

Firemen's Relief and Pension Fund Board Meeting
May 28, 2015
9:00 AM

The Board of Trustees of the Firemen's Relief and Pension Fund of the City of Little Rock, Arkansas, met at 9:00 AM in the Sister Cities Conference Room located at 500 West Markham Street, City Hall. In the absence of the Chair, Bernard Sherwood called the meeting to order.

1. Roll Call:
Members Present: Johnny Reep; Havis Jacks; Tommy Hoffman; Johnny Chiaro; and Bruce Moore
Members Absent: Bernie Sherwood and Susan Langley
City Personnel Present: Sara Lenehan; Debbie Pharr; Kathy Lindsey; and Kim Chavis.
Other's Present: Larry Middleton, Alex Jordan and Bo Brister from the Stephens Group
2. Approval of Minutes from the January 22, 2015, Meetings: Mr. Jacks made the motion, seconded by Mr. Reep, to amend the minutes to show that the enrollment time of Chair Bruce Moore was actually 9:11 AM and not 8:11 AM and to change the Financial Report from November to December. By unanimous voice vote of the Board Members present, the minutes were amended. Mr. Reep made the motion, seconded by Mr. Hoffman, to approve the minutes of the January 22, 2015, meeting as amended. By unanimous voice vote of the Board Members present, the minutes of the January 22, 2015, meeting as amended was approved.
3. Stephens, Inc., Report (Copy of Financial Report filed in the City Clerk's Office): Mr. Bo Brister, Mr. Alex Jordan and Mr. Larry Middleton presented the report for April. For April, the Total Fund Balance as of April 30, 2015, was \$65,188,732. The total Drop Balance as of April 30, 2015, was \$11,318,446.09. The Fund was up 0.09% for the month and up 1.81% year-to-date.
4. Financial Reports for January 2015, February 2015, March 2015 & April 2015 (Copy of Financial Report filed in the City Clerk's Office): Ms. Lenehan presented the Financial Reports for January 2015, February 2015, March 2015 and April 2015. Mr. Reep made the motion, seconded by Mr. Chiaro, to approve the January 2015, February 2015, March 2015 and April 2015 Financial Reports. By unanimous voice vote of the Board Members present, the January 2015, February 2015, March 2015 and April 2015 Financial Reports were approved.

Ms. Lenehan stated that staff had received the 2014 Annual Actuarial Valuation from the Pension Review Board (PRB). Ms. Lenehan reported that according to

the valuation, the Fund did not meet or exceed the Necessary Employer Contribution, the funded percentage was not at least 97% and there were not enough assets to cover: all active member contributions; all payments to current beneficiaries; and 100% of all future payments earned by an active member. In addition, Ms. Lenehan stated that the valuation found that the Local Plan was not actuarially sound. Ms. Lenehan reported that the Actuarially Assumed Rate of Return that was being used was 5%, which was decided on by the PRB several years ago. Ms. Lenehan stated that if there were a 1% decrease in the assumed rate of return, the net pension liability would increase from \$71,177,783 to \$84,302,603. If there were a 1% increase in the assumed rate of return, the net pension liability would decrease from \$71,177,783 to \$60,101,112. Ms. Lenehan stated that according to the rule, if at any point the Fund was projected to run out of assets while still paying benefits, instead of utilizing the historical blended rate of return, a bond type of rate would have to be used. Ms. Lenehan reported that although the Fund was not well-funded, it would not run out of assets before benefit payments were made. Ms. Lenehan stated that based on the valuation, she did not recommend moving forward with a benefit increase.

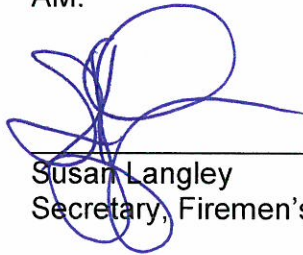
5. Removal from the Pension Rolls: Removal of Allen Shaw, effective February 12, 2015, with the benefit amount of \$1,339.07. Mr. Reep made the motion, seconded by Mr. Chiaro, to remove Mr. Shaw from the Pension Rolls. By unanimous voice vote of the Board Members present, Mr. Shaw was removed from the Pension Rolls.
6. Addition to the Pension Rolls: Addition of Paul Gunther, effective March 1, 2015, with the benefit amount of \$3,670.73. Mr. Reep made the motion, seconded by Mr. Chiaro, to add Mr. Gunther to the Pension Rolls. By unanimous voice vote of the Board Members present, Mr. Gunther was added to the Pension Rolls. Addition of Randall Davenport, effective June 12, 2015, with the benefit amount of \$3,300.35. Mr. Reep made the motion, seconded by Mr. Hoffman, to add Mr. Davenport to the Pension Rolls. By unanimous voice vote of the Board Members present, Mr. Davenport was added to the Pension Rolls.
7. Legal Issues:
 - A. Request for Qualified Domestic Relations Order (QDRO): Ms. Chavis stated that she was still researching the QDRO issue and asked that the item be tabled. Mr. Hoffman made the motion, seconded by Mr. Chiaro, to table the item. By unanimous voice vote of the Board Members present, the item was tabled.
8. Other Business:
 - A. Discussion of Benefit Increase: Mr. Chiaro stated that a resolution needed to pass to approve a one (1)-time additional payment (benefit increase) for 2015 in the amount of \$1,250 for all retirees, beneficiaries and members on DROP. Chair Moore stated that in order to pass such an increase, a copy of the resolution, as well as the approved minutes from that meeting would need to be submitted. In addition, due to the

absence of Ms. Langley, there was not a majority to vote on the item. Mr. Chiaro stated that there needed to be a Special Called Meeting so that the Board could approve the minutes to move forward with the resolution. Mr. Reep made the motion, seconded by Mr. Hoffman, to have a Special Called Meeting in June to address the possible benefit increase. By unanimous voice vote of the Board Members present, the motion was approved.

- B. Certification of Election Results: Information was distributed with the following election results: William Ellington, 103 votes; Phil Hays, 20 votes; and Don Kinney 70 votes. Mr. Reep made the motion, seconded by Mr. Chiaro, to certify the election results. By unanimous voice vote of the Board Members present, the election results were certified.

Chair Moore thanked Johnny Reep for his many years of dedicated service to the City, to his profession and the Firemen's Relief & Pension Fund Board.

Mr. Reep made the motion, seconded by Mr. Hoffman, to adjourn the meeting. By unanimous voice vote of the Board Members, the meeting was adjourned at 9:50 AM.



Susan Langley
Secretary, Firemen's Relief and Pension Fund