Final Agenda Cover 10-20-98 Missing 10/20/98

	Roll				
PETTUS	✓				
MILLER	A				
WILLIAMS	✓				
SCHAPER	✓				
DANIEL	✓				
YOUNG	✓				
TRUMBO	✓				
MAYOR HANNA	✓				

	KW HD. Consent				
PETTUS	✓				
~~MILLER~~					
WILLIAMS	✓				
SCHAPER	✓				
DANIEL	✓				
YOUNG	✓				
TRUMBO	✓				
MAYOR HANNA					
	6-0-0.				

	H. HD. Tax Rates				
PETTUS	✓				
~~MILLER~~					
WILLIAMS	✓				
SCHAPER	✓				
DANIEL	✓				
YOUNG	✓				
TRUMBO	✓				
MAYOR HANNA					
	6-0-0.				

	NON-CONFORM SIGNS.				
PETTUS					
~~MILLER~~					
WILLIAMS					
SCHAPER	withdrawn				
DANIEL					
YOUNG					
TRUMBO					
MAYOR HANNA					

	KW/DP TURTLE CREEK WAIVER				
PETTUS	✓				
~~MILLER~~					
WILLIAMS	✓				
SCHAPER	✓				
DANIEL	✓				
YOUNG	✓				
TRUMBO	N				
MAYOR HANNA					
	5-1-0.				

	CIP				
PETTUS					
~~MILLER~~					
WILLIAMS					
SCHAPER					
DANIEL					
YOUNG					
TRUMBO					
MAYOR HANNA					

adj 7:50 pm.

	4/2/98 LEASE	AGREEMENT.			
PETTUS	✓				
~~MILLER~~					
WILLIAMS	✓				
SCHAPER	✓				
DANIEL	✓				
YOUNG	✓				
TRUMBO	✓				
MAYOR HANNA					
	6-0-0.				

PETTUS					
MILLER					
WILLIAMS					
SCHAPER					
DANIEL					
YOUNG					
TRUMBO					
MAYOR HANNA					

PETTUS					
MILLER					
WILLIAMS					
SCHAPER					
DANIEL					
YOUNG					
TRUMBO					
MAYOR HANNA					

FINAL AGENDA

CITY COUNCIL

OCTOBER 20, 1998

AGENDA SESSION:

-AIRPORT LIGHTING: Number this I.C.1-4.

-IN-HOUSE PAVEMENT: Number this I.D.1-7

-CIP PROPOSAL: Number this II.F.1-16

ATTACHED HERE:

MINUTES: Due to technical difficulties the minutes of the October 6, 1998 meeting will be distributed on Monday.

BOAT DOCK: Replacement pages for I.B. Number this 1-4.

A MEETING OF THE FAYETTEVILLE CITY COUNCIL

A meeting of the Fayetteville City Council was held on Tuesday, October 6, 1998, at 6:30 p.m. in the Council Room of the City Administration Building, 113 W. Mountain, Fayetteville, Arkansas.

PRESENT: Mayor Fred Hanna, Alderman Daniel, Alderman Miller, Alderman Pettus, Alderman Schaper, Alderman Trumbo, Alderman Williams, Alderman Young, City Attorney Jerry Rose, City Clerk/Treasurer Heather Woodruff, Staff, Press, Audience

STAFF CHANGES: Mayor Hanna announced staff changes as follows:

Administrative Services Director -Kevin Crosson replacing Ben Mayes
Public Works Director - Charles Venable replacing Kevin Crossen
Assistant Public Works Director - Don Bunn replacing Charles Venable
City Engineer - Jim Beavers replacing Don Bunn.

CONSENT AGENDA

MINUTES: Approval of minutes from September 15, 1998, meeting.

GRASS MAINTENANCE: A resolution approving the maintenance of the proposed buffer strip located between the back of curb and edge of sidewalk along Highway 16 West between Meadowlands Drive and U.S. Highway 71.

RESOLUTION 126-98 AS RECORDED IN THE CITY CLERK'S OFFICE

EDUCATIONAL ACCESS CHANNEL: A resolution authorizing an agreement with the University of Arkansas, Fayetteville, to operate the Educational Access Channel until September 30, 2000.

RESOLUTION 127-98 AS RECORDED IN THE CITY CLERK'S OFFICE

BID 98-53: A resolution approving Bid 98-53 for the purchase of 20 various light and medium duty pick-up trucks and utility vehicles from Ron Blackwell Ford.

RESOLUTION 128-98 AS RECORDED IN THE CITY CLERK'S OFFICE

OFF-STREET PARKING: A resolution appointing Bobby Lee Odom to the Off-Street Parking Development District No. 1 Commission.

RESOLUTION 129-98 AS RECORDED IN THE CITY CLERK'S OFFICE

AIRPORT SEWER LIFT STATION: A resolution approving Amendment No. 3 to the construction contract with Goodwin & Goodwin, Inc. In the amount of $700.00 for the addition of a manhole.

RESOLUTION 130-98 AS RECORDED IN THE CITY CLERK'S OFFICE

INTERSECTION IMPROVEMENTS: A resolution approving the reappropriation of $14,091.80 in surplus funds from the Engineering contract to the Construction contract for intersection improvements at Township and North College, and the approval of Change Order No. 2 to the construction contract.

RESOLUTION 131-98 AS RECORDED IN THE CITY CLERK'S OFFICE

WATER IMPROVEMENTS: A resolution approving a contract (Section 1) with Basic Construction in the amount of $891,212.00 with a contingency of $100,000.00 and approval of a budget adjustment in the amount of $350,000 for waterlines..

RESOLUTION 132-98 AS RECORDED IN THE CITY CLERK'S OFFICE

WATER IMPROVEMENTS: A resolution approving a contract with J & L Construction in the amount of $368,500.00 with a contingency of $40,000.00 for a booster pump station. Alderman Pettus stated she wished to abstain from the Consent Agenda due to a conflict of interest with two of the items.

RESOLUTION 133-98 AS RECORDED IN THE CITY CLERK'S OFFICE

The motion was made by Alderman Daniel to approve the Consent Agenda. The motion was seconded by Alderman Williams. Upon roll call, the motion carried with a vote of 5-0-2, with Pettus and Young abstaining.

