff Present:**

David Malone, *Executive Director*  
Julie Cabe, *Deputy Director*  
Christa Clark, *Attorney Specialist*  
Kim Kight, *MPA*  
Katherine Corcoran

### **Members of the Board Absent:**

Dr. T. Kenneth James  
Gus Wingfield  
Jim Wood

### **Others Present:**

Rob Moritz, *Stephens Media*  
Bobby Lester, *ARTA*  
Mike Wickline, *AR Democrat-Gazette*  
Betty McGuire, *former Board member*  
Jim McGuire  
Ken G. McRae, *McRae Mortgage & Investments*  
Charles D. Knight, *Watson Chapel Schools*  
Ivy Lincoln, *Watson Chapel Schools*  
Charles Harwell, *Attorney*  
George Mullens  
P. J. Kelly, *Ennis Knupp*

## **I. Call to Order**

John Fortenberry, Board Chair, called the meeting to order at 1:30 p.m., with a quorum present. He announced that following the Board meeting the Investment Committee would reconvene to complete its business.

## **II. Roll Call**

The Board noted that a quorum was present and that Dr. T. Kenneth James, Gus Wingfield, and Jim Wood were absent.

### III. Public Comment on Agenda Items

There were no comments to report.

### IV. Adoption of Agenda

Mr. Fortenberry announced the addition of **Resolution 2006-26 - Recognition of Winfred Clardy** to the agenda. Hazel Coleman moved adoption of the agenda including the addition, Ellen Terry seconded, and the motion passed unanimously.

### V. Recognition of Winfred Clardy – Resolution 2006-26.

Upon the motion of Linda Parsons, the ATRS Board unanimously adopted **Resolution No. 2006-26** (*Attachment No. 1*) recognizing the long service of Wilfred Clardy to the Arkansas Teacher Retirement System. The Board maintained a moment of silence in his memory.

### VI. Approval of Minutes

Minutes - June 5, 2006: Dr. Paul Fair moved approval of the minutes of June 5, 2006, as amended to show Beverly Leming absent. Ms. Coleman seconded and the motion passed unanimously.

Minutes – June 6, 2006: Linda Parsons moved approval of the minutes of June 6, 2006, as amended to show Beverly Leming present. Dr. Fair seconded and the motion passed unanimously.

Minutes – August 28, 2006: Ms. Terry moved approval of the minutes of August 28, 2006, Ms. Leming seconded, and the motion passed unanimously.

Minutes – September 11, 2006: Motion to approve the minutes made by Monty Betts, seconded by Ms. Leming, and passed unanimously.

### VII. Appeals

#### **Mr. Charles D. Knight – Petition for Declaratory Order**

The Board of Trustees reviewed the Petition for Declaratory Order and ATRS Response to the Petition, including the administrative record for Charles D. Knight as it relates to his petition. Charles D. Knight appeared at the meeting with his attorney Ivy Lincoln. Mr. Knight requested in his petition that, among other things, Rule 9 of ATRS Policy 10-3 be repealed and that Rule 9 of Policy 10-3 be otherwise amended to exclude the ten (10) year limit on the payment of interest to Charles D. Knight's T-DROP account.

After reviewing the petition, ATRS response, administrative record, and hearing argument from counsel for petitioner and ATRS legal counsel, the Board of Trustees voted on a motion to deny the petition and all relief requested by Charles D. Knight based on the ATRS Response to the petition and arguments made therein. The Board of Trustees cast seven (7) votes in favor of denying the petition and three (3) votes in opposition. (See **Resolution No. 27** – Attachment No. 2).

**Mr. George H. Mullens – Appeal of Denial of Survivor Annuity**

Mr. Charles Harwell, attorney for George H. Mullens, requested on behalf of Mr. Mullens that he be awarded the 100% survivor annuity on his deceased wife's ATRS account under Arkansas Code § 24-7-706(d)(1). The Board of Trustees reviewed the ATRS staff decision denying Mr. Mullen's survivor annuity under Ark. Code § 24-7-706(d)(1) which was based on his failure to submit the Change of Annuity Option form within the time limits prescribed in Arkansas Code § 24-7-706(d)(1)(B)(3).

After reviewing the appeal, the ATRS response to the appeal, the administrative record, and hearing oral argument from appellant and ATRS legal counsel, a motion was made by Ms. Parsons to affirm the ATRS staff decision denying the 100% survivor annuity under Arkansas Code § 24-7-706(d). Ms. Coleman seconded the motion, which passed with a vote of eight for and two against with one member not voting. (See **Resolution No. 28** – Attachment No. 3.)

