

LOPFI

LOCAL POLICE & FIRE RETIREMENT SYSTEM

620 W. 3rd, Suite 200
Little Rock, Arkansas 72201-2223
Telephone: 501.682.1745
email: info@lopfi-prb.com
website: www.lopfi-prb.com

Administrative Services Committee Meeting Agenda
Meeting to be held via Zoom (Login details below)
Thursday, November 3, 2022
10:00 am

1. Call to Order
Recognition of a quorum and notification of news media
2. Approve June 9, 2022 ASC minutes
3. Review 2023 budget items
4. Confirm timing of June 2023 ASC meeting
5. Adjourn

To attend the meeting via Zoom, follow these two (2) steps:

Step 1 – Registration – Complete at any time prior to the meeting.

To attend, click the following link to register for the meeting:

<https://us06web.zoom.us/meeting/register/tZYtcuuvpj0sGd3jjsI2f8e-EJMoutwAddnM>

Step 2 – Join Meeting – Complete day of the meeting at least 10 minutes prior to the start time.

Once registration has been completed an email from LOPFI staff at no-reply@zoom.us will be sent with the information needed to join the meeting. This email will have a *Click Here to Join* button that you will select to join the meeting. If you are joining using the Zoom app on a mobile device, the email will also provide the Meeting ID number.

We encourage those who are joining do so at least 10 minutes prior to the meeting start time to ensure you have successfully joined the meeting.

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October 20, 2022

Arkansas Democrat-Gazette
PO Box 2221
Little Rock, AR 72203

Via Email: mwickline@arkansasonline.com (2 pages)

Dear Ladies and Gentlemen:

There will be a meeting of the Administrative Services Committee (ASC) on November 3, 2022, at 10:00 a.m. The ASC is composed of board members of the Arkansas Local Police and Fire Retirement System and the Arkansas Fire and Police Pension Review Board.

The meeting will be at 620 W. 3rd St., Suite 200 in Little Rock. An agenda is included.

Respectfully,

LOPFI Staff

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October 20, 2022

Arkansas Business
PO Box 3686
Little Rock, AR 72203

Via Email: lturner@abpg.com (2 pages)

Dear Ladies and Gentlemen:

There will be a meeting of the Administrative Services Committee (ASC) on November 3, 2022, at 10:00 a.m. The ASC is composed of board members of the Arkansas Local Police and Fire Retirement System and the Arkansas Fire and Police Pension Review Board.

The meeting will be held at 620 W. 3rd St., Suite 200 in Little Rock. An agenda is included.

Respectfully,

LOPFI Staff

Minutes of
The 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 Local Police and Fire Retirement System (LOPFI) and the Arkansas Fire and Police Pension Review Board (PRB), met by video conference on Thursday, June 9, 2022 with the meeting originating from the LOPFI office at 620 W. 3rd, Suite 200, Little Rock, Arkansas.

Members Present: John Neal*, Fire Employee Trustee, LOPFI Chairman
J. Scott Baxter*, Police Employee Trustee, LOPFI Vice-Chairman
Mayor Gary Baxter, Employer Trustee
Bill Lundy*, Fire Employee Member, PRB
**Attended in-person at the LOPFI office*

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 Neal called the meeting to order at 9:30 a.m. and recognized a quorum and notification of news media. Mr. Lundy made a motion, seconded by Mr. J. S. Baxter, to excuse Mr. Watson. The motion passed unanimously.

Approval of Minutes

Mr. J. S. Baxter made a motion, seconded by Mr. Lundy, to approve the November 4, 2021 ASC minutes. The motion passed unanimously.

