

Minutes  
The Arkansas Local Police and Fire Retirement System  
Disability Advisory Committee Meeting

The Disability Advisory Committee (DAC), composed of members of the Arkansas Local Police and Fire Retirement System (LOPFI) Board of Trustees and representatives from member and employer organizations met on Monday, September 16, 2019 in the LOPFI office located at 620 W. 3<sup>rd</sup>, Suite 200, Little Rock, Arkansas.

Members Present: J. Scott Baxter, Police Employee Trustee, Chairman  
Mayor Gary Baxter, Employer Trustee, Vice-Chairman  
Damon Reed, Fire Employee Trustee  
Gary Sipes, Arkansas Association of Chiefs of Police  
Brad Moore, Arkansas State Firefighters Association  
Chad Mosby, Arkansas Fire Chief's Association  
Kevin "Bart" Simpson, Arkansas State Fraternal Order of Police (teleconference)  
Mark Fallis, Arkansas Municipal Police Association  
Wade Marshall, Arkansas Professional Fire Fighters Association (teleconference)

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

Chairman J. S. Baxter called the meeting to order at 10:00 a.m. and recognized a quorum and notification of the news media.

Committee Member Introductions

Chairman J. S. Baxter welcomed the DAC members and had everyone introduce themselves and state what organization they represent.

Committee Plan of Action

Chairman J. S. Baxter stated disabilities have been a continual concern and the purpose of the DAC will be to look at the rate/frequency of disability retirements and their associated costs; review the overall employer contribution costs so that clear communication is provided as to LOPFI costs i.e. are they too high or are they appropriate for a public safety plan; and ultimately ask the LOPFI Board of Trustees to provide a statement affirming the importance of maintaining an attractive benefit structure for the career members of LOPFI.

Mr. Clark presented a review of disability information from LOPFI's actuaries, Gabriel, Roeder, Smith & Company, of other retirement systems that are comparable to LOPFI based on size and social security coverage. Most of the comparative systems have disability experience that is better (fewer instances) than LOPFI. Staff contacted some of the systems to determine what they do to manage their disabilities. Some systems use an income limitation in that approved disabilitants have their retirement benefit reduced if they have earnings above certain

thresholds. This suggests members may be encouraged to seek ways to remain employed and avoid filing for disability retirement. For one of the comparative systems, Dallas, they had three (3) disabilities in a recent year. LOPFI averages about thirty (30) cases each year. Also, the average LOPFI disabilitant compared to a normal retiree:

- Is about 9.5 years younger
- Has 4.5 years less accrued service
- Receives a monthly benefit that is roughly 40% higher

Each actuarial experience study that LOPFI has conducted over the last 20 years has resulted in the disability assumptions being increased. This level of experience continues to add costs to the retirement system. (Mr. G. Baxter had to depart the meeting at 10:45 a.m.)

Mr. Mosby and Mr. Fallis both suggested cities could implement additional requirements for employees i.e. visit counselors and conduct more psychological and physical reviews annually. Mr. Marshall mentioned an organization founded by firefighters in Milwaukee, Wisconsin that was formed to help those injured on the job see a doctor for immediate care. The organization has contracts with different doctors who are able to see members in a swift time frame rather than going through workers compensation. Mr. Marshall stated cities that use this organization have seen their employees returning to work quicker. Mr. Simpson stated he helped the City of Little Rock implement a wellness unit based on his review of the model in Indianapolis, Indiana that ensures injured/disabled members get the proper care to return to work sooner. After discussion, the DAC directed staff to provide the following at the next meeting:

- Average age and total accrued service credit for disabilitants
- Analysis of a disability load to employer contribution rates for locations with greater instances of disabilities
- Seek feedback from other retirement systems as to how they review disability cases
- List LOPFI locations with the highest rate of disabilities
- A breakdown of each primary medical condition for LOPFI disabilities i.e. police or fire and duty or non-duty
- Resolution to be presented to the Board stating the DAC wishes to protect the retirement benefits for the career members

Set Date/Time for Next Meeting

The DAC agreed to hold their next meeting on Thursday, December 12, 2019 at 10:00 a.m.

With no further business to discuss, the DAC adjourned at 11:05 a.m.

Respectfully submitted,

Approved 12/12/19

Lesley Weaver  
Recording Secretary to the DAC