

City of Fayetteville, Arkansas

113 West Mountain Street

Fayetteville, AR 72701

(479) 575-8323



Special Meeting - Policemen's Pension & Relief Fund Board of Trustees Agenda

Monday, June 16, 2025

3:00 PM

City Hall Room 101

Board of Trustees

Molly Rawn - Mayor & Chair

Kara Paxton - City Clerk Treasurer

Eldon Roberts - Position 1 & Secretary

Ruston Cole - Position 2

John Brown - Position 3

Melvin Stanley - Position 4

Rick Hoyt - Position 5

ROLL CALL

REPORTS

UNFINISHED BUSINESS

NEW BUSINESS

- 1. APPROVAL OF THE APRIL 17, 2025 MEETING MINUTES**
- 2. ACTUARIAL ANALYSIS**
- 3. 2025 ELECTION RESULTS ANNOUNCEMENT:
POSITION 1 - ELDON ROBERTS
POSITION 3 - JOHN BROWN
POSITION 4 - MELVIN STANLEY**

Molly Rawn Chair
Kara Paxton Treasurer
Eldon Roberts Secretary
 Retired Position 1



Ruston Cole Retired Position 2
John Brown Retired Position 3
Melvin Stanley Retired Position 4
Rick Hoyt Retired Position 5

Policemen's Pension and Relief Fund Board of Trustees Meeting Minutes April 17, 2025

A meeting of the Fayetteville Policemen's Pension and Relief Fund Board of Trustees was held on April 17, 2025, at 3:00 p.m. in Room 326 of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

Mayor Molly Rawn called the meeting to order.

Board Members Present: Board Members John Brown, Ruston Cole, Rick Hoyt, Eldon Roberts, Melvin Stanley, Mayor Molly Rawn, and City Clerk Treasurer Kara Paxton.

Staff and Others Present: City Attorney Kit Williams, and Chief Financial Officer Steve Dotson. In addition, Kerry Bradley and James Bell with MAI Capital Management were also present.

Reports:

Quarterly Reports: 2024 - 4th Quarter and 2025 - 1st Quarter

Kerry Bradley, MAI Capital Management Representative, "Well, thanks for having us again. A lot of new faces in the crowd. So for those of you who are new, we've been working with the Fayetteville pension since 2014 we were Garrison Asset Management. We merged with another firm back in December, so now we're in MAI Capital. So, we still got the same team, same people, doing the same thing, just a little bit different name and a little different look. To jump into the fourth quarter report, things didn't change too much through March. So I know we only meet every six months, but 2024 was a good year. Portfolio was up a little north of 10% just under 11. Stocks were strong. Bonds were strong. We were kind of right on target, little over allocated equity, little under allocated fixed income. Again. If you guys have any questions about the fourth quarter, I feel like so much has changed since then. We'll move along to the first quarter of 2025 that's what we passed out. I think that should be in your agenda packet as well. We did not see it in there, so we brought a copy as well. So if we want to run through the first quarter again, asset allocation. We were still a little over allocated in stocks, but within the range of that 60/40, mix is what we historically have managed the portfolios to 60% equity, 40% in stocks. We were there. We did deploy some of the money market fund. I know we've talked about this for probably over a year now, how money market rates have been higher than just about anything else you could earn, if you extend, you're going to earn less. So we extended a little bit of that in the first quarter, bought a few CDs to lock in those rates for a little longer. We kind of felt that short term rates might be

coming down that's still yet to be seen. The fixed income markets have given us a few fits lately, but again, we're still on target, little over allocated in equity. Performance wise through the first quarter, we're about flat. We were down point 2.7% stocks were down 1.07% that's against the S&P that was down about 427, our fixed income was up. 156, versus 242, on the fixed income index, rates dropped. Bonds did very well in the first quarter. That's kind of changed a little bit the last few weeks. But again, we're flat, which we were happy with, versus the index should have been down about 160. We gave you an updated portfolio appraisal as of yesterday. So again, as you guys probably all watch the watch the news and the markets have been incredibly volatile. The last two and a half weeks, we have seen a drastic sell off in stocks. Long, rates have gone up. Short rates have come down. So there's a lot going on out in the market right now. So just to give you an update, portfolios down to \$5.907 million, and that's from about \$6.1 at the end of the year. So we're down a little over \$150,000 dollars. Total portfolio since the end of the year is down about 4% and again, most of that is stock performance. Again, we haven't made any drastic changes. We typically don't. This is something that the markets cycle through. There will always be ups and downs, and our philosophy on managing money is that we kind of have to, that's kind of the price of admission. Those are the kind of the ups and downs we have to endure to get those long-term returns. Looking back at long-term returns through the portfolio, since you guys have been here, since 2014, our stocks have earned just under 10% and that's historically what stocks should give you, about 10% a year. So, you know, when you look at a longer term time frame, that's, you know, that's kind of what your stocks have done, and that's kind of what they're supposed to do. The fixed income however, we've been through an incredible time of artificially low interest rates. So your bonds have, will historically give you 4% to 5%, we've gotten about 2%. Since you guys have been, you know, since we've been helping you with your investments. Again, that's a function of where interest rates were. The financial crisis in 2008, those kinds of things, rates have kind of normalized. Now rates are, honestly, where they should live. Now, given if we have a recession, those short rates are going to come down. If we have more inflation, those rates are going to go up. But hopefully, I think you guys, looking out for the next 10 years. You could get some more normalized rates on your fixed income. The other thing we wanted to pass out, this is kind of small. We couldn't figure out how to get it in a bigger font. This to kind of tell you where you've been since, certainly since 2014. So this MAI pages, this graph, you guys started with about \$6.7 million, and then you've drawn out \$4.5 million and you have just under \$6 million still left. So that's just a picture, of how the portfolio has kind of treaded water, even with some pretty large withdrawal rates that have certainly been coming down over the last few years. So again, just for that, we also wanted to pass out a guide to "bear markets". We thought those would be appropriate this time of our visit. Again, these times, they're always super scary when you're in them, when you come out of them, you're like, well, of course, the world's not going to end, you know, it's like, we should have known that. But, you know, no one has a crystal ball. But I want to point you to page three. You guys can see how stocks are performed over the long term, and even things like the financial crisis, the COVID panic, how they're kind of little blips on this upwardly sloping stock performance. So again, we understand. We've had a lot of calls at the office, as you can imagine, talking to folks. We feel like that's our job to talk people through these environments, because again, they are scary. So again, we have a lot of faith in the stocks that we do all, none of them are going to go bankrupt, even if we have a recession or if we have more inflation, we feel very comfortable over the long term that's still the best place to earn great risk adjusted return. So, to me, this is good information for everyone, personally, and for, you know, the pension plan and all those things. James do you have anything to add?"