Annual Review of Executive Director

Chairman Neal stated that he has inspected the written reviews completed by the ASC. All reflect satisfied or exceptionally satisfied and in favor of awarding Mr. Clark a 3% Career Service Award. Mr. Lundy stated he was concerned regarding the maximum salary because of a recent news article regarding the Executive Director pay at APERS; therefore, Mr. Clark provided Mr. Lundy with the Classification Compensation Study. Mr. Lundy stated he has no objection; it was just for informational purposes. Chairman Neal stated in all the reviews completed, Mr. Clark and staff were complimented on their performance and friendliness and commended Mr. Clark on his leadership and experience. Mr. G. Baxter made a motion, seconded by Mr. J. S. Baxter, to approve Mr. Clark's 3% Career Service Award. The motion passed unanimously. Mr. Clark thanked the ASC.

Schedule next ASC meeting

The next ASC meeting was scheduled for Thursday, November 3, 2022 at 10:00 a.m.

With no other business, the ASC adjourned at 9:39 a.m.

Respectfully submitted,

Drafted 06/16/2022

Lesley Weaver
Recording Secretary to the Committee

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To: Administrative Services Committee (ASC)

From: David B. Clark
Executive Director

Re: 2023 Budget Items

Date: October 18, 2022

This memo covers two items for the 2023 proposed budgets:

- Review Staff Salaries
- Cost of Living Adjustment (COLA)

Review Staff Salaries-

This first item is the annual review of staff salaries with ACA 24-10-204, which states, in part, “The pay of the persons engaged by the system [LOPFI] shall be consistent with the pay plan of the state.” Attached is a list of the Agency staff positions with the title, current salary range, and the salary range for related positions at the Arkansas Public Employees Retirement System (APERS), Arkansas State Highway Employees Retirement System (ASHERS), and the Arkansas Teacher Retirement System (ATRS). The state pay plan includes agencies beyond retirement systems, so we have included the pay of similarly titled positions in state government. And for a local market analysis, some City of Little Rock positions are listed as well.

In the past we have explained in evaluating Agency positions an exact companion position is not present at the comparative locations. The limited number of Agency staff (eight) has more responsibility incorporated into each position, which results in duties being broader than those of their peers with similar titles. An example of this is all Agency staff are versed in performing retirement counseling. Retirement counseling involves a deep skill set to properly complete and shows the advantages of our cross-training to develop the strengths of staff. This ensures that when a staff member is away from the office, the primary tasks for that person are handled so that business continues in an uninterrupted manner. Cross-training permits the knowledge, skills, and abilities to be distributed across multiple staff members, which is pivotal for succession planning, too. The Agency operates efficiently and consistently delivers accurate, timely, detailed, and friendly service.

The above structure provides significant savings for the Agency and one way to evaluate that savings is to compare the number of Agency staff to the total membership. LOPFI would be staffed with either 28 or 22¹ people, depending on the comparative retirement system (APERS or ATRS). The average of these two systems’ staff ratios is 25 and means LOPFI would need to

Administrative Services Committee
October 18, 2022
Page 2 of 2

add 17 people to arrive at a total staff count of 25. The first year's estimated payroll cost (salary, payroll taxes, and benefits) for 17 additional staff members is above \$1,528,000. LOPFI's efficiencies reflect a budget savings of more than \$1.5 million for the initial year and this number would increase in the future as people advanced through their salary range. The Agency operates in a fiscally responsible manner--as it should.

The state pay plan uses four categories² for their salary ranges. The design is meant to help the state attract quality employees to government service and retain key performers even when they have served many years in their career. Agency positions for Membership Services, Accountant II, and Chief Financial Officer are grouped in the General Salaries section. The Assistant Director and Executive Director positions are covered in the Senior Executive Salaries. The result is the comparative salary ranges for Agency purposes are:

- General: Minimum of \$22,000 and maximum of \$140,592.
- Senior Executive: Minimum of \$108,110 and maximum of \$201,700.

All Agency salaries fall within these parameters.

NOTE: The 2023 Legislative Session may see an update to the state pay plan, which could lead to amendments to the Agency salary ranges when the 2024 budgets are prepared.