OLD BUSINESS

COST SHARE FOR STREET EXTENSION

Mayor Hanna introduced a resolution approving a 50/50 cost share for the actual construction costs to provide a 28 foot local street connecting Barrington Parke Phase II to the existing stub-out on Madison Drive in the Madison Subdivision, dedicating city property as city street right-of-way for the extension project.

Alderman Williams stated that the Street Committee met with the developer and local engineers, and the city aldermen who were present. Basically, the street committee believed this was advantageous to the city for two reasons. It would increase the value of the property because the road would be built with half of the cost paid by the developer of Barrington Parke, and it would be helpful to all citizens who lived in Barrington Parke to have another safe way to enter/exit their housing development. Over the long term, it would be a good project for the city, and the street committee recommended it unanimously.

Alderman Daniel mentioned that no complaints had been received on the issue.

Mayor Hanna asked if anyone in the audience would like to address the street construction issue.

Fran Alexander, area resident, asked for the configuration of Fox Hunter Road as it comes out of Barrington Parke, goes through public property, then out to Highway 45. Her concern was in regard to plans for bike trails and sidewalks to facilitate students getting to schools. She asked that this be taken into consideration as the area develops.

Alderman Miller remarked that the city has set standards for sidewalks and these would be followed.

Mayor Hanna asked for further comments. There were none.

Alderman Williams made a motion to pass the resolution. The motion was seconded by Alderman Daniel. Upon roll call, the motion carried with a vote of 7-0-0.

WATER BOOSTER STATION

Mayor Hanna introduced an ordinance authorizing the City Attorney to seek court authorized possession of 0.473 acres of land owned by Ruth A. Morris for the purpose of constructing a water booster station thereon.

City Attorney Rose stated Ms. Morris representative, David Horne, was not present. He reassured that he had spoken with Mr. Horne explaining that the City needed immediate possession of the land. He added he and Mr. Venable would continue to negotiate with Ms. Morris.

Mr. Venable stated they had been working with Ms. Morris for several months and still had not come to an agreement.

Mayor Hanna asked the staff to look at the pump station in Tyson Park. He felt it was a good example. The station had the appearance of a small brick house.

In response to questions, Mr. Venable stated there should not be any noise from the station.

Mr. Don Bunn, Assistant Public Works Director, reiterated the station would be fenced and screened with vegetation. He added the pumps would be located above ground inside the building.

In response to questions, Mr. Venable stated the new water line would run toward Goshen and would be used in conjunction with the new water tower being built. This would offset the low water pressure in that area.

Alderman Williams moved to suspend the rules and go to the second reading. Alderman Pettus seconded the motion. Upon roll call the motion carried by a vote of 7-0-0.

Mr. Rose read the ordinance for the second time.

Alderman Trumbo moved to suspend the rules and to the third and final reading. Alderman Williams seconded the motion. Upon roll call the motion carried with a vote of 7-0-0.

Mr. Rose read the ordinance for the third time.

Mr. Charles Seifert, 4125 Warwick Drive, stated citizens should be fairly compensated for their property. The suggested the city use an outside appraiser.

Mayor Hanna called for the vote. Upon roll call the ordinance passed with a vote of 7-0-0.

PLANNING COMMISSION APPEAL

Mayor Hanna introduced a resolution appealing the Planning Commission's denial of a preliminary plat for CMN Business Park, Phase I.

Mr. Rose explained the Council needed to vote to hear the appeal.

Alderman Trumbo moved to hear the appeal. Alderman Pettus seconded the motion. Upon roll call the motion carried by a vote of 7-0-0.

Jim Irwin, project representative stated the Planning Commission had voted 4-4-0 to approve the plat. He explained they had filed a preliminary plat to address questions from the 1995 rezoning of the property.

During the 1995 discussion CMN had agreed to escrow funds from any sale of property for the construction of the north-south road connecting Shiloh and Joyce. He reiterated they were now filing the preliminary plat to address those issues.

Alderman Trumbo asked Mr. Irwin why they had waited three years before starting the development process.

Mr. Irwin explained they were having problems marketing the property without specific answers to questions regarding streets and required improvements. He stated they would begin with phase I then work into phase II.

Alderman Williams asked when they would begin work on phase II.

Mr. Irwin replied they would begin on phase II after Phase I was underway.

In response to questions regarding the zoning of the property, Mr. Irwin presented a map illustrating the zoning of the property. He explained the property was zoned both C-1 and C-2.

Alderman Williams recalled the reasoning behind the rezoning was to help the traffic flow around the mall. He expressed concern that the preliminary plat showed Van Ache, Steel Boulevard going from a four-lane boulevard to a two-lane street.

Mr. Irwin replied they were compiling with the Master Street Plan.

In response to questions, Mr. Venable stated he was comfortable with Mr. Peters, traffic engineer for the development, traffic projections for the development.

Alderman Young asked if they were going to construct the road all at once before getting a final plat.

In response to arguments from Alderman Young, Ms. Harrington stated the agreement between the developer and the City regarding the escrow of money from the sale of property for the obstruction of the road had been discussed throughout the entire process.

Mr. Irwin stated the agreement with the city allowed CMN to sell lots before obtaining a final plat.

In response to arguments from Alderman Young, Ms. Little, Planning Director, stated the agreement superseded the normal development procedure. The city was committed to follow the agreement.

Alderman Young expressed concern about this being the largest single development ever proposed in the city of Fayetteville or in Northwest Arkansas.

Ms. Harrington read the November 2, 1995 letter which read, "In the event the owners sell a part of the entire ownership prior to construction of the north-south road all of the sales proceeds generated from the sale shall be held in escrow until the north-south street is constructed. The escrow funds shall be used for part of the construction of the north-south street. Specific language for the escrow agreement shall be drafted by the City Attorney and the owner's attorney." The staff, the Planning Commission and everyone else working of the development had agreed this plat was ready to move forward.

Mr. Rose stated an agreement had been made regarding the entire parcel of land, not just Phase I.

In response to concerns voiced by Alderman Young, Ms. Harrington stated the owners had every intention of building the road there was only one reason they were at the council meeting which was for permission to begin construction of the street.

Alderman Young reiterated if the council approved the preliminary plat that they were granting the developers the right to precede with he development of 170 acres.

Ms. Harrington stated all the property that was sold would go into escrow to build the street.

