

Firemen's Relief and Pension Fund Board Meeting
April 22, 2009
9:00 A.M.

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 W. Markham Street, City Hall, with the following members and officials present. Mr. Moore called the meeting to order.

1. Roll call.

Present: Mr. Moore, Sara Lenehan, Nancy Wood, Butch Wright, Don Kinney, Johnny Reep and Havis Jacks

Absent: Don Ply

Other Personnel Present: Lakisha Grigsby and Melinda Raley

2. Approve Minutes of the December 2008, February, 2009 and March 2009 Meetings.

A motion was made by Mr. Reep, seconded by Mr. Kinney to approve the minutes of the stated meetings. Ms. Raley stated that she had spoken to Ms. Wood earlier about amending the Minutes of the November 19, 2008 Meeting, there were some technical typos that needed to be corrected. Ms. Raley said she had found some things that needed changed and were for purpose of amendment which had earlier been approved. Ms. Raley stated where it says judiciary, it should have been fiduciary, and on page three where it says eight million dollars, it needs to be eighty million dollars. Ms. Raley provided Ms. Wood a marked-up copy. A motion was made by Mr. Wright, seconded by Mr. Kinney to approve the November 2008 minutes as amended. By unanimous voice vote of the Board Members present, the November 2008 Minutes was approved as amended. Mr. Kinney made a motion to amend the November Minutes; Mr. Wright seconded the motion and by unanimous voice vote of the Board Members present the motion carried and the amendment was made. Ms. Raley also noted that the December Minutes, on page three, where it reads, Laura Peach who is an underpaid beneficiary at that time, it says that "Ms Lenehan stated the Pension Office had received a letter from Ms. Peach requesting that her overpayment be received in 2008 as possible, and it should be the amount underpaid, be received in 2008 if possible. A motion was made by Mr. Wright, seconded by Mr. Kinney to amend the December 2008 minutes as stated. Ms. Wood stated that all the minutes on this agenda had gone out as drafts, and she would make noted changes, before final drafts are printed. By unanimous voice vote of the Board Members present, the amendments were made. Mr. Reep made a motion, seconded by Mr. Kinney to approve the December Minutes as amended. A motion was made by Mr. Wright, seconded by Mr. Kinney to approve the February 2009 Minutes. By unanimous voice vote of the Board Members present the February Minutes were approved. Mr. Raley stated on page five of the March Minutes, the Pension Review Board Rule Number Five has been scanned in there, and it has been scanned in twice, and one needs to come out. Ms. Wood stated she would make that change.

A motion was made by Mr. Wright, seconded by Mr. Kinney to approve the March minutes as amended. By voice vote of the Board Members present the motion carried. By unanimous voice vote of the Board Members present the March Minutes were approved.

3. Stephens Inc.

The Little Rock Fire Pension Portfolio Summary was presented. The Total Account Balance as of March 31, 2009 was \$62,728,615.

4. Financial Report:

The Financial Report for the Fire Pension Fund was given by Ms. Sara Lenehan and is on file in the Fire Pension Office. A motion was made by Mr. Reep, seconded by Mr. Wright to approve the Financial Report. By unanimous voice vote of the Board Members present, the report was approved.

5. Remove From Pension Rolls.

None

6. Add to Pension Rolls.

None

7. Other Business

A. Report by Attorney Melinda Raley

In reviewing the Minutes of March 25, 2009, Ms. Raley noted that Ms. Grigsby had made a report on Board Member Affidavits on gifts, etc., and most had been returned, and for Housekeeping purposes asked if they had all been turned in now. Ms. Grigsby affirmed that they had.

Ms. Raley stated that she was asked to look into Pension Review Board Rule 5 as it related to overpayments to some members, and the Attorney General's Opinion that the PRB Regulation relied upon. She spoke with Mr. David Clark, PRB Director, who advised that the PRB was amending Rule 5 to leave it up to the discretion of the local Boards as to whether to seek repayment. That was premised upon their review of PRB Rule 5 at Mr. Bill Lundy's request. She stated that a meeting or two ago, Mr. Lundy was present at the meeting, and talked to the Board about PRB Rule 5. She stated she has now researched the matter and what happened. She said Mr. Lundy explained it when he was here in February. The PRB Rule 5 is from 1985, but the Attorney General's Opinion is from 1989. That does not make sense. She said that Mr. Clark went back and reviewed all the minutes and in 1985, Ms. Hinshaw (then PBR Director) obtained an oral opinion from the Attorney General's Office and that is what is reflected in the PRB Rule 5. In 1989, Ms. Hinshaw obtained a written opinion for that matter. The written opinion is inconclusive. Ms. Raley said the PRB has taken the initiative to do a new rule, and she handed out copies to the Board. Mr. Raley stated she obtained this copy pursuant to the Administrative Procedures Act. The PRB has to file this at the Secretary of State's Office ahead of time. This is on the agenda for the June 9, 2009 PBR meeting. She

stated she had asked Mr. Clark to send a copy to her due to today's meeting. Ms. Raley cited page 2, paragraph 3, as to where it was changed. They now say that recovery of overpaid benefits shall be left to the discretion of the local Board and its legal counsel.

This is not law now. What we are still covered by is the current PRB Rule 5. Ms. Raley's suggestion was that her office do a legal opinion; take that old Attorney General's Opinion and run it up to the current date and see if there is a legal basis where we ought to seek repayment. If there is, if this Rule passes June 9th, she will inform the Board of that decision. There will be finality and certainty in the matter. Mr. Moore asked Ms. Raley when she expected to have her legal opinion. Ms. Raley replied, that she would have it by next month. If they amend this, it will be in June, then it's ten days after that; in June there should be some certainty.

Ms. Lenehan asked if even they do adopt this; this was not the rule in place at the time the issues were discovered and are we confident that anything prior to this change, do we need to leave as is and not seek recovery.

Ms. Raley said that would be in the legal opinion. She said it will certainly tell how far back you can go.

B. Resubmit Bid – RFQ Fire Audit

The question of issuing an RFP was deferred to July, 2009. Mr. Kinney made the motion; Ms. Wood seconded the motion to defer. By unanimous voice vote of the Board Members present, the motion passed.

C. Board nomination results

Mr. Kinney asked if ballots would be sent out. Ms Grigsby answered no. Mr. Kinney asked if that was a conflict with any of our rules. Ms. Lenehan stated that she thought there should be the opportunity of members to vote. Mr. Wright said there should be an opportunity for members to have a write-in vote, and thought a ballot had to be sent out.

Ms. Grigsby said if the ballot is approved, she can send it out. A motion was made by Mr. Kinney, seconded by Mr. Wright to approve the ballot, with the provision of a write-in candidate line for each position on the ballot. By unanimous voice vote of the Board Members present, the ballot was amended. By unanimous voice vote of the Board Members present, the ballots were approved as amended.

Ms. Wood asked the Board to approve the purchase of better recording equipment, that with the recorder being used, that it sometimes did not pick up voices with clarity and it makes it difficult to transcribe minutes. Mr. Reep, seconded by Mr. Kinney made the motion to approve the purchase of new recording equipment.

A motion was made by Mr. Wright, seconded by Mr. Kinney to adjourn. By unanimous voice vote of the Board Members present the meeting was adjourned.

Nancy Wood, Secretary
Little Rock Firemen's Relief and Pension Fund