

1 **MINUTES**

2 Policemen's Pension and Relief Fund

3 Thursday, May 17, 2012

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5 On Thursday, May 17, 2012 at approximately 9:00 a.m., a meeting of the Board of Trustees of the  
6 Policemen's Pension and Relief Fund of the City of Little Rock, Arkansas was held in the Sister Cities  
7 Conference Room at City Hall.

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10 **Agenda Item #1. Call to Order/Roll Call**

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12 The Chairman called the meeting to order at approximately 9:00 a.m. and certified that a  
13 quorum of the Board was present. The Roll Call was as follows:

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15 PRESENT: Mr. Bruce Moore, Chairman; Ms. Sara Lenehan, Treasurer; Mr. Lee Harrod,  
16 Secretary; Mr. Farris Hensley, Member; Mr. Steve Young, Member; Mr. Don Woods, Member;  
17 Sgt. Rusty Watson, Member. All members of the Board were present.

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19 Also present were Mr. Larry Middleton, Mr. Alex Jordan, and Mr. Bo Brister of Stephens  
20 Capital Management, Financial Consultants for the Fund; Ms. Joan Adcock, Little Rock City  
21 Board of Director; Mr. Tom Carpenter, Little Rock City Attorney; Chief Stuart Thomas, Little  
22 Rock City Police Chief; Ms. Debbie Pharr and Ms. Kathy Lindsey, of the Pension Fund  
23 Administrative Staff; Mr. Kevin Tindle, Member of the Pension Fund; Ms. Melody Ralls,  
24 Website Designer.

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26 **Agenda Item #2. Notification of News Media.**

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28 The Chairman noted that the media had been properly notified in a letter to the Arkansas  
29 Democrat Gazette dated May 8, 2012.

30 **Agenda Item #3. Report from Board Financial Consultant**

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32 Mr. Bo Brister, Financial Consultant for the Pension Fund, gave the April 2012 financial report  
33 and stated that on April 30, 2012, the market value of the total Fund was \$42,988,310. This  
34 represents a decrease in the account balance of \$325,529 since March 31, 2012. The component  
35 of this change was income of \$86,584.41. There were net contribution/withdrawals of  
36 \$(484,888.03). Of the market Fund balance, approximately \$22,731,689.92 was allocated to  
37 DROP. The over-all rate of return for the Fund during the month of April was 0.49%, and  
38 6.34% year to date. The average over-all effective rate of return from (1986-2011) was  
39 approximately 7.30%. It was also noted that the First Security Bank checking account currently  
40 has a balance of \$1,020,311.99.

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42 **Agenda Item #4. Approval of April Minutes**

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44 Mr. Hensley made a motion to approve the April minutes and Mr. Woods seconded that  
45 motion. A vote was then taken to approve the April minutes, and the motion passed by a  
46 unanimous vote of the Board.

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**Agenda Item #5. Report from City Attorney Tom Carpenter**

A. Resolution to hire City Attorney as General Counsel – Mr. Carpenter presented the Board with a Letter of Engagement in regard to an arrangement of retaining the City Attorney for General Counsel of the Pension Fund. Prior to a review the letter, Mr. Woods made a Motion to NOT retain the City Attorney for General Counsel of the Fund, due to a conflict of interest. Mr. Young seconded the Motion.

Following the motion, Mr. Hensley asked if the Board could now have an opportunity to review the Letter of Engagement that had previously been submitted by Mr. Carpenter. Mr. Moore then asked Mr. Carpenter to continue his presentation of the letter.

Mr. Carpenter discussed with the Board the previously submitted Letter of Engagement that in part stated the following:

“It is understood that the first priority of this office is to the City of Little Rock, the Mayor, the City Manager, and the various departments and employees.”

“In work for the Fund, the Office will review statutes, contracts and other legal issues as requested by the Fund.”

“It is understood that the Fund has recently had an arrangement with the law firm of Kutak Rock and may wish to continue this relationship for matters that this Office cannot handle. This Office will cooperate in any way legally possible to assure that information, files and materials are shared with Kutak Rock or any other firm that the Fund directs.”

“The Office will not assess legal fees against the Fund for matters handled. However, if there are expenses incurred, deposition expenses or other litigation cost, the Fund agrees that it will reimburse the Office.”