Alderman Young stated the city's normal procedure was to approve a preliminary plat, then allow the developer to construct the infrastructure. When the improvements had been made, then the developer would come back to the city for a final plat, which would allow them to sell lots.

Alderman Williams agreed this was a very large section of property. He thought it made a lot of sense to have an overall development scheme. The rezoning had been a hotly contested issue at the time, but the majority of the city council had voted for the rezoning because they wanted the road to be completed to have another access to the mall. He agreed the normal procedure was to construct the road first, however, this was a very expensive road with a major bridge. The council had made an agreement with the developer to allow them to sell some property, but the proceeds from the sales had to be escrowed in an account for the construction of the street. He felt the escrow agreement would protect the city and the new property owners by insuring that the road would be constructed.

Alderman Trumbo stated conditions had been set forth three years ago, the escrow agreement had been talked about and agreed upon. He added these developers had produced a good quality projects. He thought the city's flexibility would promote an excellent commercial development. He added the development would increase city sales tax and property taxes for our schools.

Alderman Schaper stated it had not occurred to him that the escrow agreement would supersede the normal development process. He wanted to make sure the street would be constructed.

Mr. Irwin stated they had the property under contract at one time for six months, but they could not answer some of the questions regarding required improvements.

In response to questions, Mayor Hanna stated they had agreed upon the escrowing of funds three years ago. He had no problem with the agreement and explained the developer would not receive any of the money from the sale of land until the road was constructed.

Alderman Trumbo stated this developer had a good reputation and had followed through with their promises. He added he could not see the downside on giving them approval to do this. He felt it would help them sell the lots and construct the road quicker.

Alderman Williams agreed that it would help in getting the road constructed sooner. He added he thought the city should participate in the building of a boulevard from the beginning. He did not believe a two-lane road could support the traffic around the mall. The added Fayetteville was lucky that the mall was inside Fayetteville City Limits. If it wasn't there would be millions less in tax revenue for our police and fire as well as other services.

After discussion, Alderman Williams suggested the right-of-way be increased south of Van Ache on Steele Boulevard to 90 feet.

Alderman Pettus moved to reverse the opinion of the Planning Commission and to grant the appeal, subject to the change in the right-of-way (90 feet south of Van Ache to the connection).

In response to questions from Alderman Schaper, Alderman Williams stated he thought the city could participate in the construction of the four lane road because it would be used by more citizens than by the traffic generated by the development. He added the development would generate more sale tax revenue and to pay the city dividends thru the years.

After discussion regarding the requirement for right-of-way for a four lane boulevard and requirement for a connection to Van Ache to Gregg .

Alderman Williams moved amend the motion to increase the right-of-way from 90 feet to 96 feet and to require the developer to construct the connection from Van Ache to the west to Gregg Street with the completion of the sale of 75% of the property in Phase I. Alderman Pettus seconded the motion. Upon roll call the amendment carried by a vote of 7-0-0.

Mr. Charles Seifert, 3125 Warwick, stated the council should be dealing with the current traffic and drainage problems.

Bob Brandon, area resident, stated he lived in the Wilson Park neighborhood and he was concerned about the preservation of the historical neighborhood. He felt this new connection would add traffic to his neighborhood, which was not equipped to handle the current traffic. He asked the council to address the current traffic problems in his neighborhood before spending money on a new development.

In response to concerns voiced by Mr. Brandon, Alderman Williams stated the city had been addressing problems in his neighborhood by improving the rail road crossing. He added the University generated most of the traffic problems in his neighborhood and not the mall.

Mayor Hanna added the city had plans to extend Prospect Street over to Cleveland, across the railroad tracks, which should help the traffic somewhat.

Mr. Venable stated the Engineering department was in the design stag now. It would be next year before they began construction.

Ms. Fran Alexander, an area resident, asked if a high priority would be placed on keeping a green space if the boulevard was ever expanded. She added the city did not have a written policy on the preservation of median greenspace. She asked the difference between this proposed cost share and the cost share with Barrington Park.

Alderman Miller explained the Barrington Park was across city land which would increase the value of the property if the city decided to sell at a later date.

Ms. Alexander suggested a written policy for defining whether or not the city was subsidizing private enterprise and private development with tax dollars.

Alderman Williams replied that the city was not really subsidizing residential developments, in fact developers were subsidizing our roads. The city was allowing Barrington Park to use their land for the construction of a road, which would in turn increase the value of the city's property.

In response to questions from Ms. Alexander, Alderman Williams explained the developer of CMN was going to construct the road, however, the city was asking the developer to donate additional right-of-way to increase the size of the road beyond what the developer was required to construct.

Ms. Little requested clarification on the motion.

In response to questions from the council, Ms. Harrington stated they had agreed to the staff conditions of approval.

Alderman Pettus moved to amend the motion to include all the conditions listed on the staff report and to include all Planning Commission requirements. Alderman Trumbo seconded the motion. Upon roll call the motion carried by a vote of 7-0-0.

For clarity Ms. Little read the Planning Commission's motion for approval and the additional requirements to obtain a 96 foot right-of-way on Steele Blvd. south of Van Ache to Gregg Street. And in addition the developer would be required to complete Van Ache to Gregg Street in the same manner as Steele Boulevard upon sale of 75% of the acreage in Phase I. She added there was a total of 21 conditions placed upon the approval of this development.

Upon roll call the motion carried by a vote of 5-2-0. Aldermen Schaper and Young voting nay.

REAL AND PERSONAL PROPERTY TAX

Mayor Hanna Introduced an ordinance adopting real and personal property tax rates for 1998 for the Police and Fire Pension Funds. The rate to be adopted is 0.5 mils each for both the fire and police pension fund. No millage was proposed for the general government operations.

City Attorney Jerry Rose read the ordinance for the first time.

In response to questions from Alderman Williams, Assistant Fire Chief Marion Doss explained the two plans were different and had different benefits. But both were governed by the State.

Alderman Williams asked the percentage the retiree would receive.

Mr. Doss stated the old plan sealed benefits at 65% of the salary at which they retired. The new plan was an average of the salary and time served. He added theoretically the closed plan would be shrinking over time. He added an actuary study was done every two years. This years study showed the fund being under funded. There were currently 21 firemen under the old pension relief plan.

Alderman Pettus questioned if the tax would always be needed.

