

Firemen's Relief and Pension Fund Board Meeting
March 24, 2010
9:00 AM

The Board of Trustees of the Firemen's Relief and Pension Fund of the City of Little Rock, Arkansas, met at 9:00 AM in the Sister Cities Conference Room located at 500 West Markham Street, City Hall. In the absence of the Chair, Mr. Johnny Reep called the meeting to order.

1. Roll Call:

Members Present: Bernard Sherwood; Havis Jacks; Johnny Reep; Sam Snowden; Butch Wright; and Susan Langley

Members Absent: Bruce Moore

Other Personnel Present: Melinda Raley; Sara Lenehan; Kathy Lindsey; Sharon Phillips; and Bo Brister from The Stephens Group.

2. Approval of Minutes from the February 24, 2010, Meeting: At the time of the meeting, the minutes from the February 24, 2010, Meeting were not available.

3. Stephens, Inc. Report (Copy of Financial Report filed in the Office of the City Clerk): Mr. Bo Brister presented the report and reported that the Total Fund Balance as of February 28, 2010, was \$71,620,613; with a total DROP balance of \$10,167,721. The Fund was up 1.83% for the month of December, and 3.59% as of March 23, 2010.

4. Financial Report (Copy of report is on file in the Fire Pension Office): Ms. Sara Lenehan presented the report. Mr. Wright made the motion, seconded by Mr. Jacks, to approve the financial report for year-to-date through February 28, 2010. By unanimous voice vote of the Board Members present, the financial report was approved.

5. Removal from Pension Rolls: Removal of Rufus Spann, date of death was February 10, 2010, and the amount of benefit was \$1,536.38. Mr. Wright made the motion, seconded by Mr. Snowden, to remove Rufus Spann from the Pension Rolls. By unanimous voice vote of the Board Members present, Mr. Spann was removed from the Pension Rolls.

6. Addition to Pension Rolls: Addition of Robert Walla, effective March 8, 2010, with a benefit amount of \$2,965.32. Mr. Wright made the motion, seconded by Mr. Snowden, to add Robert Walla to the Pension Rolls. By voice vote of the Board Members present, Mr. Walla was added to the Pension Rolls. Addition of Bettye Spann, effective March 1, 2010, with a benefit amount of \$1,536.38. Mr. Wright made the motion, seconded by Mr. Snowden, to add Bettye Spann to the Pension

Rolls. By voice vote of the Board Members present, Mrs. Spann was added to the Pension Rolls.

7. Other Business:

A. Age 70½ Required Minimum Distribution: Ms. Melinda Raley stated that the matter was an Internal Revenue Code issue and a Required Minimum Distribution (RMD). Ms. Raley stated that RMD's applied to governmental plans and there were several items that the Board should consider adopting to be more formal. Ms. Raley distributed copies of the Internal Revenue Code Section 1.401(a)(9) for discussion. Ms. Raley stated that the Firemen's Relief and Pension Fund was a qualified plan under the Internal Revenue Code, which meant that the RMD's must be followed to retain the qualified status. Ms. Raley reported that the Standard of Duty was to make a reasonable good-faith interpretation of the RMD, which meant that everyone 70½ had to be notified. Ms. Raley reported that the statute stated that the funds must be distributed, or annuitized, by December 31st of the year the member attains the age of 70½.

Mr. Jacks made the motion, seconded by Mr. Wright, that the funds be distributed, or annuitized, by December 31st of the year the member attains the age of 70½. Mr. Reep suggested that Ms. Raley draft a simple one (1)-page policy regarding the RMD and that the Board act upon that policy. Mr. Jacks withdrew his motion, and Mr. Wright withdrew his second of the motion.

B. Brenda Warner's Request for Dependent Benefit: Ms. Raley stated that previously she had changed her opinion regarding withholding the dependent benefit for Mrs. Warner's son and that as long as he could continue to show proof of attendance in college, the benefit should continue until he reached the age of twenty-three (23).

C. Continued Employment for Hugh Ford: Ms. Raley stated that per Resolution 11,671, of January 20, 2004, Mr. Ford could continue employment.

D. Disability after DROP Issue: Ms. Phillips stated that staff had received several inquiries regarding the fact if a member became disabled, would they lose the balance in their DROP account. Mr. Sherwood stated that he understood if a member was on the DROP and for some reason becomes disabled, in order to receive the 65% disability, they would have to take what DROP money they had and turn it back in. Ms. Raley stated that there was an Attorney General's opinion in 1997 that stated it was either/or; however, she wanted to conduct some additional research to determine if the opinion was current as of 2010.

E. Election of Active Board Member: Mr. Reep reported that the retirees would have to vote on Position 4, which is currently held by Mr. Jacks and that Chief Snowden would have to notify the thirty-eight (38) active Firefighters that there would be an election for Position 2, which is currently held by Mr. Sherwood.

7. Other Business:

A. PRB: Ms. Lenehan stated that the PRB Report was submitted on March 23, 2010.

B. Resolution: Ms. Lenehan stated that the resolution that was submitted to the PRB requesting an increase in pension benefits did not include language regarding a minimum.

C. Jasper Baldrige: Mr. Reep reported that he had attended the funeral for Jasper Baldrige, a former Little Rock Firefighter who was killed during a recent tornado in North Central Arkansas. Mr. Reep stated that he had visited with the children and suggested that they visit with staff once they had received the Power of Attorney from their mother, who is still in critical condition in the hospital.

Mr. Wright made the motion, seconded by Mr. Sherwood, to adjourn the meeting. By unanimous voice vote of the Board Members present, the meeting was adjourned at 10:04 AM.

Susan Langley
Secretary, Firemen's Relief and Pension Fund