

MINUTES
Policemen's Pension and Trust Relief Fund
Thursday, April 8, 2004
9:00 a.m.

On Thursday, April 8, 2004, at 9:05 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
	Bob Biles	-Treasurer
	Jerry Best	-Member
	Lee Harrod	-Member

ABSENT:	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 9:05 a.m., and certified that a quorum of the Board was present.

A letter of March 24, 2004, to the Arkansas Democrat-Gazette that notified them of the meeting was included in the monthly Board members meeting packet.

Mr. Hensley reminded the Board that there was not a Pension meeting conducted during the month of March due to the death of Mr. Jerry L. Best, father of Board member Mr. Jerry W. Best.

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

Mr. Biles submitted copies of the un-audited balance sheet finance reports, year-to-date through December 31, 2003, January 31, 2004, February 29, 2004 and reported that on February 29, 2004 total assets of the Fund was \$62,378,000. He (Mr. Biles) also submitted expense reports for January 2004, February 2004 and March 2004. Following their review Mr. Harrod made a motion to approve them as submitted. Mr. Hensley seconded the motion and it passed unanimously.

Mr. Biles reported that it had been determined that social security should not have been withheld from payroll checks of Pension DROP members who have remained employed beyond their ten (10) year DROP period. He further explained that the City of Little Rock will request reimbursement for the amount of social security withholdings that were improperly deducted from members payroll checks and paid to the federal government. Mr. Biles said that the City of Little Rock will reimburse the above referenced withholdings to the affected members possibly as soon as within a week.

The Board's attorney, Mr. Ed Adcock, reported on several matters. He advised that Matthew Howell had not responded to his letters, and that the Pension Office had not received verification of Mr. Howell's enrollment in college. He (Mr. Adcock) further stated that Mr. Howell's attorney told him (Mr. Adcock) that Mr. Howell had not returned his (the attorney's) phone calls. Mr. Adcock told the Board that, at his instruction, the Pension office had suspended Mr. Howell's benefit pending receipt of verification. If, in the future, it is determined that Mr. Howell was enrolled in college while receiving college benefits, all arrearages due and owing will be paid. At this point, however, based upon these facts, Mr. Adcock recommended the Board request the Financial Crimes Division of the Little Rock Police Department determine whether Mr. Howell was enrolled in college at all times while receiving college benefits. This is to include subpoenaing records from the University of Arkansas at Little Rock, or any other institute of higher learning he may have attended, to determine whether Mr. Howell was actually in college while receiving college benefits.

Mr. Adcock cautioned the Board that Mr. Howell might make allegations of coercion or harassment. However, in the opinion of Mr. Adcock, the Board has a fiduciary duty to all members to confirm that all those receiving benefits are entitled to them and to ensure that no one is defrauding the Fund to the detriment of all its members. Mr. Hensley made a motion directing Mr. Adcock to prepare a letter for Mr. Moore's signature asking the Little Rock Police Department to initiate an investigation and subpoena education records on Mr. Howell. Mr. Best seconded the motion and it passed unanimously.

Mr. Adcock advised that with a few minor updates the Request for Qualifications (RFQ) for the position of Investment Advisor was ready for dissemination to potential applicants. Mr. Hensley made the motion to direct Mr. Biles to distribute the RFQ to all potential candidates. Mr. Harrod seconded the motion and it passed unanimously.

Mr. Adcock advised that since the last meeting, Mr. Kenny Williams' former spouse had provided the Board with a written request to modify the distribution of Mr. Williams' monthly benefit. Mr. Adcock opined that the request was adequate for our purposes. Mr. Hensley moved to approve the change. Mr. Biles seconded the motion and it passed unanimously.

Mr. Adcock discussed a couple of issues regarding Mr. Carl Nelsen's monthly benefit. He (Mr. Adcock) advised the Board that the question had arisen whether the Fund should automatically withhold child support payments from the monthly benefit of a newly retired member just because the City of Little Rock had previously withheld child support from the members regular salary. The answer is "no". If the member wishes child support to be deducted from his monthly retirement benefit he must specifically request that or the court must specifically direct us to withhold it. The Fund cannot assume that obligation without being told to do so. No action by the Board was necessary on this issue at this time.