Alderman Williams reiterated his concern about treating both retirement plans equally.

In response to questions from Aldermen, Mr. Doss stated the State Law set the minimum for 20 years of service at 55%. He reiterated the fact that the actuary study had shown the plan to be under funded.

Alderman Schaper moved to suspend the rules and go to the second reading. alderman Young seconded the motion. Upon roll call the motion carried by a vote of 6-1-0. Alderman Pettus voting nay.

City Attorney Rose read the ordinance for the second time.

Mr. Lamar Pettus, area resident, questioned if the tax was necessary.

Mayor Hanna explained the Firemen and Policemen were Civil Service employees. There rules and regulations were set by the State and the DROP Plan was also handled by the State. He explained the reason why the plans were set up like they were was because some cities were using the money for other things rather than to pay retirees.

Mr. Charles Seifert, area resident, stated the importance of having a well funded retirement program and the need to hire qualified people.

The ordinance was left on the second reading.

PRE-EXISTING NONCONFORMING SIGNS

Mayor Hanna introduced an ordinance amending Section 161.21 Design Overlay District, of the Code of Fayetteville, to add subsection D5f Pre-existing Nonconforming Signs to provide for the removal of pre-existing non-conforming signs within a period of five years; and to amend Section 161.21 to add Subsection 5 to exclude signage as an exemption.

City Attorney Rose read the ordinance for the first time.

Alderman Schaper stated he had brought the proposed ordinance forward to enhance the ability of new businesses along the by-pass to compete with pre-existing businesses along the by-pass. He felt it was unreasonable to have the existing non-conforming signs there indefinitely. There was a precedent for existing signs to be removed, such as the billboards. He felt the proposed ordinance would equalized everyone under the existing regulations.

Alderman Miller stated he would be supporting the proposed ordinance.

Alderman Pettus asked if they were required to remove the existing sign, would they be allowed to install a conforming sign.

Mr. Rose explained they would be allowed to install a sign under the current sign ordinance. He suggested she refer to her code book for more information regarding signage.

In response to questions, Ms. Little stated the Board of Sign Appeals could grant exemptions for off-premises signs.

Mayor Hanna recalled that existing developments and platted developments were excluded from the Overlay District.

Ms. Little recalled that several subdivisions had already been subdivided, but had not been developed. Those subdivision would be excluded from the Design Overlay requirements. Alderman Pettus stated she was not in favor of tampering with the current ordinances. She noted the signs would not be there forever and that they would be phased off. She added if a business ceased to operate then they would be required to remove the sign.

In response to question regarding how the rules applied to businesses changing ownership, Ms. Little stated that she and Mr. Rose had differing interpretations. She felt if the business changed ownership then they would need to come into compliance. Jerry felt the new owners had a vest interest and that they were there before the Overlay District was formed and they would be allowed to keep the sign.

Alderman Daniel thought the new owners should be brought into compliance.

Mr. Charles Seifert, an area resident, referred to Cracker Barrel and the unobtrusive sign they had proposed. The added they would have generated considerable revenue for the city.

Steve Ward, Chamber of Commerce, stated he was concerned about the development along 71 bypass. He requested the council not to act on the ordinance that night.

Andrea Forney, an area business person, stated she was in favor of the amendment because it would promote the beauty of the town and help promote growth.

Ms. Marion Orton, former Mayor, stated she had worked on the original sign ordinance. They had wanted a strong sign ordinance . She noted Fayetteville's ordinance was not as strong as some cities, however, she was proud of the one they had passed. She had been under the impression that the when a business changed hands the signs would have to be brought under compliance. She was surprised to hear that was not the case. She added it was a very legal way to get rid of non-conforming signs. She reiterated it had taken a long time to pass the original ordinance. She asked that the council not do anything that would weaken the current ordinance.

Mr. Rose encouraged the aldermen to read over the section regarding the Overlay District. He noted the Overlay District did not apply to undeveloped or partially developed lots in nonresidential subdivisions lying within the design Overlay District for U.S. highway 71 corridor which received preliminary or final plat approval before June 28, 1994. They were exempt from the overlay and not grand fathered in. The law never applied to them. The law does not apply to those people. The proposed ordinance would be removing that exemption. The ordinance would remove only one exemption, the signs.

The meeting adjourned at 9:45 p.m.

STAFF REVIEW FORM

XX AGENDA REQUEST
XX CONTRACT REVIEW
____ GRANT REVIEW

For the Fayetteville City Council meeting of October 20, 1998

FROM:

Connie Edmonston	Parks & Recreation	Public Works
Name	Division	Department

ACTION REQUIRED: Award of contract to Jim Black, dba Lake Fayetteville Marine to operate the Lake Fayetteville Boat Dock. Contract is for one year with five (5) one year annual renewal(s). The annual renewals are subject to budget approval by City Council.

COST TO CITY:

$6,440.40 (for 1998) $25,762 (for 1999)	$50,700 (1998)	Services & Charges
Cost of this Request	Category/Project Budget	Category/Project Name
	$43,315	Lake Maintenance
Account Number	Funds Used To Date	Program Name
	$ 7,385 (1998)	General Fund
Project Number	Remaining Balance	Fund

BUDGET REVIEW: XX Budgeted Item ____ Budget Adjustment Attached

Budget Coordinator

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:**

Marilyn J Cramer	10-8-98	Yolanda Fields	10-12-98
Accounting Manager	Date	Internal Auditor	Date
	10-8-98		
City Attorney	Date	ADA Coordinator	Date
P Vice	10-9-98		
Purchasing Officer	Date		

STAFF RECOMMENDATION: Approval of contract.

Division Head	Date	Cross Reference
	10/13/98	New Item: **Yes** **No**
Department Director	Date	
	10/13/98	Prev Ord/Res #:____
Administrative Services Director	Date	
Fred Hanna	10/14/98	Orig Contract Date:____
Mayor	Date	

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FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Charles Venable, Public Work Director

FROM: Connie Edmonston, Parks & Recreation Superintendent C.E.

DATE: October 6, 1998

SUBJECT: Award of Lake Fayetteville Boat Dock Operator's Contract

Two bids were received for the contract of the Lake Fayetteville Boat Dock Operator. The selection committee recommends the contract be awarded to the low bid, Jim Black in the amount of $25,761.60. This is a three percent increase over last year to allow for the cost of living increase. The term of this contract is for a twelve month period with an automatic extension provision of four additional one year terms. Jim Black has been the Lake Fayetteville Boat Dock Operator since 1988.

