

Minutes  
Local Police and Fire Retirement System Board of Trustees  
Quarterly Meeting

The Local Police and Fire Retirement System Board of Trustees met by video conference on Thursday, March 6, 2025 with the meeting originating from the LOPFI office located at 620 W. 3<sup>rd</sup> Street, Suite 200, Little Rock, Arkansas.

Members Present: John Neal\*, Retired Fire Employee Trustee, Chairman  
J. Scott Baxter\*, Police Employee Trustee, Vice-Chairman  
Tim Hill, Retired Police Employee Trustee  
Mayor Gary Baxter, Employer Trustee  
Jared Zeiser, Public Trustee  
Brad Moore\*, Fire Employee Trustee  
*\*Attended in-person at the LOPFI office*

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

Chairman Neal called the meeting to order at 9:31 a.m. and recognized a quorum and notification of the news media.

Approval of Minutes

Mr. J. S. Baxter made a motion, seconded by Mr. Moore, to approve the December 5, 2024 LOPFI meeting minutes. The motion passed unanimously.

Disability Load

Mr. Clark gave an update on the disability load discussion. The number of approved disability cases for the 2024-year was seven (7). There were five (5) duty related cases and two (2) non-duty cases. For 2025 there has already been two (2) approved disabilities and there are currently three (3) disability applications in process. In addition, there are 14 members who have indicated they may apply for disability retirement. Mr. Clark reminded the Board that if the total case count remains low, it is possible a disability load may not have to be implemented. The initial review period will continue through December 31, 2026. The Board thanked Mr. Clark for the update.

2025 Legislative Session

Mr. Clark reviewed three (3) bills that are working their way through the legislative process:

- HB1119 – This is the bill that covers delinquent accounts. This bill is now Act 152 of 2025 and will be effective July 1, 2025. The bill updates the delinquency section of code for employers who submit late reports and/or payments. Staff will present amendments for the needed Board Rule changes at the June 2025 meeting.
- HB1322 – Is a proposal from the Arkansas Professional Fire Fighters Association (APFF) that will amend the paid service section of LOPFI law dealing with duty deaths. The amendment inserts in this section of code the same presumption of certain cancers being duty related that is in LOPFI's disability law. Nothing will change as staff already administers the benefit provisions in the death section of code consistent with the duty

disability code when it comes to presumptive cancers. The proposal does allow a one-time retroactive use of the presumptive aspect; however, no retroactive payments will occur. The legislation is crafted in that the presumption provision will be applied to police officers as well as firefighters.

- A new LOPFI-related item is being drafted for cases when a police officer or firefighter is away from their department due to a Workers' Compensation-covered injury/illness. Many employers already allow the employee to sign over the 'paycheck' from Workers' Comp to the employer and in return, the employer pays the injured employee his/her full wages that would have been earned absent the injury/illness. This method ensures the injured employee does not lose LOPFI service credit for the month(s) they are unable to work. This bill will ensure law agrees with what many employers already do with no expected measurable cost to the system.

With no questions, the Board thanked Mr. Clark for the update.

#### Legal Update

Mr. Ben Honaker, legal counsel for LOPFI, gave an update on the current legal activity by advising he continues to work diligently to recover overpayments on cases where someone receiving a benefit passed away, and because of lack of notification to LOPFI, the benefit continued to be issued. In addition, Mr. Honaker stated there are two pending appeals at the circuit court level. One case is regarding the adverse decision by staff on survivor benefits and the other appeal is regarding a disability case. Both cases are awaiting a briefing schedule. The PBI data breach case continues, and the City of Bauxite has submitted an appeal to the court of appeals since their previous lawsuit was dismissed by the circuit court. The Board thanked Mr. Honaker for the update.

#### Investment Consultant Report

Mr. Larry Middleton, Stephens Inc., presented the fourth quarter investment report. LOPFI's total portfolio value as of December 31, 2024, was \$3.605 billion. Mr. Middleton stated the plan was ranked in the top 2% in the country and in the top 10% for the 3-year and 5-year period, which is very good. Mr. Middleton also recommended allocating \$25 million to a new investment in the Blue Owl Digital Infrastructure III fund. After discussion, Mr. Moore made a motion, seconded by Mr. J. S. Baxter, to approve this new investment. The motion passed unanimously. The Board thanked Mr. Middleton for the report.

#### Proxy Voting Report

Mr. Middleton presented the proxy voting report and stated that LOPFI is compliant with Act 498 of 2023. The Board thanked Mr. Middleton for the report.