“There is no definite term to the agreement. This Office and the Fund may choose to terminate this relationship at any time upon written notice of the intent to do so. Upon such termination, the Office will arrange to transfer any uncompleted files or legal work to any lawyer or law firm the Fund requests.”

Following a lengthy Board discussion, a vote was taken on the previous motion: NOT to retain the City Attorney as General Counsel. Voting against the motion was: Mr. Moore, Ms. Lenehan, Mr. Harrod, Mr. Hensley and Mr. Watson. Voting for the motion was: Mr. Woods and Mr. Young. The motion failed with a five (5) to two (2) vote.

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92 Mr. Hensley then made a motion to approve the Letter of Engagement previously  
93 submitted by Mr. Carpenter, retaining the City Attorney as General Counsel for the  
94 Fund, while continuing to also retain private legal counsel to be used at the direction  
95 of the Board. Mr. Harrod seconded the motion and the vote was recorded as: For the  
96 motion, Mr. Moore, Ms. Lehehan, Mr. Harrod, Mr. Hensley and Mr. Watson; against  
97 the motion, Mr. Young and Mr. Woods. The motion passed with a five (5) to two (2)  
98 vote.  
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- 100 B. Resolution to allow surviving spouses to continue receiving monthly benefits when  
101 they remarry - Mr. Carpenter submitted a resolution to the Board, and stated that  
102 Ark. Statute 24-11-105 currently allows surviving spouses, who receive a monthly  
103 benefit, to continue receiving it when they remarry, however, a resolution must first  
104 be approved by the Pension Board then forwarded to the Arkansas Fire and Police  
105 Pension Review Board (PRB) for an actuarial evaluation, and their approval. It must  
106 then be reviewed and approved the Little Rock City Board of Directors  
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108 After reviewing the Resolution, Ms. Lenehan suggested that it be amended to clearly  
109 stipulate that it will not be retroactive, and only include qualifying surviving spouses  
110 who remarry after the effective date of the resolutions final approval.  
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112 Following discussion, Mr. Hensley made a motion to approve the amended  
113 resolution. Mr. Woods seconded the motion and it passed by a unanimous vote of the  
114 Board.  
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- 116 C. Discuss "formal policy" on payment of the death benefit – Mr. Carpenter presented  
117 the Board with a resolution to establish a formal policy regarding the death benefit  
118 payment to Active or Retired Members currently set at \$6,500.00. The primary focus  
119 of the resolution was to allow a member to designate who the benefit would be paid  
120 to, upon their death.  
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122 After a discussion by the Board, Mr. Harrod made a motion to approve the  
123 Resolution. Mr. Watson seconded the motion, and it passed by a unanimous vote of  
124 the Board.  
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126 **Agenda Item #6. Report of Board Lobbyist**  
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128 Mr. Hensley informed the Board that Mr. Smith had previously contacted him and explained  
129 that he would not be unable to attend the meeting because of a minor medical issue.  
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131 **Agenda Item #7. Report of Funding Committee**  
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- 133 A. Discussion of LOPFI consolidation – Director Adcock asked Mr. Moore  
134 specifically when the previously discussed lump sum of past probation fees  
135 would be available, so the Pension Board could make a decision concerning a  
136 potential supplement fund for Police Pension Members. She also asked Ms.  
137 Lenehan to provide the estimated annual cost of a \$100 monthly, and a \$200

138 monthly supplement payment for each Member of the Fund. Both Mr. Moore  
139 and Ms. Lenehan said they would provide the requested information at the June  
140 meeting.

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142 Director Adcock then asked that the June Funding Committee meeting be held at  
143 8:30 A.M., preceding the regular Pension Meeting.

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145 **(Out of Agenda Order)**

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147 B. Report on Court fines, fees, and etc. – Chief Thomas reported to the Board that  
148 the Pension Fund currently receives confiscated money, (excluding money from  
149 drug seizures), and proceeds from the sale of confiscated goods, consisting of  
150 various stored and seized property including long-guns (i.e., hunting guns), all of  
151 which are sold at public auctions. He also explained that all hand guns, assault  
152 guns, and sawed off shotguns is destroyed. He said that all guns subject to public  
153 auction are held until they have a minimum of one hundred fifty (150) because  
154 of an auction company requirement.