CITY OF FAYETTEVILLE

Lake Fayetteville Boat Dock Operator Contract

OPERATING CONTRACT FOR LAKE FAYETTEVILLE BOAT DOCK

For the total amount of 2,146.80 per month, Jim Black dba Lake Fayetteville Marine (the "Contractor") agrees to provide the list of services and requirements to the City of Fayetteville beginning October 1, 1998 and ending on December 31, 1998. Either party may cancel this contract by giving the other party thirty days written notice of cancellation. Jim Black (the "Contractor") further certifies possession of the initial capital monies to commence boat dock operations.

The City agrees to pay the Contractor in current funds for the performance of the listed services and requirements by making payments to the contractor no later than the 15th of each month.

CONTRACTED SERVICES AND REQUIREMENTS

1. Operate and manage the Lake Fayetteville Boat Dock. Shall be an independent contractor not an employee of the City. Must open and close the lake gates seven days a week at sunrise and sunset. The Lake Fayetteville Boat Dock is closed each year from December 24 through January 14. The operator is responsible for supervising the boat dock during this time.

2. Collect boat stall rentals, storage rentals, fishing permits, and boating permits. These fees are submitted to the Parks and Recreation Office on a weekly basis.

3. Prepare reports and keep records as required by the Public Works Director.

4. Provide proof of liability insurance with a minimum coverage of:
   $300,000 for one person involved in death or injury.
   $500,000 for two or more persons involved in death or injury.

5. Receive prior approval from the Public Works Director, or his designee, for any special event conducted at Lake Fayetteville.

6. Mow the yard surrounding the boat dock office and dock area to maintain a manicured appearance.

7. Pick-up trash and clean the office and bathroom on a daily basis.

8. Conduct the following business at the Lake Fayetteville Boat Dock:

   a. Sell concessions in compliance with all applicable State & Federal Laws, Municipal Ordinances, Health Department Regulations and the rules and regulations of all authorities having jurisdiction over the performance of this project.

b. Sell fish bait.

c. Provide other services which the Public Works Director determines will enhance the operation of Lake Fayetteville.

9. On call 24 hours a day.

10. The initial annual term of the Contract shall be January 1st through December 31st. Compensation for the first renewal period will be $2,146.80 per month. However, said Contract may automatically renew for five (5) consecutive one (1) year terms, with compensation being adjusted each renewal period by three percent (3%) of the contracted amount for the prior year. Such automatic renewal shall be subject to budget approval by the City Council.

11. Either party may terminate this contract at any time by giving the other party thirty (30) days written notice of termination.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in three (3) counterparts, each of which will be deemed an original, in the year and day first above mentioned.

CITY OF FAYETTEVILLE, ARKANSAS
(City)

ATTEST:

By: ______________________

____
(City Clerk)

____
(Title)

____
(Witness)

Jim Black, dba Lake Fayetteville Marine
(Contractor)

By: Jim Black

Owner Lake Fayetteville Marine
(Title)

P.O. Box 483 Johnson, Ark 72741
(Address and Zip Code)

STAFF REVIEW FORM

XX AGENDA REQUEST
XX CONTRACT REVIEW
____ GRANT REVIEW
For the Fayetteville City Council meeting of October 20, 1998

FROM: Dale Frederick (Name) — Airport (Division) — General Gvmt. (Department)

ACTION REQUIRED: The Airport requests approval of the contract with Robert Bailey Electric, Inc. In the amount of $386,907.40. This contract is for Bailey Electric to act as general contractor on the airport's Airfield Taxiway Lighting Rehabilitation Project. The airport's engineering firm for this project, Garver & Garver Engineers, has reviewed the bids received and recommend award of this contract. This project is an FAA Airport Improvement Program project and will receive 90% FAA funding. An additional grant for 5% of the project's total cost will be applied for with the state leaving the remaining 5% to come from airport funds.

Approval of a $38,690.00 contingency is also requested.

COST TO CITY:

$ 425,597.40 Cost of this Request	$ 806,000 Category/Project Budget	Airfield Lighting Category/Project Name
5550-3960-5314.00 Account Number	$ 79,459 Funds used to date	n/a Program Name
98054-01 Project Number	$ 726,541 Remaining Balance	Airport Fund

BUDGET REVIEW: XX Budgeted Item ____ Budget Adjustment Attached

Budget Coordinator — Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:** ____

Marilyn J Cramer 10-7-98
Accounting Manager — Date

ADA Coordinator — Date

City Attorney — Date

Yolanda Fields 10-9-98
Internal Auditor — Date

P Vice 10-9-98
Purchasing Officer — Date

STAFF RECOMMENDATION: Staff recommends approval.

Don Green for DF 10/5/98
Division Head — Date

Department Director — Date

9 OCT 98
Administrative Services Director — Date

10/9/98
Mayor — Date

Cross Reference

New Item: Yes No

Pre Or/Res#: ____

Orig.Cont.Date

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: **Fayetteville City Council**

THRU: **Fred Hanna, Mayor**

FROM: **Dale Frederick, Airport Manager** for D.F.

DATE: **October 5, 1998**

SUBJECT: **Airfield Lighting Rehabilitation Contract Award**

The Airport requests the City Council approve the contract with Robert Bailey Electric, Inc. in the amount of $386,907.40 to perform the duties of general contractor for the Airfield Taxiway Lighting Rehabilitation Project. Bailey Electric was the lowest bidder for this project; their bid has been reviewed by Garver & Garver Engineers which recommends award of the contract. This is an FAA AIP project and will receive 90% FAA funding. The FAA AIP grant for this project was accepted by City Council Resolution 115-98. Additionally, a grant for 5% of the project's total cost will be applied for with the state. Five percent of the total cost will come from airport funds.

Approval of a $38,690.00 contingency is also requested.