Cost of Living Adjustment (COLA)-

The second item is a review of the September-to-September Consumer Price Index (CPI) report to determine the amount, if any, of a COLA to provide staff in the upcoming year. The current CPI report for the September 2021 to September 2022 period is attached and reflects a 8.2% increase. If a COLA is approved, it would be added to the existing salary ranges to hold the ranges consistent with market conditions. The attached spreadsheet shows the effect of this COLA in italicized font immediately below the current Agency salary range. Similar to 2022, if a COLA is approved for the Assistant Director and Executive Director positions, the award should be as a one-time payment in January 2023. Neither of these two positions have room to increase in the Senior Executive range, so further upward range adjustment should not occur.

If you should have any questions, please feel free to touch base with me. Thank you.

¹Metrics do not include six temporary employees for APERS or 20 temporary employees for ATRS.

²The other two categories in the state pay plan are:

- Medical Professional: Minimum of \$63,830 and maximum of \$270,455.
- Information Technology: Minimum of \$33,403 and maximum of \$161,681.

2022 Compensation Study

	LOPFI ⁽¹⁾	APERS ⁽²⁾	ASHERS ⁽²⁾	ATRS ⁽²⁾	State Pay Plan ⁽²⁾	City of Little Rock ⁽¹⁾	
Executive Director	153,272 - 201,696	S e e	N/A	149,862 - 181,500	N/A	191,132 ⁽³⁾	
	<i>TBD by ASC</i>						
Assistant Director	117,878 - 155,120		N/A	108,110 - 147,200	N/A	95,772 - 147,489	
	<i>TBD by ASC</i>						
Chief Financial Officer	92,010 - 121,079		A T R S	144,000 - 164,164	77,862 - 112,899	77,862 - 112,899	75,326 - 116,002
	99,555 - 131,008						
Accountant II	73,894 - 97,239	59,878 - 94,458		62,531 - 90,669	50,222 - 72,821	75,326 - 116,002	
	79,953 - 105,213						
Membership Services	59,348 - 78,097		51,246 - 83,434	50,222 - 72,821	45,010 - 65,264	44,304 - 68,228	
	64,215 - 84,503						
<u>Act 365 of 2017 State Pay Plan Categories Relevant to LOPFI and PRB</u>							
	General:	Minimum \$22,000 and maximum \$140,592.					
	Senior Executive:	Minimum \$108,110 and maximum \$201,700.					
⁽¹⁾ 2022 Salary Ranges							
⁽²⁾ Fiscal Year 2022 amounts and represents similarly titled positions							
⁽³⁾ City Manager position							
Note: ASHERS does not have Executive and Assistant Director positions in their agency for the retirement section.							

NEWS RELEASE

BUREAU OF LABOR STATISTICS

U. S. D E P A R T M E N T O F L A B O R



**Transmission of material in this release is embargoed until
8:30 a.m. (ET) Thursday, October 13, 2022**

USDL-22-1990

Technical information: (202) 691-7000 • cpi_info@bls.gov • www.bls.gov/cpi
Media contact: (202) 691-5902 • PressOffice@bls.gov

CONSUMER PRICE INDEX – SEPTEMBER 2022

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4 percent in September on a seasonally adjusted basis after rising 0.1 percent in August, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 8.2 percent before seasonal adjustment.

Increases in the shelter, food, and medical care indexes were the largest of many contributors to the monthly seasonally adjusted all items increase. These increases were partly offset by a 4.9-percent decline in the gasoline index. The food index continued to rise, increasing 0.8 percent over the month as the food at home index rose 0.7 percent. The energy index fell 2.1 percent over the month as the gasoline index declined, but the natural gas and electricity indexes increased.

The index for all items less food and energy rose 0.6 percent in September, as it did in August. The indexes for shelter, medical care, motor vehicle insurance, new vehicles, household furnishings and operations, and education were among those that increased over the month. There were some indexes that declined in September, including those for used cars and trucks, apparel, and communication.

