

MINUTES
Policemen's Pension and Trust Relief Fund
Thursday, June 10, 2004
9:00 a.m.

On Thursday, June 10, 2004, at 9:00 a.m., a meeting of the Board of Trustees of the Policemen's Pension and Relief Fund of the City of Little Rock, Arkansas was held in the Board of Directors Conference Room at City Hall.

PRESENT:	Bruce Moore	-Chairman
	Farris Hensley	-Secretary
	Jerry Best	-Member
	Lee Harrod	-Member

ABSENT:	Bob Biles	-Treasurer
	Brad Furlow	-Member
	Dr. Marvin Leibovich	-Physician

Also present was Mr. Ed Adcock, legal counsel for the Fund.

Mr. Bruce Moore called the meeting to order at 9:10 a.m., and certified that a quorum of the Board was present.

A letter of May 27, 2004, to the Arkansas Democrat-Gazette that notified them of the meeting was included in the monthly Board members meeting packet.

The April minutes had previously been distributed to Board members. Following their review Mr. Harrod made a motion to approve them as submitted. Mr. Best seconded the motion and it passed unanimously.

In the absence of Mr. Biles, Mr. Hensley submitted copies of the un-audited balance sheet finance report, year-to-date through April 30, 2004 and reported that the total assets of the Fund was \$58,169,854.55. Following its review Mr. Hensley made a motion to approve the report as submitted. Mr. Best seconded the motion and it passed unanimously.

Mr. Hensley reported on the Request for Qualifications (RFQ) for investment advisor and said that all responses and rating forms had been distributed to committee members, Mr. Biles, Mr. Hensley and Mr. Harrod. During discussion Board members agreed on the pending process. Once the rating forms are completed a committee meeting will be held and the applicant list of sixteen (16) will be narrowed to three (3) finalists, who will then be interviewed by the full Board at the July meeting.

Mr. Adcock reported on the status of the Mr. Matthew Howell investigation, and informed the Board that the investigation by the Little Rock Police Department had been completed. In a memorandum to the Pension Board from Detective Christian Sterka, he stated that no records could be found to indicate that Mr. Howell attended an institution of higher learning between June 13, 2003 to January 12, 2004 and that benefits paid to him during that time totaled \$13,372.90.

Mr. Adcock told the Board that he sent Mr. Sam Heuer, attorney for Mr. Howell, a letter of June 6, 2004, outlining tentative results of the investigation with instructions for Mr. Heuer to contact him (Mr. Adcock) if in fact Mr. Howell had attended college on a full-time basis during that time. Otherwise, he (Mr. Adcock) would advise the Pension Board to request the matter be referred to the Pulaski County Prosecutor for prosecution.

Mr. Adcock stated that he subsequently received a letter of June 8, 2004 from Mr. Heuer. In the letter Mr. Heuer conceded that Mr. Howell was not enrolled as a full-time student during that time, but requested that credit be extended to Mr. Howell for the month of January 2004, because he attended school on a part-time status. Additionally, Mr. Heuer proposed that the money be repaid to the Pension Fund in \$200.00 monthly installments, secured by a promissory note and second mortgage on the home of his (Mr. Howell's) mother.

Mr. Adcock explained that Mr. Howell was clearly required by statute to attend an institution of higher learning on a full-time basis, and that information was relayed to Mr. Heuer in correspondence long before this matter developed. Mr. Adcock concluded by telling the Board that a decision of exactly how to proceed with the matter should be made at this time.

During a lengthy discussion Mr. Harrod generally suggested that circumstances involved in Mr. Howell's matter were very similar to those involved in a previous matter in which the Board pursued prosecution, and suggested that the Board should take somewhat of a zero tolerance approach in matters relating to fraud.

Mr. Best stated that although he has mixed feelings, the primary objective should be to recover funds that were taken from the Pension Fund.

Mr. Moore said that being consistent in certain matters is very important, however he is hesitant to take action that could result in a young person having a felony record without first affording them an opportunity to rectify the matter.

Mr. Hensley said that although he agreed with Mr. Harrod to a certain extent, he (Mr. Hensley) believes that circumstances in Mr. Howell's matter versus the previous case are substantially different, and that in his opinion the best opportunity afforded to recover the funds would be to set a definite deadline for full restitution to be made, with specific instruction to recommend that the matter be referred for prosecution in the event they are not received.

Mr. Hensley then made a motion to direct Mr. Adcock to correspond with Mr. Heuer, attorney of Mr. Howell, and inform him that the Board has set a deadline of July 8, 2004 for restitution in the amount of \$13,372.90 to be made in full and that if restitution is not received by that date, a standing recommendation by the Board is to immediately refer the matter to the Pulaski County Prosecutor, and that if full restitution is made, the Board will not recommend the matter be referred for prosecution. Mr. Best seconded the motion and all votes were for the motion, except Mr. Harrod who voted against it.

Mr. Adcock reported concerning the matter of Mr. Ralph Simon's Qualified Domestic Relation Order (QDRO). He said that he has recently received a draft from Mr. Simon's attorney that appears to meet the Board's previously established guidelines and will submit it for approval once the final document is received. The matter was tabled until July.

Mr. Adcock informed the Board that a DROP beneficiary form had been received from Mr. Jimmy Evans that designated his mother to receive his DROP funds "for the benefit of a surviving child" in the event of his (Mr. Evans') death. Mr. Adcock explained that he will correspond with Mr. Evans and explain that the Pension Fund cannot govern or assure how the money will be sent and that a trust should be established to make such an assurance.

Mr. Adcock informed the Board that he had been asked to address a matter concerning the recent benefit increase resolution that was passed by the Board. Specifically, were members who have completed (10) years on DROP and continued their employment with the City included in the resolution? Mr. Adcock said that he believes the intent of the Board at that time was to be consistent and include these members in the term "retired", however any ambiguity should be cleared up at this time.

During Board discussion there was a clear consensus that it was their intent for the above referenced members to be included in the resolution. Based upon a recommendation from Mr. Adcock he was directed to prepare a document to clarify the matter to be undersigned by all Board members who voted on the resolution.

The matter of a report from Mr. Matt Robbins of Gerber/Taylor Associates, concerning anit-trust recoveries was tabled until July.

Mr. Harrod reported concerning address verification on Ms. Maxine Brooks and said that Mr. Gary Aaron has made contact with a son of Ms. Brook's and although he does not anticipate any problems, a full report should be available at the July meeting. The matter was tabled.

Mr. Hensley reported that no nominations were received to oppose Mr. Furlow who currently holds trustee position number four, however Mr. David Goodson was nominated for position number three that is currently held by Mr. Jerry Best.

Mr. Hensley made a motion to direct the Board secretary to initiate an election process consistent with those recently conducted and for a deadline of July 7, 2004 be set for receipt of all ballots in the Pension Office. Mr. Harrod seconded the motion and all votes were for the motion, except for Mr. Best who abstained.

Mr. Hensley made a motion to approve the survivor benefit of Ms. Mattie Hunter on behalf of Mr. Clarence Hunter, who passed away on February 23, 2004 effective February 23, 2004 in the monthly amount of \$2025.17. Mr. Best seconded the motion and it passed unanimously.

Upon conclusion of Pension Board business, Mr. Hensley made a motion to adjourn the meeting. Mr. Harrod seconded the motion and the meeting was adjourned at 9:55 a.m.

Respectfully submitted,

Farris Hensley, Secretary