Mr. Adcock addressed an issue regarding whether the Fund was required to make a lump sum payment due an alternate payee under an old divorce decree entered before implementation of the DROP program. In the particular instance, he (Mr. Adcock) advised the Board that it was his opinion that the divorced member was liable for such payment, not the Fund, otherwise all members would be indirectly responsible for making a payment to one members former spouse. Mr. Adcock advised the Board that litigation may be coming on this issue but he is confident the Fund is on sound footing on this issue. No further action by the Board was necessary on this issue at this time.

Mr. Adcock advised the Board that an alternate payee in a recently approved QDRO of Mr. Andrew Lockhart, had requested the Fund to annuitize her share of the monthly retirement benefit over her lifetime and the lifetimes of her children. Mr. Adcock advised that, in his opinion, the governing statute provides that monthly retirement benefits cease at the member's death. Given that, and given the fact that annuitizing monthly benefits in the requested fashion would be a logistical nightmare and detrimental to the Fund in general, Mr. Adcock advised that he would not recommend such a task. No action by the Board was necessary on this issue at this time.

Mr. Hensley told the Board that Mrs. Amber Johnson, who assists him with clerical duties relating to his position of Board Secretary, has been paid \$100.00 a month for several years. Mr. Hensley explained that her duties are significantly increasing and recommended increasing her monthly compensation to \$150.00. Mr. Hensley made a motion to immediately increase her (Mrs. Johnson) monthly contractual pay to \$150.00. Mr. Harrod seconded the motion and it passed unanimously.

Mr. Hensley suggested that the Board consider a benefit increase resolution at the May meeting. He (Mr. Hensley) reminded Board members that the Funds financial performance during the calendar year of 2003 was second best in the Funds history. Following discussion the Board directed Mr. Hensley to prepare a benefit increase resolution for consideration at the May meeting. The Board agreed that the resolution should not specify a specific amount, but should direct the state actuary to conduct a cash flow study to determine a fixed monthly dollar amount the Fund can afford. The matter was tabled until May.

Mr. Harrod reported that Mr. Gary Aaron had completed the process of verifying member information and concluded that the above referenced matter concerning Mr. Matthew Howell is the only remaining unresolved issue. Although an amount up to \$3000.00 had previously been approved by the Board, Mr. Harrod reported that the process was completed for \$1700.00.

During discussion the Board decided to conduct a similar process of verifying member information on a periodic basis. Although a specific time frame was not determined it was decided to review the matter on an annual or biannual basis.

Mr. Hensley made a motion to approve the retirement applications of Mr. Sam Iverson, Junior effective March 26, 2004 in the monthly amount of \$1811.48, Mr. Robert High effective March 31, 2004 in the monthly amount of \$2048.00, and Mr. Jerry W. Best effective February 27, 2004 in the monthly amount of \$1893.75. Additionally, to remove Mr. Jerry L. Best, who passed away on March 8, 2004, from the Pension rolls and to approve the monthly widow benefits of \$2607.58 to Mrs. Maurice Best, and a \$4000.00 funeral benefit. Mr. Biles seconded the motion and it passed unanimously.

Mr. Biles told the Board that Regions Bank will now be processing members request for DROP distributions. Although the member will continue to submit such requests through the local Pension administrative office, all requests will then be submitted to Regions Bank on Friday of each week. Regions Bank can take up to seven (7) days to process the distribution, thus the DROP member should allow up to fourteen (14) day once the request is made until they receive the distribution.

Mr. Best explained because there is not a notary in the Pension administrative office, members who are submitting applications are required to go elsewhere to get documents notarized. In order to convenience members and expedite the process, he (Mr. Best) asked if Ms. Helvey, who is the Pension Technician, could apply and become a notary.

Mr. Biles told the Board that he did not think that getting Ms. Helvey certified as a notary would be a problem and would start the process.

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

Respectfully submitted,

Farris Hensley, Secretary