James Bell, MAI Capital Management Representative, “I just wanted to touch again on this page with the chart, and I think we talked about it in our meeting six months ago when we got together. I guess it just jumps out as me that if we started 10 plus years ago at \$6.7 million, you've withdrawn \$4.5 million, and we're still right around \$6 million of assets in the plan. I feel like that's kind of the job that we have done on our side, is to fund those distributions for all the pensioners, and still maintain this much principle for them going forward. So that's, that's just the number that jumps out of me. And I know we covered it last time, but I thought it was helpful. I thought seeing it in this graphical picture, that gray line that's going down through there that would have been the portfolio, had you just set it in cash and withdrawn that four and a half million you can see how much it would have declined.”

Kerry Bradley, “again, it kind of points back to like these times are scary. COVID was scary. You know, the regional banking crisis was kind of scary. The financial crisis was scary back in 2008/2009, but even, you know, we've been moving around through all those and through 911 managing money. And so, you know, when you when you can step back and take a long term look, and you're like, okay, it may not have felt like it. It may not feel like it recently, but you know, your stocks have given you about 10% which is what they're supposed to do. So anyway, I don't know if that delays any, any stress of anyone, but, but again, that's kind of, that's kind of that we feel like, certainly that's our job to take a step back and to look at valuations. And we had two great years in the market. The market was a bit rich. Valuations were a bit high, so we're kind of ripe for a pullback anyway, and then, of course, all the tariff talk has certainly spooked some investors again. It's frustrating in our world when one tweet can send the market up 3000 points or down 2000 points. You're having to live through that again, it's kind of part of part of the investment world and the way the markets act.

Board Member Ruston Cole, asked MAI Capital Management Representative to provide potential projections due to the volatility of the market.

Kerry Bradley explained her projections and the factors that might affect the market. Kerry projected that the economy may slow, rates may go down, and the market recently took a dive. She finalized her comments by explaining the Policemen's Pension & Relief Fund portfolio is fairly defensive.

A brief discussion took place regarding potential what-if scenarios and how the pension plan would be affected should these scenarios happen.

Revenue & Expense Summary Reports: 2024 - 4th Quarter and 2025 - 1st Quarter

Kara Paxton, City Clerk Treasurer explained that the Revenue and Expense Summaries that were attached to the packet were created by the Accounting Department based on the data that the city receives from Charles Schwab Investments. She went on to explain that the summaries are informational reports for the board.

Unfinished Business: None

New Business:

Request to Approve: October 17, 2024 & December 10, 2024 Meeting Minutes

Kara Paxton, City Clerk Treasurer provided a brief explanation why there were two sets of minutes to be approved. She also went on to explain the reason the December 10, 2024 minutes were completed verbatim. It was due to a request she received and the sensitivity of the topic regarding who would be responsible for managing the portfolio should the board not continue with Garrison Financial Management who merged with MAI Capital Management.

Rick Hoyt moved to approve the October 17, 2024 and December 10, 2024 meeting minutes. Melvin Stanley seconded the motion. Upon roll call the motion passed unanimously.

Request to Approve: May – October 2025 Pension Lists

Board Member Ruston Cole moved to approve May – October 2025 Pension Lists. Board Member Melvin Stanley seconded the motion. Upon roll call the motion passed 6-0. Mayor Rawn abstained.

