OFFICE OF THE CITY MANAGER LITTLE ROCK, ARKANSAS

| Subject: | Action Required: | Approved By: |
|---|--|--------------------------------|
| Authorization of a sole- source contract with Osborn, Carreiro & Associates, Inc., to perform and actuarial evaluation and stress testing of the Little Rock Police Pension and Relief Fund for the purpose of evaluating the feasibility of various benefit increase amounts. | √ Ordinance Resolution | |
| Submitted By: | | |
| City Manager's Office | | Bruce T. Moore City Manager |
| SYNOPSIS | An ordinance to authorize a sole-source contract with Osborn, Carreiro and Associates, Inc., to perform an actuarial evaluation and stress testing of the Little Rock Police Pension and Relief Fund, now administered by the Arkansas Local Police and Fire Retirement System, for the purpose of evaluating the feasibility of various benefit increase amounts for members of the Police Pension and Relief Fund and eligible survivors. | |
| FISCAL IMPACT | The cost of the study will not exceed \$6.750.00, and funds for the Actuarial Study are available in Police Pension Benefit, Account No. 105202-63220. | |
| RECOMMENDATION | Approval of the ordinance. | |
| BACKGROUND | Little Rock Ordinance No. 20,805 (October 15, 2013) transferred administration of the Little Rock Police Pension and Relief Fund to the Arkansas Local Police and Fire Retirement System. Section 4 of the ordinance authorized a \$75.00 per month benefit increase to all retiree and survivor accounts beginning January 1, 2014. | |

BOARD OF DIRECTORS COMMUNICATION JULY 19, 2022 AGENDA

BACKGROUND CONTINUED

Section 4 of the ordinance committed to review and consider a benefit increase on a reoccurring three (3)-year basis following the consolidation until the conclusion of the closed twenty-five (25)-year amortization period. Any Actuarial Valuations conducted as part of the review and reconsideration shall be made by an Independent Actuary as required by Arkansas State Law. The first such three (3)year review occurred in 2017 and resulted in a \$150.00 per month benefit increase to all retiree and survivor accounts beginning January 1, 2018, as authorized by Ordinance No. 21,473 (September 7, 2017). The second three (3)-year review was conducted in 2020 based on the Actuarial Valuation performed by the LOPFI System Actuaries, GRS Consulting. No benefit increase was awarded at that time due to the funding status of the plan and the uncertainty caused by the COVID-19 Pandemic. The closed amortization period is now seventeen (17) years.