

Minutes of
The Arkansas Local Police and Fire Retirement System
and
The Arkansas Fire and Police Pension Review Board
Administrative Services Committee Meeting

Members of the Administrative Services Committee (ASC) of the Arkansas Local Police and Fire Retirement System (LOPFI) and the Arkansas Fire and Police Pension Review Board (PRB), met on Thursday, November 7, 2019 in the LOPFI office located at 620 W. 3rd, Suite 200, Little Rock, Arkansas.

Members Present: Mayor Mike Gaskill, Employer Trustee, LOPFI Chairman
John Neal, Retired Fire Employee Trustee, LOPFI Vice-Chairman
J. Scott Baxter, Police Employee Trustee
Bill Lundy, Fire Employee Member, PRB

Excused Member: Rusty Watson, Police Employee Member, PRB

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

Chairman Gaskill called the meeting to order at 10:00 a.m. and recognized a quorum and notification of news media. Mr. Neal made a motion, seconded by Mr. Baxter, to excuse Mr. Watson. The motion passed unanimously.

Approval of Minutes

Mr. Neal made a motion, seconded by Mr. Lundy, to approve the June 11, 2019 ASC minutes. The motion passed unanimously.

Review of 2020 Budget Items

Mr. Clark stated that the 2020 proposed budget consists of four (4) items:

Item 1. Review of staff salaries for compliance with ACA 24-10-204: Mr. Clark stated a function of the ASC is to conduct an annual review of staff salaries. The meeting packet includes a Compensation Study of LOPFI staff salaries with comparative retirement system salaries used in the state pay scale. At last year's ASC meeting, Mr. Baxter noted the salary range for the Chief Financial Officer (CFO) varies from the state pay plan. Mr. Clark stated this is currently true for the Accountant II and Membership Services positions as well. Because of the salary range variation, Mr. Clark proposed adjustments to move these positions into the same range structures as their peers and for each position to remain at its current spot (year two (2), three (3), etc.) within their salary range effective January 1, 2020. Mr. Clark advised this proposal anticipates a Cost of Living Adjustment (COLA) be incorporated and excludes the Executive Director and Assistant Director positions. Mr. Baxter made a motion, seconded by Mr. Neal, to approve the request to adjust the salary ranges for Membership Services, Accountant II, and CFO effective January 1, 2020. The motion passed unanimously. Mr. Clark thanked the ASC.

Item 2. Career Service Award Program: Mr. Clark stated the career service award program recognizes staff who perform well in their employment and have attained the top of their salary

range. On the anniversary date of hire and having achieved a favorable annual performance review, the staff member is awarded a one-time annual payment. As a result of Act 914 of 2019, the state increased their career service award annual dollar amounts to a beginning of \$800 and a maximum of \$1,500. Mr. Clark reviewed the proposed update as described in the ASC packet, to be effective January 1, 2020. Mr. Lundy made a motion, seconded by Mr. Baxter, to approve the requested update to the Agency's career service award program, effective January 1, 2020. The motion passed unanimously. Mr. Clark thanked the ASC.

Item 3. COLA for 2020: Mr. Clark stated the September 2018 to September 2019 measurement period reflected a 1.7% increase in the Consumer Price Index. If a COLA is approved, it would be added to the salary ranges for the applicable positions to ensure the ranges remain current with market conditions. Mr. Clark reiterated that an approved COLA would not be added on top of the salary range adjustments the ASC approved under item 1. Mr. Lundy made a motion, seconded by Mr. Baxter, to approve a 1.7% COLA for the Executive Director and Assistant Director positions, effective January 1, 2020. The motion passed unanimously. Mr. Clark thanked the ASC.

Item 4. Division of Salaries between LOPFI and the PRB: At last year's ASC meeting, the ASC discussed adjusting the current 60/40 division of staff salaries between LOPFI and the PRB to possibly a 70/30 configuration given the declining number of Local Plans under purview of the PRB. Mr. Clark advised that the PRB recently approved reducing the number of meetings, effective January 2020, from a quarterly schedule to twice-a-year in the months of June and December. The PRB can call other meetings, should the need arise. After discussion, Mr. Neal made a motion, seconded by Mr. Baxter, to adopt a 70/30 configuration for the division of salaries, effective with the 2020 budgets. The motion passed unanimously.

Mr. Baxter stated he continues to receive great feedback about staff interactions with members and the high level of customer service the membership receives. Chairman Gaskill, Mr. Lundy, and Mr. Neal all concurred with Mr. Baxter's statement. Staff consistently delivers top-level service. Mr. Clark thanked the ASC and advised he would share this feedback with staff. Mr. Lundy commended the LOPFI Trustees for their dedication to the system and its members. Mr. Lundy stated he was pleased that the Trustees seek out professional development through organizations like NCPERS, in order to carry out their fiduciary responsibilities. This takes an investment of time and effort and he is sincerely appreciative.

Confirm timing of June 2020 ASC meeting

Mr. Clark asked if the ASC wanted to continue the practice of holding the June ASC meeting on the same day as the June 2020 LOPFI meeting at 9:30 a.m. When the June 2020 LOPFI meeting date is set it will be provided to the ASC. The ASC agreed to continue with this schedule.

With no other business, the ASC adjourned at 10:50 a.m.

Respectfully submitted,

Approved 06/11/2020

Lesley Weaver
Recording Secretary to the Committee