Discuss LOPFI Consolidation Options

Board Member Eldon Roberts, explained the reasons why he requested to have this item added to the agenda to be discussed. He went on to explain that he had spoken with a lot of the stakeholders involved and had received support to consolidate with LOPFI. He felt that it was his fiduciary duty to ensure that the board was making the best decisions to ensure the longevity of the pension plan. He finalized his comments by explaining his experience while serving on the Pension Review Board spanning 14 years. During his appointment there were 286 pension plans that were considered closed since no newly appointed police officer could opt into that type of pension. Mr. Roberts also explained that to date, 255 of those plans have merged with LOPFI. Mr. Roberts finalized his comments and made a motion.

There was a brief discussion regarding the procedural rules and steps that would need to be followed to start exploring the possibility to consolidate with LOPFI.

Board Member Eldon Roberts, explained that the pension plan has been financially strong over the course of the years. However, with the number of hurdles that would have to be jumped in order to approve an increase in the pension benefits he did not foresee the board being able to approve the increase. He went on to share the numbers he had obtained that compared the yield on investment while the pension has been managed by MAI, Capital Management to the yield on investment that LOPFI had obtained. He finalized his comments and asked City Clerk Treasurer Kara Paxton to share the information she had been able to locate within the City's records.

City Clerk Treasurer Kara Paxton, provided the information that Board Member Eldon Roberts had requested. She explained that the last time an increase was reflected on the pension lists was 2008.

Board Member Eldon Roberts calculated that it had been 17 years since the pensioners had received an increase in benefits. He explained the potential benefits of merging with LOPFI and hoped that once the actuarial study was completed it would confirm that the pensioners could consolidate with LOPFI and obtain a 3% COLA at no cost to the City of Fayetteville.

There was a brief discussion about the statutory obligation for the pension to merge with LOPFI once there were no longer enough pensioners to serve on the Board of Trustees.

Board Member Eldon Roberts moved to grant the Mayor and the City Clerk authority to start exploring the possibility of consolidating with LOPFI with a 3% compounded COLA annually for all participants. Board Member Melvin Stanley seconded the motion. Upon roll call the motion passed unanimously.

There was a brief discussion about the cost of the actuarial study. Ultimately, it was decided that specific language that capped the expenditure did not need to be included within the motion.

Board Member Eldon Roberts moved to allow the Mayor and City Clerk to use the funds needed from the plan's assets to further the cause of consolidation with LOPFI. That would be mainly the \$850 to pay for the special actuarial valuation. Board Member Hoyt seconded the motion. Upon roll call the motion passed unanimously.

Board Member Eldon Roberts, provided additional information regarding the calculation of the current number of benefits paid monthly and the monthly amount that would be paid with a 3% COLA. He went on to explain that with or without the 3% COLA he felt that the pension could Consolidate with LOPFI.

There was a brief discussion regarding what would be considered unfunded liability.

Informational:

2025 Meeting Calendar

- Next Meeting – October 16, 2025

Note: All meetings are tentative and subject to change. The city meetings calendar is located at www.fayetteville-ar.gov .

Adjourn: 4:10p.m.



ARKANSAS FIRE & POLICE PENSION REVIEW BOARD

620 W. 3rd Street, Suite 200
Little Rock, Arkansas 72201-2223
Telephone: (501) 682-1745
email: info@lopfi-prb.com
website: www.lopfi-prb.com

To: Local Fire and Police Pension Fund Boards of Trustees

From: Arkansas Fire and Police Pension Review Board (PRB)

Re: Evaluating Local Plan Investments

Date: May 1, 2025

This memo will aid Local Plan trustees with a key fiduciary duty: examination of the Local Plan's investment program. Trustees must ensure all assets and fees comply with the Local Plan's investment policy (Policy) and state law. Trustees should consult their investment professional(s) and legal counsel to verify compliance with ACA 24-11-805 (fire plans) and 24-11-410 (police plans). Local Plans with an investment advisor may also review ACA 24-10-402. The PRB understands these code sections to state that allowed asset classes for a Local Plan with assets above \$100,000 but less than \$5,000,000 are Cash (including savings accounts and CDs), state and federal government bonds, and no-load mutual funds (no sales or redemption fees).

The trustees' reviews should include:

- Allocation- Confirm each asset class (domestic/international equities, bonds etc.) operates within the Policy or if rebalancing is needed.
- Performance- Determine if investments generate performance consistent with their Index.
- Index- Is each Index correct for measuring performance?
- Fees- Clear disclosure of ALL investment-related fees on all monthly, quarterly, and annual statements prepared for the trustees. This includes fees/charges/costs for selling an asset and if those details were disclosed when the purchase was approved. If not, the trustees have an obligation to determine why and correct the failure.
- Prohibited investments- Were assets purchased in violation of the Policy? If so, the trustees must identify how it occurred and take corrective steps. Note that NO annuity products are allowed as investments for any Local Plan.
- Act 498 of 2023- Ensure full compliance with this act, which includes details of the fulfillment of your fiduciary duties.
- Act 937 of 2025- Ensure applicable divestment requirements comply with this act.

This memo is not all-encompassing or legal advice; rather, it is a resource for Local Plan trustees to evaluate their investment program. Please feel free to contact Jen Sines or Lesley Weaver with questions about this memo.