The all items index increased 8.2 percent for the 12 months ending September, a slightly smaller figure than the 8.3-percent increase for the period ending August. The all items less food and energy index rose 6.6 percent over the last 12 months. The energy index increased 19.8 percent for the 12 months ending September, a smaller increase than the 23.8-percent increase for the period ending August. The food index increased 11.2 percent over the last year.

Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Sep. 2021 - Sep. 2022
Percent change

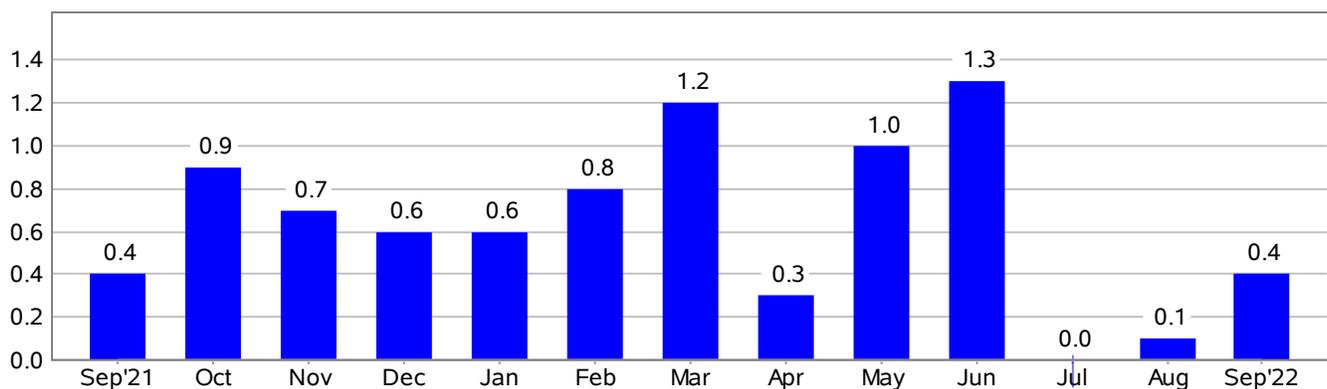
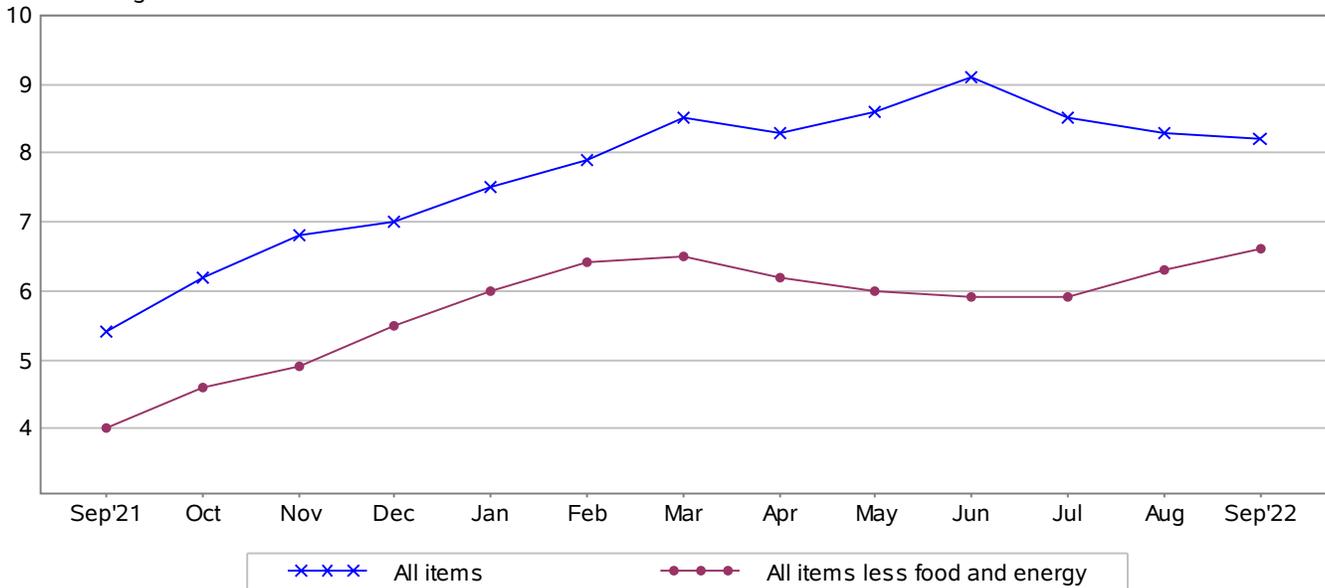


Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Sep. 2021 - Sep. 2022

Percent change

**Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average**

	Seasonally adjusted changes from preceding month							Un- adjusted 12-mos. ended Sep. 2022
	Mar. 2022	Apr. 2022	May 2022	Jun. 2022	Jul. 2022	Aug. 2022	Sep. 2022	
All items.....	1.2	0.3	1.0	1.3	0.0	0.1	0.4	8.2
Food.....	1.0	0.9	1.2	1.0	1.1	0.8	0.8	11.2
Food at home.....	1.5	1.0	1.4	1.0	1.3	0.7	0.7	13.0
Food away from home ¹	0.3	0.6	0.7	0.9	0.7	0.9	0.9	8.5
Energy.....	11.0	-2.7	3.9	7.5	-4.6	-5.0	-2.1	19.8
Energy commodities.....	18.1	-5.4	4.5	10.4	-7.6	-10.1	-4.7	19.7
Gasoline (all types).....	18.3	-6.1	4.1	11.2	-7.7	-10.6	-4.9	18.2
Fuel oil ¹	22.3	2.7	16.9	-1.2	-11.0	-5.9	-2.7	58.1
Energy services.....	1.8	1.3	3.0	3.5	0.1	2.1	1.1	19.8
Electricity.....	2.2	0.7	1.3	1.7	1.6	1.5	0.4	15.5
Utility (piped) gas service.....	0.6	3.1	8.0	8.2	-3.6	3.5	2.9	33.1
All items less food and energy.....	0.3	0.6	0.6	0.7	0.3	0.6	0.6	6.6
Commodities less food and energy commodities.....	-0.4	0.2	0.7	0.8	0.2	0.5	0.0	6.6
New vehicles.....	0.2	1.1	1.0	0.7	0.6	0.8	0.7	9.4
Used cars and trucks.....	-3.8	-0.4	1.8	1.6	-0.4	-0.1	-1.1	7.2
Apparel.....	0.6	-0.8	0.7	0.8	-0.1	0.2	-0.3	5.5
Medical care commodities ¹	0.2	0.1	0.3	0.4	0.6	0.2	-0.1	3.7
Services less energy services.....	0.6	0.7	0.6	0.7	0.4	0.6	0.8	6.7
Shelter.....	0.5	0.5	0.6	0.6	0.5	0.7	0.7	6.6
Transportation services.....	2.0	3.1	1.3	2.1	-0.5	0.5	1.9	14.6
Medical care services.....	0.6	0.5	0.4	0.7	0.4	0.8	1.0	6.5

¹ Not seasonally adjusted.

Food

The food index increased 0.8 percent in September, the same increase as August. The food at home index rose 0.7 percent in September as all six major grocery store food group indexes increased. The index for fruits and vegetables rose 1.6 percent, while the index for cereals and bakery products rose 0.9 percent over the month. The index for other food at home increased 0.5 percent in September, after rising 1.1 percent in August. The index for meats, poultry, fish, and eggs rose 0.4 percent over the month while the index for nonalcoholic beverages increased 0.6 percent in September. The dairy and related products index rose 0.3 percent in September, the same increase as the previous month.

