

1 **MINUTES**

2 Policemen's Pension and Relief Fund

3 Thursday, March 10, 2011

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6 On Thursday, March 10, 2011 at approximately 9:00 a.m., a meeting of the Board of Trustees of the
7 Policemen's Pension and Relief Fund of the City of Little Rock, Arkansas was held in the Sister Cities
8 Conference Room at City Hall.
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13 **Agenda Item #1. Call to Order/Roll Call**

14 [00.00.00 into the pension audio]

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16 The Secretary called the meeting to order at approximately 9:00 hours and certified that a
17 quorum of the Board was present. The Roll Call was as follows:
18

PRESENT:	Steve Young	Secretary
	Farris Hensley	Member
	Lee Harrod	Member
	David Rowan	Member
	Don Wood	Member

ABSENT:	Mark Stodola	Chairman
	Sara Lenehan	Treasurer

19 Also present were Mr. Bo Brister, Mr. Larry Middleton, and Mr. Alex Jordan, Stephens Capital
20 Management, Financial Consultants for the Fund; Mr. Jim Hathaway, Kutak Rock LLP, Legal
21 Consultant for the Fund; and Ms. Kathy Lindsey, Pension Fund Administrative Staff.
22

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

24 [00.00.28 into the pension meeting audio.]

25 The Secretary stated the media had been properly notified in a letter dated March 4, 2011, to
26 the Arkansas Democrat Gazette.

27 **Agenda Item #3. Exigent Business.**

28 [00.00.60 into the pension meeting audio.]
29

30 The Secretary stated that the Board's Lobbyist, Roger Smith, had to be at the State Capital by
31 9:30 a.m., for the legislative session so he was going to speak first followed by the Attorney.
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33 **Agenda Item #4. Approval of the February Regular Meeting Minutes**

34 [00.01.00 into the pension meeting audio.]

35 The Minutes for the February Regular Meeting were approved by unanimous vote of the Board
36 after a motion to approve the minutes was made by Mr. Harrod and seconded by Mr. Hensley.
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39 **Agenda Item #5. Report from Board Legal Consultant**

40 [00.24.51 into the pension meeting audio.]

41 A. Discussion On Bill to change the Chairmanship of the Board — Legal Counsel stated that
42 the City had received a “do pass” out of their Committee at the State Legislature on
43 HB1478 that would allow the Mayor to designate the City Manager to serve on the police
44 pension Board. [Note: SB1478 became Act 608 of 2011 and became effective on March 23,
45 2011, due to its Emergency Clause]

46 B. Discussion of negotiations with the City on probation fee issue — Legal Counsel stated he
47 had talked, generally, to City Attorney Tom Carpenter but did not yet have a “sit down”
48 meeting but believed he would get back to him in the next couple of weeks to arraign one.

49 **Agenda Item #6. Report from Board Financial Consultant**

50 [00.29.39 into the pension meeting audio]

51

52 A. February Financial Report —Mr. Brister, Financial Consultant for the Fund, gave the
53 February 2011 financial report and stated that on February 28, 2011, the market value of the
54 total Fund was \$48,792,847 of which \$23,917,177.48 was allocated to DROP. This
55 represents an increase in the account balance of \$712,099 since January 31, 2011. The
56 component of this change was income of \$61,636 and net contributions/withdrawals of
57 (\$198,321). The Funds overall market rate of return for the month of February 2011 was
58 2.53% and 3.09% calendar year to date.

59 The Financial Consultants stated we had a very good month in February of 2011 and they
60 did not believe the situation in Libya and Saudi Arabia would have any impact on our
61 returns; however, they did state that geopolitical events could have an impact on our fund in
62 the future but they feel good about the United States financial recovery.

63

64 **Agenda Item #7. Report of Board Lobbyist [Out of Agenda Order]**

65 [00.01.43 into the pension meeting audio.]