-Evaluating Investments Memo Concluded-

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

May 22, 2025

Board of Trustees
Fayetteville Police Pension Fund
113 W. Mountain
Fayetteville, AR 72701

Via: UPS Overnight Service

Dear Trustees:

Enclosed is the consolidation report that lists the employer contribution rates to assign administration of the local police pension fund (Local Plan) to LOPFI. Pages 4-9 provide the employer rates for Local Plan benefits. The listed monthly rates are:

- A 15-year amortization schedule results in a monthly rate of: \$39,165 without a Local Plan COLA *or* \$66,231 with a Local Plan COLA.

The above rates do NOT include employer contributions for the LOPFI-covered participants. Budget planners would need to factor in the applicable LOPFI rates to arrive at a total amount for both LOPFI and Local Plan employer contribution costs. If the Local Plan has its administration assigned to LOPFI this year the above employer contribution rates will be used through the 2026 calendar year.

As noted above the valuation provides costs for a 15-year amortization period for the Local Plan liabilities. Once the amortization period is properly completed (all actuarial assumptions are met), the Local Plan portion of the employer contribution rate will be satisfied. This will then leave only the ongoing LOPFI employer contribution costs. Notice, too, that this report is valid until October 31, 2025. This means LOPFI must receive all documents discussed in the next paragraph by October 31, 2025 in order to use these results.

Should your Board and city officials wish to proceed with consolidation, please execute the Resolution, Ordinance, and the *original* Administrative Services Agreement. Do not alter or replace the Agreement as the original must be received by LOPFI. A copy will be returned to you after approval of the LOPFI Board of Trustees.

If you have questions, please feel free to contact Lesley Weaver or Jen Sines.

Respectfully,



David B. Clark
Executive Director



May 22, 2025

Mr. David B. Clark, Executive Director
Arkansas Local Police and Fire Retirement System
620 West 3rd, Suite 200
Little Rock, Arkansas 72201-2212

**Re: Actuarial Analysis of Proposed Contribution Rates for the
Fayetteville Police Pension and Relief Fund**

Dear Mr. Clark:

As requested, enclosed are the results of actuarial valuations which determine the employer contribution rates which would result from having the Fayetteville Police Pension and Relief Fund administered by the Arkansas Local Police and Fire Retirement System (LOPFI).

Please call if you have any questions or comments.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Heidi G. Barry".

Heidi G. Barry, ASA, FCA, MAAA

A handwritten signature in black ink that reads "Casey T. Ahlbrandt-Rains".

Casey T. Ahlbrandt-Rains, ASA, FCA, MAAA

HGB/CTA:ah
Enclosure

Arkansas Local Police and Fire Retirement System Fayetteville Police Pension and Relief Fund Actuarial Valuation of Proposals Under Consideration as of December 31, 2024

Requested By: Mr. David B. Clark, Executive Director
Arkansas Local Police and Fire Retirement System

Date: May 22, 2025

Submitted By: Heidi G. Barry, ASA, FCA, MAAA and
Casey T. Ahlbrandt-Rains, ASA, FCA, MAAA
Gabriel, Roeder, Smith & Company

Submitted in this report are the results of actuarial valuations which determine the employer contribution rates which would result from having the Fayetteville Police "closed plan" (the Local Pension and Relief Fund) administered by the Arkansas Local Police and Fire Retirement System (LOPFI).

The date of the study was as of December 31, 2024. This supplemental valuation does not predict the result of the December 31, 2025 valuation or of any other future actuarial valuations. (Future activities can affect future valuation results in an unpredictable manner.) Rather, the supplemental valuation gives an indication of the probable effect of the proposed changes on future valuations without comment on the complete end result of the future valuations.

In accordance with LOPFI Board policy, the employer contribution rates established by this valuation report are valid for purposes of joining the System until October 31, 2025.

This report is intended to describe the financial effect of the proposed plan changes. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. GRS is not responsible for unauthorized use of this report.

Heidi G. Barry and Casey T. Ahlbrandt-Rains are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries required to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon present and proposed plan provisions that are outlined in the report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the authors of this report prior to relying on information in the report.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.



**Arkansas Local Police and Fire Retirement System
Fayetteville Police Pension and Relief Fund
Actuarial Valuation of Proposals Under Consideration
as of December 31, 2024**

If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision.

In the event that more than one plan change is being considered, it is very important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

Arkansas Local Police and Fire Retirement System Fayetteville Police Pension and Relief Fund as of December 31, 2024

The actuarial methods and assumptions were the same as those in use for the regular valuation as of December 31, 2024. In particular, the economic assumption used in the supplemental actuarial valuation is net investment return of 7.25% per year.

Member information is summarized in the following table:

December 31, 2024	
Valuation Data*	
Members:	
Retired Lives:	
Number	36
Average Age	74.7 years
Total Monthly Benefits	\$104,474

** Three duplicates stemming from QDRO and Age-60 bonus records are not included in the number count and average age amounts shown above.*

Major Local Fund Benefit Provisions:

Voluntary Retirement – Eligibility at 20 years of service regardless of age.