#### Investment Monitor Report

Mr. Brendon Vavrica, Mariner, reviewed the Executive Summary report as of December 31, 2024. Mr. Vavrica stated that the 2024 net return was 15.13% versus the System's index of 11.30%; the three (3) year return was 4.31% versus the index of 2.93%; and the five (5) year return was 8.58% versus the index of 6.93%, which overall were good numbers. Mr. Vavrica briefly reviewed each of the individual managers' results, including an equity analysis that showed the portfolio was broadly diversified and consistent with the Board's policy. The Board thanked Mr. Vavrica for the report.

### Actuarial Discussion

Ms. Heidi Barry and Mr. Casey Ahlbrandt-Rains, actuaries with Gabriel, Roeder, Smith & Company (GRS) discussed establishing the maximum LOPFI Paid Service and Volunteer Service employer contribution rates for calendar year 2026.

1. GRS suggested the Board consider an increase in the current maximum employer contribution rate of 24.00% to 24.50% and an increase to the current uniform rate of 23.93% to 24.50%. The paid service maximum contribution rate has remained at 24.00% for the last three (3) years. Mr. G. Baxter expressed his concerns on the impact a rate increase will have on the cities. Mr. Clark stated that was a fair consideration and reminded the Board that the paid rates are funded using a 60/40 split with the 40% portion being funded by Premium Tax; therefore, Premium Tax will partially offset the increase. Also, staff does recommend approval of this increase. After further discussion, Mr. Zeiser made a motion, seconded by Mr. Moore, to increase both the maximum employer contribution rate and uniform rate to 24.50% of pay. The motion passed unanimously.
2. For the past three (3) years, the required employer contribution rate for volunteer employers has remained at \$6.00 per member per month. GRS suggested the Board consider an increase in the required employer contribution rate for volunteers to \$6.50 per member per month to maintain funding progress. Mr. Clark advised moving the full volunteer rate from \$60.00 to \$75.00 is important since the amortization period has reached 28.5 years. The ability to receive Premium Tax funds is available so the full added costs would not be borne solely by the employers. After further discussion, Mr. J. S. Baxter made a motion, seconded by Mr. Hill, to increase the required volunteer employer contribution rate to \$6.50 per member per month and the full volunteer rate to \$75.00 per member per month for calendar year 2026. The motion passed unanimously.

### Delinquent Account

Mr. Clark stated the City of Helena-West Helena was penalized for the late remittance of payments for every reporting period spanning from March 2024 through October 2024. Per Board Rule 14, Helena-West Helena was sent formal written notice regarding the late payments and the failure to timely remit these payments resulted in penalties being applied. More recently, the city has not remitted their required payments for the November 2024, December 2024, and January 2025 reporting periods. Per Board Rule 14, Helena-West Helena was again sent formal written notice about the non-payments. The failure to remit these payments resulted in additional penalties being applied. Mr. Clark said staff advises that the Board should certify this delinquency to the Treasurer of State, which will have all state monies due to Helena-West Helena withheld until the total amount owed to LOPFI is paid. Mr. J. S. Baxter made a motion, seconded by Mr. Moore, to approve this certification and provide it to the Treasurer of State. The motion passed unanimously.

### Board Rule 16

Chairman Neal recognized Mr. Seth Rainwater, President of the APFF, who had submitted a letter to the Board on behalf of the APFF requesting the LOPFI Board amend the language in the ordinary disability category of Board Rule 16. The APFF requests that the ordinary duty disability category be amended by removing “injury while exercising or performing physical fitness testing/training” from the description. Mr. Clark advised over a 22-

year period, there were a total of 607 approved duty and non-duty disabilities. Out of those, 40 were training related and only one of those would have been considered hazardous based on the current design of disability categories. Chairman Neal recognized Fayetteville Fire Chief Brad Hardin and Fayetteville Firefighter, Mr. Jimmy Vinyard. Chief Hardin and Mr. Vinyard spoke in favor of removing the verbiage of “training” from the ordinary disability category. Chief Hardin acknowledged the outcome of an injury while training will most likely be considered an ordinary disability anyway. Mr. Clark renewed his request made at the March 7, 2024 Board meeting when he asked Mr. Rainwater, Chief Hardin, and Mr. Vinyard to partner with LOPFI to educate the membership on the disability provisions and to reinforce that the LOPFI Board and staff are committed to the membership and will administer the program exactly as the Board has directed within the guidelines of Rule 16 and law. If there are improvements in the way staff communicates with the membership, the partnership request includes sharing those details with staff. The discussion concluded.

#### December 2024 Financial Statements

Chairman Neal stated the financial statements have been available in the Board packet for review and shows current assets and liabilities and that the System is in good shape. Mr. G. Baxter made a motion, seconded by Mr. J. S. Baxter, to approve the December 2024 financial statements. The motion passed unanimously.

With no further business to discuss, the Board adjourned at 11:10 a.m.

Respectfully submitted,

Approved 6/12/2025

Lesley Weaver  
Secretary to the Board