Attachments: Staff Review
Garver & Garver Recommendation
Resolution No. 115-98
Bid Tabulation
Bailey Electric Contract (8 originals)

Garver, Inc.
Engineers

1010 Battery Street
P.O. Box 50
Little Rock, Arkansas 72203-0050

501-376-3633
FAX 501-372-8042

www.garverinc.com

GARVER ENGINEERS

September 23, 1998

Mr. Dale Frederick, Manager
Fayetteville Municipal Airport
4500 School Avenue
Suite F
Fayetteville, AR 72701

Re: Fayetteville Municipal Airport
Taxiway Lighting Rehabilitation
AIP #3-05-0020-25-98
Recommendation of Contract Award

Dear Dale:

Bids were received for the "Taxiway Lighting Rehabilitation" project at the Fayetteville City Administration Building at 10:00 am on September 23, 1998. The bids have been checked for accuracy. A tabulation of the bids received is enclosed with this letter.

A total of 5 bidders submitted on the project. Robert Bailey Electric, Inc. of Conway, submitted the low bid for the project at $386,907.40. This amount reflects funding from several different sources, including a FAA AIP grant and a future Arkansas State Department of Aeronautics grant.

We believe that the bid for the "Taxiway Lighting Rehabilitation" represents a good value for the Airport. Given the funding outlined above, we recommend the Airport Board award the construction contract for "Taxiway Lighting Rehabilitation" to Robert Bailey Electric, Inc.

Sincerely yours,
GARVER ENGINEERS

Michael J. Griffin, P.E.

Enclosures
(976102)

airport

RESOLUTION NO.115-98

A RESOLUTION ACCEPTING FAA AIRPORT IMPROVEMENT PROJECT GRANT NO. 3-05-0020-2598 TO BE AWARDED IN THE AMOUNT OF $443,146 AND WILL COVER PHASE I OF THE AIRFIELD LIGHTING REHABILITATION PROJECT, THE RUNWAY APPROACH OBSTRUCTION LOCATION SYSTEM, AND THE PAVEMENT MANAGEMENT SYSTEM.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the FAA Airport Improvement Project Grant No. 3-05-0020-2598 to be awarded in the amount of $443,146 and will cover Phase I of the Airfield Lighting Rehabilitation Project, the Runway Approach Obstruction Location System, and the Pavement Management System.

PASSED AND APPROVED this 1st day of September, 1998.

APPROVED:

By: Fred Hanna

Fred Hanna, Mayor

ATTEST:

By: Heather Woodruff

Heather Woodruff, City Clerk

STAFF REVIEW FORM

X AGENDA REQUEST
___ CONTRACT REVIEW
___ GRANT REVIEW

For the Fayetteville City Council meeting of October 20th, 1998

FROM:

Randy Allen	Street	Public Works
Name	Division	Department

ACTION REQUIRED: Approve budget adjustments for $120,000 and $92,000 to reimburse and supplement the In-House Pavement Improvements Program.

COST TO CITY:

$ 212,000	$ 824,300	In-House Pave. Imp.
Cost of this request	Category/Project Budget	Category/Project Name
4470-9470-5809.00	738,364	In-House Pave. Imp.
Account Number	Funds Used to Date	Program Name
97022-1	85,936	Sales Tax Capital Imp.
Project Number	Remaining Balance	Fund

BUDGET REVIEW: ___ Budgeted Item X Budget Adjustment Attached

Budget Coordinator

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: GRANTING AGENCY: ___

Accounting Manager — Date 10-7-98

ADA Coordinator — Date

City Attorney — Date 10-8-98

Internal Auditor — Date 10-7-98

Purchasing Officer — Date 10-9-98

STAFF RECOMMENDATION:

Randy Allen
Division Head — Date 10-7-98

Department Director — Date 10-9-98

Administrative Services Director — Date 9OCT98

Mayor — Date 10/9/98

Cross Reference

New Item: YES NO

Prev Ord/Res #: ___

Orig. Contract Date: ___

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: The Fayetteville City Council

THRU: Fred Hanna, Mayor

FROM: Charles Venable, Public Works Director
Randy Allen, Street Superintendent R.A.

DATE: October 7, 1998

SUBJECT: **Funding Replacement and Budget Adjustments**

The 1998 In-House Pavement Improvements Program is asking for funding replacement in the amount of $120,000 for the construction of the parking lot at Spring and West Street. In addition, a budget surplus of $92,000 remains on the Borick Drive extension that was constructed this year. We are asking for approval of budget adjustments of $120,000 and $92,000 to place these funds into the In-House Pavement Improvements Program for 1998.

This funding will be utilized in completing the Community Development Project by placing SB-2 base and asphalting the streets within the target area. In addition, all 1997 program carry-overs will be completed. This should complete approximately 130,000 square yards of streets in 1998.

City of Fayetteville, Arkansas
Budget Adjustment Form

Budget Year	Department: Sales Tax Capital Improvements	Date Requested	Adjustment #
1998	Division:	10/07/98	
	Program:		

Project or Item Requested:
Additional funding is requested for the In-House Pavement Improvement Project, project #97022.

Project or Item Deleted:
None. Reallocation of the remaining project funding for Borick Drive (Commerce Drive) Improvements and use of fund balance.

Justification of this Increase:
The additional funding is needed to complete the street overlay project in the Community Development Target Area and to add funding to complete the remaining 1997 carry over streets.

Justification of this Decrease:
Borick Drive was constructed by City crews and is complete. Sufficient funds exist in Sales Tax Capital Improvements Fund to fund this request and comply with City policy.

Increase Expense (Decrease Revenue)

Account Name	Amount	Account Number					Project Number	
Street Improvements	92,000	2100	5500		5809	00	97022	1
Street Improvements	120,000	4470	9470		5809	00	97022	1

Decrease Expense (Increase Revenue)

Account Name	Amount	Account Number					Project Number	
Street Improvements	92,000	2100	5500		5809	00	92094	1
Use of Fund Balance	120,000	4470	0947		4999	99		

Approval Signatures

Randy Allen — 10-7-98
Requested By — Date

10-7-98
Budget Coordinator — Date

Department Director — Date

9OCT98
Admin. Services Director — Date

Mayor — Date

Budget Office Use Only

Type: A B C D E

Date of Approval ________

Posted to General Ledger ________

Posted to Project Accounting ________

Entered in Category Log ________

Blue Copy: Budget & Research 7 Yellow Copy: Requester C:\APP\98BUD\BAADJ\INHOUSE.WK4

TENTATIVE
AGENDA

FAYETTEVILLE CITY COUNCIL MEETING
OCTOBER 20, 1998

A meeting of the Fayetteville City Council will be held on October 20, 1998, at 6:30 p.m. in the City Administration Building, 113 West Mountain Street, Room 219, Fayetteville, Arkansas.