Paid base benefit: 95% of Final Salary per year (minimum \$4,200 annually).

Member Contributions – Member contribution rate of 6% for Paid members. Member contributions are refundable without interest if termination of employment occurs before monthly benefits are payable.

Automatic Post-Retirement Benefit Increases – None.

Death Benefit – Funeral expense benefit of \$6,500.

Arkansas Local Police and Fire Retirement System Fayetteville Police Pension and Relief Fund as of December 31, 2024

Results

Asset Information:

Asset information for the Fayetteville Police Pension and Relief Fund was derived from the Fund's annual financial report provided to us. The date of the report was December 31, 2024. The reported market value of assets \$6,722,837 for the Local Fund, as of December 31, 2024, was used in computing the employer contribution rates. The computed employer contribution rates are sensitive to changes in overall asset value. The actual amount transferred to LOPFI will depend on the market value of Local Fund assets when they are actually liquidated and may differ substantially from the value as of December 31, 2024. This will likely impact the actual rate computed in the next valuation of the combined plans.

Results:

	No COLA	3% COLA
Actuarial Accrued Liabilities (AAL)		
Active Members	\$ -	\$ -
Benefit Recipients	11,245,502	14,371,020
Total AAL	\$ 11,245,502	\$ 14,371,020
Assets		
Available to Fund AAL	\$ 6,722,837	\$ 6,722,837
Member DROP Balance	-	-
Total Assets	\$ 6,722,837	\$ 6,722,837
Unfunded AAL	\$ 4,522,665	\$ 7,648,183

Arkansas Local Police and Fire Retirement System Fayetteville Police Pension and Relief Fund as of December 31, 2024

Results

If the Local Fund becomes administered by LOPFI, the monthly employer contribution for calendar years 2025 and 2026 would be as follows:

COLA	Computed Monthly Employer Contribution (15-Year Level-Dollar Amortization)
0.00%	\$39,165
3.00%	\$66,231

These monthly contributions are in addition to the contribution determined for LOPFI members only. These are the estimated contributions needed to pay off the unfunded accrued liability associated with Closed Plan benefits and would be deposited in the Local Fund Employer Accumulation Account.

In 2024, the Plan received a total of \$1,317,890 from State Insurance Premium Tax, Local Millage Tax, fines and forfeitures, and other allocations. It is expected that similar future inflows will partially or fully offset future employer contributions.

Contributions are determined by amortizing the unfunded liability as a level-dollar amount over a closed 15-year period. Readers of this report may have an expectation that the contribution shown above will be paid for 15 years and the employer will be relieved of all liability at that time. That is not the case; as long as benefits are payable, there is a possibility that employer contributions will be needed.

**Arkansas Local Police and Fire Retirement System
Fayetteville Police Pension and Relief Fund
as of December 31, 2024**

**15-Year Level-Dollar Amortization of UAL, No COLA
Projected Cash Flow**

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2024				\$ 6,722,837
2025	\$ 1,240,200	\$ 469,980	\$ 459,974	6,412,591
2026	1,211,417	469,980	438,506	6,109,661
2027	1,180,947	469,980	417,629	5,816,323
2028	1,148,891	469,980	397,504	5,534,916
2029	1,115,359	469,980	378,296	5,267,833
2030	1,080,464	469,980	360,175	5,017,525
2031	1,044,323	469,980	343,315	4,786,497
2032	1,007,042	469,980	327,893	4,577,329
2033	968,740	469,980	314,093	4,392,662
2034	929,535	469,980	302,101	4,235,208
2035	889,552	469,980	292,109	4,107,746
2036	848,918	469,980	284,315	4,013,124
2037	807,760	469,980	278,921	3,954,266
2038	766,213	469,980	276,134	3,934,167
2039	724,415	469,980	276,165	3,955,898
2040	682,512	469,980	279,233	4,022,599
2041	640,649	-	268,821	3,650,771
2042	598,955	-	243,349	3,295,165
2043	557,555	-	219,042	2,956,652
2044	516,556	-	195,960	2,636,056
2045	476,063	-	174,159	2,334,151
2046	436,185	-	153,691	2,051,657
2047	397,048	-	134,604	1,789,213
2048	358,824	-	116,938	1,547,327
2049	321,736	-	100,722	1,326,314
2050	286,044	-	85,970	1,126,240
2051	252,024	-	72,676	946,892
2052	219,930	-	60,817	787,779
2053	189,964	-	50,348	648,163
2054	162,293	-	41,212	527,082
2055	137,042	-	33,333	423,372
2056	114,300	-	26,624	335,696
2057	94,101	-	20,986	262,581
2058	76,416	-	16,316	202,481
2059	61,166	-	12,501	153,816
2060	48,224	-	9,434	115,026
2061	37,425	-	7,006	84,608
2062	28,570	-	5,117	61,154
2063	21,434	-	3,670	43,391
2064	15,785	-	2,584	30,189
2065	11,399	-	1,783	20,573
2066	8,060	-	1,204	13,718
2067	5,574	-	796	8,940
2068	3,764	-	514	5,690
2069	2,480	-	324	3,534

