

Firemen's Relief and Pension Fund Board Meeting
June 22, 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; and Bruce Moore

Members Absent: Susan Langley

City Personnel Present: Sara Lenehan; Kathy Lindsey; Debbie Pharr; and Alli Segars

Other's Present: Bill Lundy.

2. Approval of Minutes from the April 27, 2017, Meeting: It was noted that Mr. Chiaro's name was incorrectly listed as being Present and Absent. Mr. Cary made the motion, seconded by Mr. Sherwood, to approve the minutes as corrected of the April 27, 2017, meeting. By unanimous voice vote of the Board Members present, the minutes of the April 27, 2017, meeting was approved as corrected.

3. Financial Reports for April 2017 & May 2017 (Copy of Financial Reports filed in the City Clerk's Office): Mr. Woolf made the motion, seconded by Mr. Taylor, to approve the April 2017 and May 2017 Financial Reports. By unanimous voice vote of the Board Members present, the April 2017 and May 2017 Financial Reports were approved.

Evaluating Local Plan Investments: Ms. Lenehan mentioned that the Board had been given copies of a memorandum from the Arkansas Fire & Police Pension Review Board regarding the evaluation of local plan investments. Ms. Lenehan stated that the memo was a reminder regarding how the plan investments needed to be reviewed and managed.

4. Removal from the Pension Rolls: Removal of Marcus White, effective June 11, 2017, with the benefit amount of \$4,375.52. Mr. Sherwood made the motion, seconded by Mr. Woolf, to remove Marcus White from the Pension Rolls. By unanimous voice vote of the Board Members present, Marcus White was removed from the Pension Rolls.

5. Other Business:

- A. Certification of Election Results: Chair Moore stated that Johnny Chiaro had run unopposed for Position 1, receiving 142 votes; and Jeff Cart had run unopposed for Position 3, receiving 138 votes. Mr. Chiaro made the motion, seconded by Mr. Taylor, to certify the election results. By unanimous voice vote of the Board Members present, the election results were certified.
- B. 2016 Actuarial Valuation: Ms. Lenehan reported that the 2016 Annual Actuarial Valuation had been received in May. According to the 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 Funding Percentage was at 48%, which was an Extreme Risk; the 10-Year Average Market Rate of Return was 3.46%, which was High Risk; the Ratio of Actual to Actuarially Recommended Contributions was 38%, which was High Risk; and the Projected Number of Years until the Crossover Point was none, which was Low Risk. Ms. Lenehan reported that at the end of December 2016, the total pension liability was \$128,145,055, the value of the plan assets was \$54,410,753 and the unfunded, or Net Pension Liability, was \$67,737,302.
- C. Legislative Follow-Up: Ms. Lenehan distributed copies of legislation that the Pension Review Board was interested in during the recent legislative session. Ms. Lenehan noted that Act 126 amended Arkansas Code §24-11-801 (a)(3) to say that *“the Fire Chief, or if the Fire Chief is not member of the Fire Department, the highest ranking member of the Fire Department who is a member and who is willing to serve, or, if there is no active member of the Fire Department, a retired member of the Fire Department; and...”*
- D. Consolidation of Local Plan: Ms. Lenehan stated that even though the Board had received a recent actuarial valuation, if a benefit increase was requested, the request would have to be submitted with a check and a calculation will be made to determine how the benefits including the increase would change the unfunded liability. If the Board made the decision to consolidate with LOPFI, the decision would have to be made by September 30, 2017. If the Board voted to consolidate with LOPFI, then it would have to be forwarded to the City Board of Directors for action. If the City Board voted to consolidate the administration with LOPFI, the Fire Pension Board would be dissolved and the assets would be transferred to LOPFI. Ms. Lenehan stated that the Plan would still be valued separately; however, the assets would be merged with the assets of LOPFI and are invested to earn a higher rate of return.
- E. One-Time Benefit Increase: Mr. Chiaro distributed a proposed resolution for a one-time benefit increase for 1,200.00 for all retirees, beneficiaries & members on DROP; a total of 283 members at a cost of \$339,600.00 subject to approvals required in Ark. Code Ann. #24-11-102. Mr. Chiaro stated he would like the Board to review the resolution for discussion at the next meeting.

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 9:48 AM.

Susan Langley
Secretary, Firemen's Relief and Pension Fund