

Firemen's Relief and Pension Fund Board Meeting
August 24, 2017
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. Chair Bruce Moore called the meeting to order.

1. Roll Call:
Members Present: Jeff Cary; Johnny Chiaro; Bernard Sherwood; Jimmy Taylor; Joel Woolf; Susan Langley; and Bruce Moore
City Personnel Present: Sara Lenehan; Kathy Lindsey; Debbie Pharr; and Kim Chavis
Other's Present: Bo Brister, Alex Jordan and Larry Middleton from The Stephens Group
2. Approval of Minutes from the June 22, 2017, Meeting: Mr. Sherwood made the motion, seconded by Mr. Woolf, to approve the minutes of the June 22, 2017, meeting. By unanimous voice vote of the Board Members present, the minutes of the June 22, 2017, meeting were approved.
3. Stephens, Inc., Report (Copy of Financial Report filed in the City Clerk's Office): Mr. Brister, Mr. Jordan and Middleton presented the report for March. The Total Fund Balance as of June 30, 2017, was \$52,317,489, and the total Drop Balance was \$8,594,572.41. The Fund was up .51% for the month, up 2.15% for the 2nd Quarter and up 3.82% year-to-date.
4. Financial Reports for June 2017 & July 2017 (Copy of Financial Reports filed in the City Clerk's Office): Mr. Sherwood made the motion, seconded by Mr. Woolf, to approve the June 2017 and July 2017 Financial Reports. By unanimous voice vote of the Board Members present, the June 2017 and July 2017 Financial Reports were approved.
5. Other Business:
 - A. Discussion of Benefit Increase: Copies of a proposed resolution approving a one (1)-time benefit increase for 2017 were distributed. The proposed resolution stated that the Board would approve a one (1)-time \$1,200.00 additional payment for the 2017 calendar year to all retirees, beneficiaries and members on Drop, which was a total of 283 members at that date, for a cost of \$339,600.00. Mr. Chiaro stated that there were fifty-seven (57) members over the age of eighty (80) and he thought it would be nice to provide them with a \$1,200.00

increase. Ms. Lenehan reminded the Board that according to the 2016 Annual Actuarial Valuation, the income did not meet or exceed the Necessary Employer Contribution, nor was it funded by at least 97% or actuarially sound. Ms. Lenehan stated that the Plan was 48% funded, the 10-Year Average Market Rate of Return was 3.46%, and the Net Pension Liability was \$67.7 Million. Ms. Lenehan stated that the ages of all the participants were taken into account, along with the Mortality Tables, in establishing the liability. Ms. Chavis stated that she thought the Board should be cautious about sending documents to the Pension Review Board (PRB) that stated such a specific amount, i.e., number of participants and the total cost. Ms. Chavis stated that her concern was that if either one of those numbers were incorrect in any way, a determination by the PRB might not be able to be made.

Mr. Chiaro stated that the vote before the Board was only to send the resolution over to the PRB and that if it was approved then the Board would vote on whether to move forward with the benefit increase. Mr. Moore stated that the vote before the Board was to approve a benefit increase, which would then be sent to the PRB for their approval. Ms. Chavis stated that the Statute read that there had to be $\frac{3}{4}$ vote to make a request for the study. Mr. Moore stated that if the PRB approved the request, the Fire Pension Board would take no further action. Ms. Lindsey stated that the request could not be forwarded to the PRB without a copy of the approved minutes from that meeting; therefore, if the resolution were approved, it would not be sent over until after the September meeting.

Mr. Woolf stated that as long as the bottom line was in the negative, he could not be supportive. Mr. Woolf stated that if later in the year, things changed for the positive, he could be supportive of requesting the increase. Mr. Woolf stated that he was in support of members receiving an increase; however, his duty as a Board Member was to ensure funds were available for all retirees.


Mr. Chiaro made the motion, seconded by Mr. Taylor, to approve the resolution in considering a one (1)-time benefit increase of \$1,200.00, and to forward to the PRB for further action. By voice vote of the Board Members present, with Mr. Woolf, Mr. Moore and Ms. Langley, voting in opposition, the motion failed.

- B. Consolidation of Local Plan: Mr. Moore stated that the item had been tabled from the June 22, 2017, meeting in order for the City Manager to report on the completion of the Police valuation. Mr. Moore reported that the valuation had been conducted and it was unanimous that they not move forward with a Cost of Living Adjustment; however, a one (1)-

time \$150.00/month increase was approved. Mr. Moore stated that the increase was for a period of three (3) years until another valuation was conducted. Mr. Moore stated that there would be a review every three (3) years until the end of the amortization period, which was twenty-five (25) years total. Mr. Sherwood asked if the Police system was improved by being a part of LOPFI. Ms. Lenehan stated that the investment returns were definitely better, and because the amortization period was so long, the liability actually increased some before it decreased. Ms. Lenehan stated that as a result of 100% of the revenue being paid in, the liability was being paid down.

Mr. Woolf asked what type of fee LOPFI charged to manage the Fund. Ms. Lenehan stated that there was an allocation to all participants of the administrative costs; however, it was built into the rate billed.

Mr. Chiaro made the motion, seconded by Mr. Sherwood, to adjourn the meeting. By unanimous voice vote of the Board Members, the meeting was adjourned at 9:51 AM.



Susan Langley
Secretary, Firemen's Relief and Pension Fund