**Arkansas Local Police and Fire Retirement System
Fayetteville Police Pension and Relief Fund
as of December 31, 2024**

**15-Year Level-Dollar Amortization of UAL, No COLA
Projected Cash Flow
(Concluded)**

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2070	\$ 1,594	\$ -	\$ 199	\$ 2,139
2071	997	-	120	1,262
2072	607	-	70	725
2073	359	-	40	405
2074	207	-	22	220
2075	115	-	12	117
2076	63	-	6	61
2077	33	-	3	31
2078	17	-	2	15
2079	9	-	1	7
2080	4	-	-	4
2081	2	-	-	2
2082	1	-	-	1
2083	1	-	-	-
2084	-	-	-	-

¹ Local Plan contributions only; \$39,165 monthly in addition to the LOPFI rate (based on level-dollar 15-year amortization). The first-year contribution assumes that the City will be under LOPFI administration beginning in 2025. The last year contribution, based on a 15-year amortization schedule, would be applied in 2040.

² Reported market value of assets. Assets are projected at the assumed rate of return of 7.25% per year.

Note: The actual future contributions for this group are affected by investment return, number of members and life expectancy. This projection does not show the effect on future employer contributions of differences between actual and assumed future experience. These differences can have a significant effect on these results.

**Arkansas Local Police and Fire Retirement System
Fayetteville Police Pension and Relief Fund
as of December 31, 2024**

**15-Year Level-Dollar Amortization of UAL, 3% COLA
Projected Cash Flow**

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2024				\$ 6,722,837
2025	\$ 1,258,804	\$ 794,774	\$ 470,879	6,729,686
2026	1,266,476	794,774	471,102	6,729,086
2027	1,271,660	794,774	470,874	6,723,074
2028	1,274,257	794,774	470,346	6,713,937
2029	1,274,177	794,774	469,686	6,704,221
2030	1,271,343	794,774	469,083	6,696,734
2031	1,265,680	794,774	468,742	6,694,570
2032	1,257,113	794,774	468,890	6,701,121
2033	1,245,578	794,774	469,776	6,720,092
2034	1,231,024	794,774	471,669	6,755,512
2035	1,213,416	794,774	474,864	6,811,734
2036	1,192,727	794,774	479,677	6,893,459
2037	1,168,948	794,774	486,449	7,005,734
2038	1,142,087	794,774	495,546	7,153,967
2039	1,112,178	794,774	507,358	7,343,921
2040	1,079,282	794,774	522,301	7,581,715
2041	1,043,474	-	512,510	7,050,751
2042	1,004,831	-	475,392	6,521,311
2043	963,438	-	438,482	5,996,355
2044	919,372	-	401,992	5,478,975
2045	872,721	-	366,143	4,972,397
2046	823,602	-	331,166	4,479,960
2047	772,195	-	297,295	4,005,060
2048	718,794	-	264,766	3,551,032
2049	663,834	-	233,807	3,121,005
2050	607,896	-	204,622	2,717,732
2051	551,667	-	177,387	2,343,452
2052	495,857	-	152,240	1,999,835
2053	441,143	-	129,276	1,687,968
2054	388,189	-	108,552	1,408,331
2055	337,627	-	90,079	1,160,784
2056	290,047	-	73,827	944,563
2057	245,952	-	59,721	758,332
2058	205,719	-	47,652	600,266
2059	169,606	-	37,479	468,138
2060	137,731	-	29,035	359,442
2061	110,096	-	22,138	271,484
2062	86,568	-	16,599	201,516
2063	66,892	-	12,227	146,851
2064	50,744	-	8,839	104,946
2065	37,742	-	6,264	73,469
2066	27,487	-	4,348	50,329
2067	19,578	-	2,952	33,703
2068	13,619	-	1,958	22,042
2069	9,243	-	1,269	14,068
2070	6,116	-	802	8,754
2071	3,940	-	494	5,309

**Arkansas Local Police and Fire Retirement System
Fayetteville Police Pension and Relief Fund
as of December 31, 2024**

**15-Year Level-Dollar Amortization of UAL, 3% COLA
Projected Cash Flow
(Concluded)**

Year Ended December 31	Projected			
	Benefits	Contributions ¹	Investment Earnings	Assets (MV) ²
2072	\$ 2,470	\$ -	\$ 297	\$ 3,136
2073	1,506	-	174	1,803
2074	891	-	99	1,011
2075	512	-	55	555
2076	287	-	30	298
2077	157	-	16	156
2078	84	-	8	81
2079	44	-	4	41
2080	23	-	2	20
2081	12	-	1	9
2082	6	-	-	4
2083	3	-	-	1
2084	1	-	-	-
2085	-	-	-	-

¹ Local Plan contributions only; \$66,231 monthly in addition to the LOPFI rate (based on level-dollar 15-year amortization). The first-year contribution assumes that the City will be under LOPFI administration beginning in 2025. The last year contribution, based on a 15-year amortization schedule, would be applied in 2040.

² Reported market value of assets. Assets are projected at the assumed rate of return of 7.25% per year.