66

67 A. Discussion of Legislative Matters — The Lobbyist started his report with a discussion of
68 SB 183 which is the request by the State Police to increase vehicle title transfer fees. Mr.
69 Smith stated the State Police apparently just gave up on passage of SB183 after receiving
70 good support from the Committee and the Senate but they didn't do a good job of
71 explaining it to the House.

72

73 SB 181 is the Premium Tax formula supported by the PRB. SB181 would not provide any
74 money to our individual plan; however, the Bill would provide money to our fund that our
75 fund was previously ineligible for from the Fund that will replace the Guarantee Fund. Mr.
76 Hensley stressed to Mr. Smith, the importance of the fact that SB181 must not reduce any
77 funding for the Supplement funding currently provided to our membership.

78

79 Mr. Smith additionally stated that SB 79 was the PRB Bill that had been pulled down by the
80 sponsor but had no problems with the widow's longevity bonus section and that David
81 Clark with the with the PRB is currently working on that proposal to get it approved.
82

83 B. Presentation of Legislative Proposals — Mr. Smith stated on SB158 that it would have to
84 be amended to reduce the amount requested to have any chance of success. Mr. Hensley
85 then made a motion [00.18.19 into the pension audio] to increase the amount by \$50 per
86 month based on Mr. Smith's recommendation and Mr. Rowan seconded the motion that
87 passed by a unanimous vote of the Board.
88

89 **Agenda Item #8 Report from Board Chairman**

90 [00.43.31 into the pension meeting audio]

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92 [Items A, B, and C were tabled because of the absence of the Chairman.]
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94 **Agenda Item #9. Report from Board Secretary**

95 [00.43.33 into the pension meeting audio.]

96 A. Purchase of New Document Scanner — Mr. Young stated that this item was on the agenda
97 to determine if the Pension Office was going to be able to assist him with obtaining
98 electronic files on the pension meetings; however, Ms. Lenehan was not present so that
99 issue was tabled until the next meeting.
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101 **Agenda Item #10. Report from Board Treasurer**

102 [00.07.35 into the pension meeting audio.]

103 A. Financial Reports for February — [Due to the absence of the Board Treasurer, this item was
104 tabled until the next pension meeting.]

105 B. Report on effort to obtain base benefits for calculation of "additional appropriation" under
106 SB181 — [Due to the absence of the Board Treasurer, this item was tabled until the next
107 pension meeting.]

108 C. Report on change of membership status — There was no change; however, Mr. Rowan
109 gave a short report on the payments to our fund by a member and Mr. Hensley discussed
110 the billing of our legal counsel.
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112 **Agenda Item #11. Board Member Topics of Discussion**

113 [01.22.32 into the pension meeting audio]

114 A. Discussion of DROP Interest Rates (Mr. Hensley) — [Tabled until next meeting due to
115 absence of Board Treasurer.]

116 B. Report from Legislative Committee (Mr. Wood) — Mr. Wood proposed meeting with other
117 pension boards around our State to determine their interest in joining the Committee but
118 stated there was no need to rush into that process immediately.
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120 **Agenda Item #12. Fund Members Comments**

121 [01.30.19 into the pension meeting audio]

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123 [There were no fund members present except those on the Board.]

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125 **Agenda Item #13. Other Business**

126 [01.30.23 into the pension meeting audio]

127 **A. Approval of Election Schedule** — Mr. Hensley made a motion to approve the schedule as
128 submitted with the addition of the sentence, “Any interested party will be allowed to view
129 tabulation of the ballots.” Mr. Harrod seconded the motion that was approved by a
130 unanimous vote of the Board.

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132 **Agenda Item #14. Adjourn Meeting**

133 [01.48.21 into the pension meeting audio.]

134 Mr. Harrod made a motion to adjourn and Mr. Hensley seconded the motion that passed by a
135 unanimous vote of the Board at approximately 10:48 hours.

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141 Respectfully Submitted,

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144 Stephen R. Young
145 Board Secretary