

Minutes
Arkansas Fire and Police Pension Review Board (PRB)
Regular Meeting

The Arkansas Fire and Police Pension Review Board met by video conference on Wednesday, December 7, 2022 with the meeting originating from the PRB office at 620 W. 3rd, Suite 200, Little Rock, Arkansas.

Members Present: Bill Lundy*, Fire Employee Member, Chairman
Farris Hensley*, Police Employee Member
Rusty Watson, Police Employee Member
Buddy Ledford, Public Member
Lance Spicer*, Employer Member
Sara Lenehan, Employer Member
**Attended in-person at the PRB office*

Excused Members: Melanie Hazeslip, DF&A Member
Jim Gates, Fire Employee Member, Vice-Chairman

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

Chairman Lundy called the meeting to order at 9:30 a.m. and recognized a quorum and notification of the news media. Chairman Lundy advised Ms. Hazeslip and Mr. Gates would be excused. It was also noted PRB legal counsel, Mr. Douglas House with the Attorney General's Office, was in attendance today.

Approval of Minutes

Mr. Ledford made a motion, seconded by Mr. Hensley, to approve the June 15, 2022 PRB meeting minutes. The motion passed unanimously. The Board also reviewed the November 3, 2022 Administrative Services Committee minutes.

2023 Legislative Session

Mr. Clark reviewed the amendments to two (2) sections of Local Plan code that will be requested in the 2023 session. The two (2) sections of code to be amended are ACA 24-11-213 and ACA 24-11-214. All amendments pertain to the removal of mapping tasks tied to the Premium Tax allocation. The Premium Tax allocation process no longer uses mapping information, so if the proposed changes are approved, the PRB will not need to contract with UALR for mapping work or request Premium Tax funding for the mapping costs. Mr. Hensley made a motion, seconded by Mr. Spicer, to approve the proposed legislative changes. The motion passed unanimously.

September 2022 Financial Statements

Chairman Lundy stated the financial statements have been available in the Board packet for review and shows current assets and liabilities and that the PRB's financial position is in good shape. Mr. Clark advised monies were moved from the Travel/Prof./Education/Conf. line item to the Office Equipment-Leasing/Maintenance line item to fund cyber security costs. This type of change is permitted under the Board's guidelines. Mr. Spicer made a motion, seconded

by Mr. Hensley, to approve the September 2022 financial statements. The motion passed unanimously.

ASC Report

Chairman Lundy reviewed the actions of the Administrative Services Committee (ASC) from their November 3, 2022 meeting. Chairman Lundy advised the ASC approved an 8.2% COLA for all staff. Chairman Lundy stated years ago we made a commitment to our employees. When employees work well, and they do, they should be rewarded well. The COLA will be added January 1, 2023 to the salary ranges for the chief financial officer, accountant II, and all membership services positions and as a one-time lumpsum payment for the executive director and assistant director positions. The lumpsum method is necessary because the salary ranges for these two positions are at their top level. Mr. Hensley made a motion, seconded by Mr. Spicer, to approve the ASC's recommendations. The motion passed unanimously. Mr. Clark thanked the Board.

Proposed 2023 Budget

Mr. Clark reviewed the proposed 2023 PRB budget, which totals \$679,019. Mr. Clark provided a brief overview of the proposed 2023 budget and stated the 2023 budget should be the last budget cycle for the UALR Mapping line item. This is due to what we discussed earlier, the proposed legislative changes to remove mapping functions from the Premium Tax sections of code. Mr. Clark noted the first year to see the elimination of this line item will be in the 2024 budget cycle. In addition, for the 2023 budget, the Agency will transition its document imaging platform from the existing vendor to Tegrit. The costs of the transition will total \$145,000 and be shared using a 25%/75% division, with the PRB covering the 25% factor, which equals \$36,250. Mr. Clark noted the change between the 2022 budget versus the 2023 budget is attributable to the imaging transition. Ms. Lenehan made a motion, seconded by Mr. Hensley, to approve the proposed budget for 2023. The motion passed unanimously.

Review/Approve Benefit Increase Items

Mr. Clark reviewed the internal checklists for Harrison Fire, Harrison Police, Morrilton Fire, Osceola Fire, and Siloam Springs Fire. Staff and the actuaries agree that these five (5) Local Plans met the requirements of a PRB Recognized Investment Management and Trust Arrangement for the purpose of an Alternate Cash Flow Valuation. Mr. Hensley made a motion, seconded by Mr. Watson, to approve the PRB recognized Investment Management and Trust Arrangement for these five (5) Local Plans. The motion passed unanimously. Mr. Clark also reviewed staff action on the following 15 benefit increase requests:

- Ashdown Fire – approved \$70/month increase
- Brinkley Fire – approved \$50/month increase
- Elaine Fire – approved \$50/month increase
- Flippin Fire – approved \$35/month increase
- Foreman Fire – approved \$30/month increase
- Harrison Fire – denied 95%; approved increase to 90% of final salary
- Harrison Police – approved increase to 140% of final salary
- Hope Fire – denied 80%; approved 65% Final Salary for Paid; approved \$50/month increase for volunteer

- Hughes Fire – denied \$40; approved \$15/month increase
- Jacksonville Police – denied 15% increase; approved 10% increase (90% base benefit)
- Lonoke Fire – approved \$30/month increase
- Morrilton Fire – approved \$100/month increase
- Osceola Fire – approved 100% final salary for Paid; approved \$40/month increase for volunteer
- Rogers Police – approved temporary five-year 5% compound COLA
- Siloam Springs Fire – denied COLA increase; approved 5% increase for Paid; approved \$70/month increase for volunteer

Mr. Spicer made a motion, seconded by Mr. Hensley, to approve staff action on these 15 benefit increases. The motion passed unanimously.

Set Dates/Times for 2023 Meetings

The Board agreed on the following dates/times for their 2023 meetings:

- June 21 – at 9:30 a.m. – Regular Meeting
- December 6 – at 9:30 a.m. – Regular Meeting

With no further business, the Board adjourned at 10:02 a.m.

Respectfully submitted,

Approved 6/21/2023

Lesley Weaver
Secretary to the Board