

Minutes
Local Police and Fire Retirement System Board of Trustees
Quarterly Meeting

The Local Police and Fire Retirement System Board of Trustees met by video conference on Thursday, March 5, 2026 with the meeting originating from the LOPFI office located at 620 W. 3rd Street, Suite 200, Little Rock, Arkansas.

Members Present: John Neal, Retired Fire Employee Trustee, Chairman
 J. Scott Baxter, Police Employee Trustee, Vice-Chairman
 Tim Hill, Retired Police Employee Trustee
 Jared Zeiser, Public Trustee
 Brad Moore, Fire Employee Trustee
 Mayor Seth Smith, Employer Trustee

Staff Present: David Clark, Executive Director
 Laura Nixon, Assistant Director
 Lesley Weaver, Secretary to the Board

Chairman Neal called the meeting to order at 9:31 a.m. and recognized a quorum and notification of the news media. Mr. Smith stated that since he has not yet received the Senate confirmation of his appointment, he will recuse from voting on items at this meeting.

Approval of Minutes

Mr. Hill made a motion, seconded by Mr. Baxter, to approve the December 4, 2025 LOPFI meeting minutes. The motion passed unanimously.

Disability Load

Mr. Clark gave an update on the disability load discussion. Since January 2026, there has been one (1) non-duty case approved, there is one (1) disability application in process, no appeals, and 26 members who have indicated they may apply for disability retirement. The initial review period will continue through December 31, 2026. The Board thanked Mr. Clark for the update.

Legal Update

Mr. Ben Honaker, legal counsel for LOPFI, gave an update on the current legal activity. He continues to work diligently to recover overpayments where a person receiving a benefit passed away, and because of lack of notification to LOPFI, the benefit continued to be issued. In addition, Mr. Honaker stated the court of appeals upheld the circuit court's ruling and dismissed the City of Bauxite's case; the PBI data breach case continues; and there is a new appeal at the court of appeals regarding a disability case. The Board thanked Mr. Honaker for the update.

Investment Consultant Report

Mr. Larry Middleton, Stephens Inc., presented the fourth quarter investment report. LOPFI's total portfolio value as of December 31, 2025 was \$4.027 billion. Mr. Middleton stated for the quarter, the LOPFI portfolio was up almost \$90 million in earnings. Mr. Middleton recommended a potential allocation to two (2) existing investment managers, pending the completion of his research, between \$20 million and \$30 million to GoldenTree and a potential allocation of \$10 million to AIM Tiger Global. Mr. Baxter made a motion, seconded by Mr.

Hill, to approve the recommended potential allocations. The motion passed unanimously. The Board thanked Mr. Middleton for the report.

Investment Monitor Report

Mr. Brendon Vavrica, Mariner, reviewed the Executive Summary report as of December 31, 2025. Mr. Vavrica stated that the 2025 net return was 11.99% versus the System's index of 13.59%; the three (3) year return was 14.31% versus the index of 13.65%; and the five (5) year return was 8.35% versus the index of 6.77%, which overall are good numbers. Mr. Vavrica briefly reviewed each of the individual managers' results, including an equity analysis that showed the portfolio was broadly diversified and consistent with the Board's policy. The Board thanked Mr. Vavrica for the report.

Actuarial Discussion

Ms. Heidi Barry and Mr. Casey Ahlbrandt-Rains, actuaries with Gabriel, Roeder, Smith & Company (GRS) discussed establishing the maximum LOPFI Paid Service and Volunteer Service employer contribution rates for calendar year 2027.

1. Ms. Barry and Mr. Ahlbrandt-Rains stated the current maximum LOPFI paid service employer rate of 24.50% is acceptable to continue into 2027, if the Board so chooses. After discussion by the Board, Mr. Baxter made a motion, seconded by Mr. Zeiser, to approve keeping the LOPFI paid service employer rate at 24.50% for calendar year 2027. The motion passed unanimously.
2. There have been very minimal changes to the volunteer contribution rate over the last several years. GRS suggested the Board consider an increase in the full volunteer rate to something in the range of \$85.00-\$95.00 per member per month to maintain funding progress. Mr. Clark advised moving the full volunteer rate from \$75.00 to \$95.00 since the number of active volunteers, which is lower than in past years, determines the total contributions paid and the volunteer benefit accrual for active service is indexed annually with price inflation. Premium Tax funds are available so the full added costs would not be borne solely by the employers. After further discussion, Mr. Hill made a motion, seconded by Mr. Baxter, to increase the full volunteer rate to \$95.00 per member per month starting calendar year 2027. The motion passed unanimously. GRS also suggested a scheduled annual increase to the volunteer employer contribution rate of fifty cents (\$0.50) per member per month for each of the next 5 years or so. After discussion by the Board, Mr. Moore made a motion, seconded by Mr. Baxter, to annually increase the required volunteer employer contribution rate fifty cents (\$0.50) per member per month beginning with the 2027 calendar year. The motion passed unanimously.

2027 Legislative Session

Mr. Clark advised at this time, there are no legislative items to present in the 2027 Legislative Session. Chairman Neal stated in the recent past, the Board has given clear direction for Mr. Clark to speak against proposed legislation if there is a cost. Since the retirement system is striving to attain a fully funded position, adding costs before reaching that goal should be avoided. Mr. Baxter made a motion, seconded by Mr. Zeiser, to give Mr. Clark the authority to speak on behalf of the Board against legislative items that would have a cost to the system. The motion passed unanimously.

December 2025 Financial Statements

Chairman Neal stated the financial statements have been available in the Board packet for review and shows current assets and liabilities and that the System is in good shape. Mr. Zeiser made a motion, seconded by Mr. Moore, to approve the December 2025 financial statements. The motion passed unanimously.

With no further business to discuss, the Board adjourned at 10:24 a.m.

Respectfully submitted,

Approved 6/4/2026

Lesley Weaver
Secretary to the Board