**VIII. Adjournment**

Mr. Fortenberry declared the meeting adjourned at 2:40 p.m., after announcing that the Investment Committee would reconvene following a ten-minute break.

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Katherine Corcoran, Recorder

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David Malone, Executive Director

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John Fortenberry, Chair

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Date Approved

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

**RESOLUTION  
No. 2006-26**

*In respectful memory of Winfred S. Clardy, and in recognition of his many contributions to the Arkansas Teacher Retirement System and the teachers of Arkansas:*

**WHEREAS**, Winfred S. Clardy, born October 5, 1926, served in many capacities with the Arkansas Teacher Retirement System including Teacher Retirement Administrator 1976 – 1980, Assistant Director 1980 – 1983; Deputy Director 1983 – 1986; and Executive Director 1986 - 1988; and

**WHEREAS**, Winfred S. Clardy, following his retirement, provided invaluable service to the active and retired teachers of Arkansas by serving as a member of the Board of Trustees of the Arkansas Teacher Retirement System from 1992 – 2006 as an elected retirant trustee; and

**WHEREAS**, Winfred S. Clardy devoted his lifetime to education in one capacity or another, earning the highest respect and admiration of his colleagues; and

**WHEREAS**, Winfred S. Clardy's knowledge, experience, tireless involvement, leadership, and vision will be sorely missed;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Arkansas Teacher Retirement System that:

This Resolution is adopted in respectful memory of Winfred S. Clardy's many contributions to the Arkansas Teacher Retirement System and the State of Arkansas.

**BE IT FURTHER RESOLVED** that upon adoption of this Resolution, a copy shall be transmitted to his wife, Frances, and the other members of his family as an expression of sincere sympathy on behalf of the entire Board of Trustees of the Arkansas Teacher Retirement System.

**Adopted this 3<sup>rd</sup> day of October 2006**

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**JOHN FORTENBERRY, Chair  
Arkansas Teacher Retirement System**

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

**RESOLUTION  
No. 2006-27**

**WHEREAS**, the Arkansas Teacher Retirement System heard the Petition for Declaratory Order filed by ATRS retiree, Charles D. Knight, on October 2, 2006;

**WHEREAS**, Charles D. Knight requested in his Petition that, among other things, Rule 9 of ATRS Policy No. 10-3 be repealed;

**WHEREAS**, Charles D. Knight requested through his attorney at the meeting that Rule 9 of Policy No. 10-3 be otherwise amended to exclude the **ten (10)** year limit on the payment of interest to Charles D. Knight's T-DROP account;

**NOW, THEREFORE, BE IT RESOLVED**, That, after reviewing the Petition, ATRS Response, administrative record, and hearing argument from counsel for Petitioner and ATRS legal counsel, the Board of Trustees denied the Petition and all relief requested by Charles D. Knight based on the ATRS Response to the Petition and arguments made therein.

**FURTHER RESOLVED**, That the Board of Trustees cast seven (7) votes in favor of denying the Petition, and three (3) votes were cast in opposition.

**FURTHER RESOLVED**, That the ATRS Staff informed Charles D. Knight of the outcome of the vote via telephone, and no request was made for a rehearing by the Petitioner.

**Adopted this 2<sup>nd</sup> day of October 2006.**

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**JOHN FORTENBERRY, *Chair***  
**Arkansas Teacher Retirement System**

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

**RESOLUTION  
No. 2006-28**

**WHEREAS**, the Arkansas Teacher Retirement System Board of Trustees heard the appeal of George Mullens, on October 2, 2006;

**WHEREAS**, George Mullens requested in his appeal to be awarded the 100% survivor annuity on his deceased wife's ATRS account under Arkansas Code § 24-7-706(d)(1);

**WHEREAS**, the Board of Trustees reviewed the ATRS staff decision denying Mr. Mullen's survivor annuity under Ark. Code § 24-7-706(d)(1), which was based on his failure to submit the Change of Annuity Option form within the time limits prescribed in Arkansas Code § 24-7-706(d)(1)(B)(3);

**NOW, THEREFORE, BE IT RESOLVED**, That, after reviewing the Appeal, the ATRS Response to the Appeal, the administrative record, and hearing oral argument from Appellant and ATRS 's legal counsel, the Board of Trustees affirmed the ATRS staff decision denying the 100% survivor annuity to George Mullens under Arkansas Code § 24-7-706(d);

**Adopted this 2<sup>nd</sup> day of October 2006.**

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**JOHN FORTENBERRY, *Chair***  
**Arkansas Teacher Retirement System**