The following items will be considered:

I. CONSENT AGENDA

A. **APPROVAL OF MINUTES:** Approval of minutes from October 6, 1998, meeting.

B. **LAKE FAYETTEVILLE BOAT DOCK:** A resolution awarding a contract to Jim Black, Lake Fayetteville Marine, to operate the Lake Fayettteville Boat Dock. The contract is for one year with five one year annual renewals.

II. OLD BUSINESS

A. **REAL AND PERSONAL PROPERTY TAX RATES:** An ordinance adopting real and personal property tax rates for 1998 for the Police and Fire Pension Funds. The rate to be adopted is 0.5 mils for both real and personal property. There is no millage proposed for general government operations. The ordinance was left on second reading at the October 6, 1998, meeting.

B. **PRE-EXISTING NONCONFORMING SIGNS:** An ordinance amending Section 161.21, Design Overlay District, of the Code of Fayetteville, to add Subsection D.5.f., Pre-existing Nonconforming Signs, to provide for the removal of pre-existing non-conforming signs within a period of five years; and to amend Section 161.21 to add Subsection 5 to exclude signage as an exemption. The ordinance was left on first reading at the October 6, 1998, meeting.

III. NEW BUSINESS

A. **COUNCIL ON AGING:** A presentation by the Council on Aging regarding the status of construction of the proposed Senior Center.

B. **TURTLE CREEK SUBDIVISION WAIVER REQUEST:** A waiver from the Park Land Dedication Ordinance requesting the Council to accept money in lieu of a park land dedication.

C. **HIGHWAY 16 WIDENING:** A resolution approving the Utilities Adjustments Contract with Arkansas Highway and Transportation Department for Highway 16 widening (71 Bypass to Meadowlands Drive.)

D. **HIGHWAY 265 WIDENING:** A resolution approving a contract with RJN Group for the water and sewer relocations associated with the widening of Highway 265 from Highway 45 to Highway 16 East. (Supporting information will be distributed at Agenda Session.)

E. **HIGHWAY 265 WIDENING:** A resolution approving a contract with Arkansas Highway and Transportation Department for water and sewer adjustments associated with the widening of Highway 265 from Highway 45 to Highway 16 East. (Supporting information will be distributed at Agenda Session.)

F. **CAPITAL IMPROVEMENT PROGRAM:** A resolution approving the 1999-2003 Capital Improvement Program.

G. **LEASE AGREEMENT:** A lease agreement for property located at 1060 S. Township Drive is to be used for an antenna tower, building, equipment cabinets, and communication equipment.

Only items presented by the City Council or City Staff may be discussed during the meeting. If you have an item you wish to discuss, please contact your alderman to have it presented at the next City Council Agenda Session. For further assistance, please contact Heather Woodruff, City Clerk, at 575-8323.

Boat Dock
I.B.1

STAFF REVIEW FORM

XX AGENDA REQUEST
XX CONTRACT REVIEW
____ GRANT REVIEW

For the Fayetteville City Council meeting of October 20, 1998

FROM:

Connie Edmonston — Name
Parks & Recreation — Division
Public Works — Department

ACTION REQUIRED: Award of contract to Jim Black, dba Lake Fayetteville Marine to operate the Lake Fayetteville Boat Dock. Contract is for one year with five (5) one year annual renewal(s). The annual renewals are subject to budget approval by City Council.

COST TO CITY:

$6,440.40 (for 1998) $25,762 (for 1999) Cost of this Request	$50,700 (1998) Category/Project Budget	Services & Charges Category/Project Name
Account Number	$43,315 Funds Used To Date	Lake Maintenance Program Name
Project Number	$ 7,385 (1998) Remaining Balance	General Fund Fund

BUDGET REVIEW: XX Budgeted Item ____ Budget Adjustment Attached

Budget Coordinator

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:** ____________

Accounting Manager 10-8-98 Date Internal Auditor Date

City Attorney Date ADA Coordinator Date

Purchasing Officer Date

STAFF RECOMMENDATION: Approval of contract.

Division Head Date

Cross Reference

Department Director Date

New Item: **Yes** **No**

Administrative Services Director Date

Prev Ord/Res #: ____________

Mayor Date

Orig Contract Date: ____________

C:\APP\98BUD\98NOTES\LKFAY_BO.CON

Boat Dock
I.B.2

TEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Charles Venable, Public Work Director

FROM: Connie Edmonston, Parks & Recreation Superintendent C.E.

DATE: October 6, 1998

SUBJECT: Award of Lake Fayetteville Boat Dock Operator's Contract

Two bids were received for the contract of the Lake Fayetteville Boat Dock Operator. The selection committee recommends the contract be awarded to the low bid, Jim Black in the amount of $25,761.60. This is a three percent increase over last year to allow for the cost of living increase. The term of this contract is for a twelve month period with an automatic extension provision of four additional one year terms. Jim Black has been the Lake Fayetteville Boat Dock Operator since 1988.

CITY OF FAYETTEVILLE

Lake Fayetteville Boat Dock Operator Contract

OPERATING CONTRACT FOR LAKE FAYETTEVILLE BOAT DOCK

For the total amount of 2,146.80 per month, Jim Black dba Lake Fayetteville Marine (the "Contractor") agrees to provide the list of services and requirements to the City of Fayetteville beginning October 1, 1998 and ending on December 31, 1998. Either party may cancel this contract by giving the other party thirty days written notice of cancellation. Jim Black (the "Contractor") further certifies possession of the initial capital monies to commence boat dock operations.

The City agrees to pay the Contractor in current funds for the performance of the listed services and requirements by making payments to the contractor by the 15th of each month.

CONTRACTED SERVICES AND REQUIREMENTS

1. Operate and manage the Lake Fayetteville Boat Dock. Shall be an independent contractor not an employee of the City. Must open and close the lake gates seven days a week at sunrise and sunset. The Lake Fayetteville Boat Dock is closed each year from December 24 through January 14. The operator is responsible for supervising the boat dock during this time.