The food away from home index rose 0.9 percent in September, as it did in August. The index for full service meals increased 0.4 percent and the index for limited service meals increased 0.6 percent over the month. The food at employee sites and schools index rose 44.9 percent in September, reflecting the expiration of some free school lunch programs.

The food at home index rose 13.0 percent over the last 12 months. The index for cereals and bakery products increased 16.2 percent over the year and the index for dairy and related products rose 15.9 percent. The remaining major grocery store food groups posted increases ranging from 9.0 percent (meats, poultry, fish, and eggs) to 15.7 percent (other food at home).

The index for food away from home rose 8.5 percent over the last year. The index for full service meals rose 8.8 percent over the last 12 months, and the index for limited service meals rose 7.1 percent over the same period.

Energy

The energy index declined 2.1 percent in September after falling 5.0 percent in August. The gasoline index fell 4.9 percent over the month following a 10.6-percent decrease in August. (Before seasonal adjustment, gasoline prices fell 5.6 percent in September.) However, the index for natural gas increased in September, rising 2.9 percent after increasing 3.5 percent in August. The electricity index also increased over the month, rising 0.4 percent.

The energy index rose 19.8 percent over the past 12 months. The gasoline index increased 18.2 percent over the span and the fuel oil index rose 58.1 percent. The index for electricity rose 15.5 percent over the last 12 months, and the index for natural gas increased 33.1 percent over the same period.

All items less food and energy

The index for all items less food and energy rose 0.6 percent in September, following an identical increase in August. The shelter index continued to increase, rising 0.7 percent in September, also the same as in August. The rent index rose 0.8 percent in September. The owners' equivalent rent index also increased 0.8 percent over the month, the largest monthly increase in that index since June 1990. The index for lodging away from home fell 1.0 percent over the month.

The medical care index rose 0.8 percent in September after rising 0.7 percent in August. The index for physicians' services increased 0.5 percent over the month, while the index for hospital services increased 0.1 percent. The index for prescription drugs fell 0.1 percent in September.

The index for motor vehicle insurance continued to rise, increasing 1.6 percent in September after rising 1.3 percent in August. The new vehicles index increased 0.7 percent over the month, and the household furnishings and operations index rose 0.5 percent in September. Other indexes that increased in September include personal care (+0.4 percent), education (+0.4 percent), airline fares (+0.8 percent), and recreation (+0.1 percent).

A few indexes declined over the month, including the index for used cars and trucks, which fell 1.1 percent in September after decreasing 0.1 percent in August. The apparel index fell 0.3 percent over the month, and the communication index decreased 0.1 percent in September.

The index for all items less food and energy rose 6.6 percent over the past 12 months, the largest 12-month increase in that index since August 1982. The shelter index also rose 6.6 percent over the last year, accounting for over 40 percent of the total increase in all items less food and energy. Other indexes with notable increases over the last year include medical care (+6.0 percent), household furnishings and operations (+9.3 percent), new vehicles (+9.4 percent), and used cars and trucks (+7.2 percent).

Not seasonally adjusted CPI measures

The Consumer Price Index for All Urban Consumers (CPI-U) increased 8.2 percent over the last 12 months to an index level of 296.808 (1982-84=100). For the month, the index increased 0.2 percent prior to seasonal adjustment.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 8.5 percent over the last 12 months to an index level of 291.854 (1982-84=100). For the month, the index increased 0.1 percent prior to seasonal adjustment.

The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 8.0 percent over the last 12 months. For the month, the index increased 0.3 percent on a not seasonally adjusted basis. Please note that the indexes for the past 10 to 12 months are subject to revision.

The Consumer Price Index for October 2022 is scheduled to be released on Thursday, November 10, 2022, at 8:30 a.m. (ET).

January 2023 Consumer Price Index Weight Update

Starting with January 2023 data, BLS plans to update weights annually for the Consumer Price Index based on a single calendar year of data, using consumer expenditure data from 2021. This reflects a change from prior practice of updating weights biennially using two years of expenditure data.