Note: The actual future contributions for this group are affected by investment return, number of members and life expectancy. This projection does not show the effect on future employer contributions of differences between actual and assumed future experience. These differences can have a significant effect on these results.

Resolution to Assign Local Plan Administration to LOPFI

Whereas, the Board of Trustees (the Board) of the FAYETTEVILLE POLICE Pension and Relief Fund (Local Plan), desires to assign administration of the Local Plan to the Arkansas Local Police and Fire Retirement System (LOPFI) pursuant to Arkansas Code Annotated 24-10-101, et. seq., as amended; and

Whereas, such action shall not change the benefit structure unless a benefit increase is formally approved by the governing body of FAYETTEVILLE, Arkansas, by Ordinance; and

Whereas, the Board received and reviewed the latest actuarial report from LOPFI, which states the initial required employer contribution rate(s); and

Whereas, the Board finds it is in the best interest of the Local Plan and its participants to have LOPFI administer the Local Plan; therefore,

BE IT RESOLVED, the Board hereby elects to assign administration of the Local Plan to LOPFI.

BE IT FURTHER RESOLVED the Board requests the CITY OF FAYETTEVILLE, a political subdivision of the State of Arkansas, to act as its agent henceforth.

BE IT FURTHER RESOLVED the Board understands any agreement to administer the Local Plan by LOPFI shall be entered into by and with the governing body of FAYETTEVILLE, Arkansas, as the Board's agent, and that such agreement shall dissolve said Board.

CERTIFICATION

We certify this Resolution accurately states the action of said Board. Approved this ____ day of _____, 2025.

Chair _____

Sec/Treasurer _____

Member _____

Member _____

Member _____

Member _____

Member _____

ORDINANCE NO. _____

AN ORDINANCE TRANSFERRING ADMINISTRATION OF RETIREMENT COVERAGE FOR ELIGIBLE MEMBERS OF THE FAYETTEVILLE POLICE PENSION AND RELIEF FUND TO THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM (LOPFI) AND AUTHORIZING THE MAYOR TO ENTER INTO AN IRREVOCABLE AGREEMENT WITH LOPFI.

WHEREAS, the Board of Trustees of the FAYETTEVILLE Police Pension and Relief Fund (Local Plan) has elected to have its Local Plan administered by LOPFI as stated by Resolution dated _____, 2025, and that

WHEREAS, the Board of Trustees has requested by Resolution that the City of FAYETTEVILLE, Arkansas, act as its agent henceforth.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

SECTION 1. If accepted by LOPFI, the administration of the FAYETTEVILLE Police Pension and Relief Fund (Local Plan) shall be transferred to LOPFI under authority of Arkansas Code Annotated 24-10-101 et. seq., as amended. Such transfer shall mean the administration of the Local Plan only and not a change in the Local Plan's benefit program unless a benefit increase is formally approved by the City of FAYETTEVILLE, Arkansas, by Ordinance.

SECTION 2. The Mayor is hereby authorized to enter into an irrevocable agreement, using a fifteen (15) year amortization schedule, with LOPFI to administer the Local Plan as stated in Section 1 hereof.

SECTION 3. It is the intent of the City Council and it is hereby ordained that the provisions of this Ordinance shall be codified into the Code of Ordinances of FAYETTEVILLE, Arkansas and the sections thereof may be re-numbered and re-lettered as necessary to accomplish such intention.

SECTION 4. Due to the need to consolidate administration of the Local Plan with LOPFI, an emergency is hereby declared to exist and this Ordinance shall be in full force from and after the date of its passage and approval.

PASSED: _____
Date

APPROVED: _____
Mayor

ATTEST: _____
Witness

ORDINANCE NO. _____

AN ORDINANCE TRANSFERRING ADMINISTRATION OF RETIREMENT COVERAGE FOR ELIGIBLE MEMBERS OF THE FAYETTEVILLE POLICE PENSION AND RELIEF FUND TO THE ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM (LOPFI) AND AUTHORIZING THE MAYOR TO ENTER INTO AN IRREVOCABLE AGREEMENT WITH LOPFI.

WHEREAS, the Board of Trustees of the FAYETTEVILLE Police Pension and Relief Fund (Local Plan) has elected to have its Local Plan administered by LOPFI as stated by Resolution dated _____, 2025, and that

WHEREAS, the Board of Trustees has requested by Resolution that the City of FAYETTEVILLE, Arkansas, act as its agent henceforth.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

SECTION 1. If accepted by LOPFI, the administration of the FAYETTEVILLE Police Pension and Relief Fund (Local Plan) shall be transferred to LOPFI under authority of Arkansas Code Annotated 24-10-101 et. seq., as amended. Such transfer shall mean the administration of the Local Plan only and not a change in the Local Plan's benefit program unless a benefit increase is formally approved by the City of FAYETTEVILLE, Arkansas, by Ordinance. With the passage of this Ordinance, a three percent (3%) compound Cost of Living Adjustment (COLA) shall be added to the benefit program of the Local Plan. This COLA will be awarded each July 1st according to LOPFI guidelines.

SECTION 2. The Mayor is hereby authorized to enter into an irrevocable agreement, using a fifteen (15) year amortization schedule, with LOPFI to administer the Local Plan as stated in Section 1 hereof.