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156 Director Adcock asked Mr. Moore and Ms. Lenehan how much money the Fund  
157 actually receives from the recently enacted City Ordinance imposing a \$50.00  
158 fine related to “parking in yards”. Ms. Lenehan explained that \$25.00 is  
159 designated Court Costs, \$20 is allocated by statute to the Pulaski County Jail,  
160 and the remaining \$5.00 goes to the City of Little Rock, of which ten percent  
161 (10%) or \$.50 is used for Police Pension funding. Ms. Lenehan explained that  
162 the State Statute requires the 10% of fines designated for pension funding be  
163 deducted after court cost is taken.

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165 **Agenda Item #8. Report from Board Chairman**

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167 Mr. Moore stated he had nothing new to report at this time.

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169 **Agenda Item #9. Report from Board Secretary**

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171 Mr. Harrod stated he had nothing new to report at this time

172 **Agenda Item #10. Report from Board Treasurer**

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174 A. Financial Report for April – The Treasurer submitted copies of the un-audited  
175 financial report for the month of April 30, 2012. The Income/Loss to the plan year-  
176 to-date was (\$449,320. The report indicated that as of April 30, 2012, the total  
177 account Fund balance including the DROP was \$43,951,523. The net  
178 income/(loss) for the month of April was (\$211,099).

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180 Copies of the April 2012 expense and legal fee reports were also submitted. Total  
181 expenditures, excluding benefit related expenses, were \$2,703.63 for the month and  
182 \$12,726.93 year-to-date. Legal fees paid were \$270.00 year-to-date.

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184 Mr. Harrod made a motion to approve the April financial report. The motion was  
185 seconded by Mr. Hensley and passed by a unanimous vote of the Board.

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**Agenda Item #11. Board Member Topics of Discussion [Out of Agenda Order]**

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A. Police Pension Fund Website.

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Mr. Hensley introduced Ms. Melody Ralls to Board Members and explained that she currently works in website design and administration for the Arkansas Democrat-gazette. Ms. Ralls had submitted a formal proposal to the Board to design a Pension Fund website for an amount of \$500.00, and to administer it for one year at the directed of the Board for an amount of \$100.00 monthly. She explained that there would be an additional annual fee of approximately \$50.00 to \$100.00 for the domain name (URL) and hosting. Also included in her proposal was the option of up-loading video of monthly meetings for an additional amount of \$50.00 monthly. Her on-going administrative services would include, but not limited to: posting monthly meeting packets, including digital audio of meetings provided to her, and posting articles of other information submitted to her. She would monitor and maintain the site, and periodically report to, and offer suggestions to the Pension Board regarding its on-going operation and use.

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Included in the lengthy discussion was how to best accomplish the task of video taping meetings that would require the additional purchase of equipment, or having someone perform the task. In order to expedite to process it was decided to table the issue concerning video taping meetings until the up-coming meeting.

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Mr. Hensley made a motion to approve Ms. Ralls' proposal regarding the set-up and design of the website for a total amount of \$500.00, the annual fee of \$50.00 to \$100.00 for the URL and sponsoring, and \$100.00 monthly for twelve (12) months for administration. Mr. Harrod seconded the motion and it passed with a unanimous of the Board.

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**Agenda Item #12. Fund Members Comments**

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Mr. Kevin Tindle was present during the meeting, but had no comments at this time.

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**Agenda Item #13. Other Business**

A. Results from Election – Ms. Lindsey stated that over 300 ballots were distributed to Members and 175 ballots were returned. Mr. Moore read the results of the Pension Election between Mr. Woods and Mr. Tindle. He reported that Mr. Tindel received 97 votes and Mr. Woods received 78 votes. Mr. Moore stated that any interested party was welcomed to review the ballots.

Mr. Woods asked if he could purchase the Pension Fund computer that he had been using. Mr. Hensley made a motion to allow Mr. Woods an opportunity to purchase the computer based on the previously established terms of depreciation. The motion was seconded by Mr. Harrod and passed by a unanimous vote of the Board.

Mr. Hensley, Mr. Harrod and Mr. Moore all thanked both Mr. Young and Mr. Woods for their service to Pension Fund, and its Members.

**Agenda Item #14. Adjourn Meeting**

Upon conclusion of pension business, Ms. Lenehan made a motion to adjourn the meeting at approximately 11:12 a.m. The motion was seconded by Mr. Hensley and passed by a unanimous vote of the Board.

Respectfully Submitted,  
  
Lee Harrod  
Board Secretary