SECTION 3. It is the intent of the City Council and it is hereby ordained that the provisions of this Ordinance shall be codified into the Code of Ordinances of FAYETTEVILLE, Arkansas and the sections thereof may be re-numbered and re-lettered as necessary to accomplish such intention.

SECTION 4. Due to the need to consolidate administration of the Local Plan with LOPFI, an emergency is hereby declared to exist and this Ordinance shall be in full force from and after the date of its passage and approval.

PASSED: _____
Date

APPROVED: _____
Mayor

ATTEST: _____
Witness

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (Agreement) is entered into by and between the ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM (LOPFI) and the CITY OF FAYETTEVILLE for the benefit of its POLICE Pension and Relief Fund (Local Plan).

PARTIES

The City of FAYETTEVILLE, a political subdivision, currently has and administers a Local Plan.

LOPFI is an agency created by statute (Arkansas Code Annotated 24-10-101, et. seq., as amended) for the purpose of providing a statewide retirement system with pooled administration.

The Mayor and City Council of FAYETTEVILLE desire to enter into an irrevocable Agreement with LOPFI to administer its Local Plan and in consideration of the mutual obligations hereinafter enumerated the parties agree to all of the following:

1. This Agreement is made pursuant to the authority of A.C.A. 24-10-101, et. seq., as amended.
2. This Agreement shall be effective and permanent upon the executed date entered on page two of this Agreement.
3. This Agreement is for the administration of the Local Plan and its benefit structure shall not change unless a benefit increase is formally approved by the City of FAYETTEVILLE by Ordinance.
4. The actuaries for LOPFI have computed the initial employer contribution rate(s) to be paid by the City of FAYETTEVILLE to support the benefits paid by the Local Plan. The City of FAYETTEVILLE agrees to always remit payment at the level established by the actuaries for LOPFI and in the monthly timeframe set by LOPFI.
5. Benefits and any member refunds shall be paid effective the first business day of each month and in accordance with LOPFI procedures and guidelines.
6. LOPFI covenants and agrees to provide the following services:
 - a. investment of Local Plan assets and the award of annual interest to the employer reserve account at the end of each fiscal year consistent with the interest awarded to other LOPFI employer accounts;
 - b. process retirement applications including determination of eligibility, calculation of service credit and benefit payment amounts, payment of benefits to eligible benefit recipients, and satisfaction of state and federal tax withholding requirements, all in accordance with LOPFI procedures and guidelines; and

City of FAYETTEVILLE
Page 2 of 2

- 7. The City of FAYETTEVILLE covenants and agrees as follows:
 - a. upon execution of this Agreement all Local Plan assets and records shall be promptly transferred to LOPFI. In the sole discretion of LOPFI certain investments may be allowed to mature to avoid penalties;
 - b. all employer and applicable employee contributions shall be remitted to LOPFI in time to be recorded by the tenth (10th) calendar day of each month for each reporting period. Remittance shall be made in the manner and amounts prescribed by LOPFI, which shall include the use of LOPFI's electronic reporting and LOPFI's e-Payment;
 - c. the City of FAYETTEVILLE shall execute all documents required by LOPFI to aid in the administrative process;
 - d. all members and beneficiaries of the Local Plan have been deemed eligible pursuant to the standards prevailing at the time of the determination of eligibility. The parties agree that LOPFI is bound by any determination of eligibility or ineligibility made by the board of trustees of the Local Plan as long as such determination(s) conform to state law. The Local Plan and the City of FAYETTEVILLE indemnify and hold LOPFI harmless for any eligibility decisions made by the Local Plan.
 - e. the City of FAYETTEVILLE has disclosed to LOPFI all pending claims, actions, suits, and threatened liabilities to the Local Plan.

- 8. FAYETTEVILLE Police Pension and Relief Fund board of trustees' Resolution dated _____, 2025, and Ordinance No. _____, dated _____, 2025, of the City of FAYETTEVILLE, are incorporated by reference herein as though set forth word for word.

This irrevocable Agreement is executed this ___ day of _____, 2025.

CITY OF FAYETTEVILLE, ARKANSAS

BY: _____
Mayor Molly Rawn

ATTEST: _____
City Clerk Treasurer Kara Paxton

LOPFI BOARD OF TRUSTEES

BY: _____
LOPFI Board Chairman

ATTEST: _____

Kara Paxton, City Clerk
Courtney Spohn, Deputy Clerk
479-575-8323
cityclerk@fayetteville-ar.gov



City of Fayetteville -
City Clerk Treasurer's Office
113 W. Mountain St.
Fayetteville, AR 72701

May 23, 2025

Dear Pensioner or Beneficiary,

The Policemen's Pension and Relief Fund Board of Trustees has completed the 2025 Board Elections. **Eldon Roberts, John Brown and Melvin Stanley have been re-elected.** Their term will begin June 1, 2025 and end May 31, 2027.

Sincerely,

Kara Paxton, MMC, CAMC
City Clerk Treasurer
Policemen's Pension & Relief Fund
Board of Trustees Treasurer