2. Collect boat stall rentals, storage rentals, fishing permits, and boating permits. These fees are submitted to the Parks and Recreation Office on a weekly basis.

3. Prepare reports and keep records as required by the Public Works Director.

4. Provide proof of liability insurance with a minimum coverage of:
   $300,000 for one person involved in death or injury.
   $500,000 for two or more persons involved in death or injury.

5. Receive prior approval from the Public Works Director, or his designee, for any special event conducted at Lake Fayetteville.

6. Mow the yard surrounding the boat dock office and dock area to maintain a manicured appearance.

7. Pick-up trash and clean the office and bathroom on a daily basis.

8. Conduct the following business at the Lake Fayetteville Boat Dock:

   a. Sell concessions in compliance with all applicable State & Federal Laws, Municipal Ordinances, Health Department Regulations and the rules and regulations of all authorities having jurisdiction over the performance of this regulations of all authorities having jurisdiction over the performance of this project.

b. Sell fish bait.

c. Provide other services which the Public Works Director determines will enhance the operation of Lake Fayetteville.

9. On call 24 hours a day.

10. Upon budget approval by the City Council, the term of the Contract shall be as indicated in the term above. However, said Contract may automatically renew for five (5) consecutive one (1) year terms, with compensation being adjusted each renewal period by the Consumer Price Index for the prior year. Such automatic renewal shall be subject to budget approval by the City Council.

11. Either party may terminate this contract at any time by giving the other party thirty (30) days written notice of termination.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in three (3) counterparts, each of which will be deemed an original, in the year and day first above mentioned.

ATTEST:

CITY OF FAYETTEVILLE, ARKANSAS
(City)

____
(City Clerk)

By: ______________________

____
(Title)

____
(Witness)

Jim Bl[illegible]
(Contractor)

Owner Lake Fay - Marina
(Title)

P.O. Box 483 - Johnson Ark.
(Address and Zip Code) 72741

24-11-102. **Increase in benefits.**

(a) The board of trustees of a municipal firemen's relief and pension fund and the board of trustees of a policemen's pension and relief fund are authorized to increase benefits for future or current retired members and beneficiaries of the firemen's relief and pension fund or policemen's pension and relief fund.

(b) Any proposed increase by the board of trustees shall be in strict compliance with the following conditions:

(1) The board of trustees of the firemen's relief and pension fund or policemen's pension and relief fund shall adopt a resolution approved by not less than three-fourths (3/4) of the membership of the board of trustees, outlining the proposed increase in benefits;

(2)(A) The action proposed by the board of trustees under the resolution shall be determined by actuarial evaluations to be actuarially feasible to the extent that the unfunded liabilities resulting from the proposed increase in member or beneficiary benefits under the fund will be funded over a period of not more than thirty (30) years, pursuant to rules promulgated by the Arkansas Fire and Police Pension Review Board, based on the current available and known revenue or income sources available to the retirement and pension fund.

(B) The actuarial evaluations shall be made by an actuary who is a member of the American Academy of Actuaries and who is employed by the Arkansas Fire and Police Pension Review Board.

(C) The Executive Director of the Arkansas Fire and Police Pension Review Board shall state the actuarial findings in writing to the board of trustees and shall certify the appropriate action to be taken;

(3)(A) A copy of the resolution adopted by the board of trustees of the firemen's relief and pension fund or policemen's pension and relief fund outlining the proposed increase in member or beneficiary benefits is filed with the executive director, who shall determine that an actuarial evaluation has been made in accordance with the provisions of this subchapter and that the actuarial evaluation had determined that the proposed increase in benefits may be funded, over a period of time set forth in subdivision (b)(2)(A) of this section, based on available or defined revenue sources of the relief fund, in which event the executive director may approve the proposed increase to member beneficiary benefits under the firemen's relief and pension fund or policemen's pension and relief fund.

(B) The board of trustees of the firemen's relief and pension fund or policemen's pension and relief fund shall comply with the appropriate action as approved by the executive director;

(4)(A) A copy of the resolution adopted by the board of trustees, a copy of the actuarial evaluation, and a copy of the action taken by the executive director is filed with the circuit clerk and the city clerk of the county and city in which the firemen's relief and pension fund or policemen's pension and relief fund is located.

(B) All actions taken by the executive director shall be subject to review and acceptance by the Arkansas Fire and Police Pension Renew Board.

(c) If it is determined by the Arkansas Fire and Police Pension Review Board that a local pension plan is not complying with the provisions of law governing benefit increases, the executive director of the board shall certify that noncompliance to the Insurance Commissioner, and the Insurance Commissioner shall withhold all moneys otherwise due the plan from the state until compliance is achieved.

1979, No. 839, § 1; 1981, No. 283, § 1; 1983, No. 329, § 1;
A.S.A. 1947, § 19-2230;
Acts 1987, No. 279, § 2; 1995, No. 684, § 1.

24-11-103. Actuarial evaluation.

The cost of actuarial evaluation made under the provisions of 24-11-102 shall be paid by the board of trustees of the firemen's or policemen's pension and relief fund which proposes to increase member or beneficiary benefits under the fund. The actuarial evaluation shall include:

(1) The current financial and actuarial status of the income and liabilities of the firemen's or policemen's pension and relief fund;

(2) A detailed statement of the proposed benefit increases;

(3) A comparison reflecting that the level of contributions and other income under the pension and relief fund is sufficient to amortize the unfunded liabilities resulting from the benefit increase over a thirty-year period; and

(4) An evaluation determining whether, in the opinion of the actuary, the benefit increase, in conjunction with the addition of resources to reserves to increase actuarial soundness, will result in a deterioration of the actuarial soundness of the fund.

History. Acts 1979, No. 839, 2; 1981,
No. 283, 2;
A.S.A. 1947, 19-2231.

24-11-405. Board of trustees.

(a) The board of trustees of the policemen's pension and relief fund shall consist of seven (7) members, as follows:

(1) The chief executive officer of the city, who shall be chairman of the board;

(2) The city treasurer, who shall be the treasurer of the fund;

(3)(A)(i) Four (4) active or retired members of the pension fund;

(ii) The active pension fund members shall elect the active members by secret written ballot in May of each year, with the member or members to be chosen in alternating years. The retired member or members shall be chosen in May of each year, by a method to be determined by the board, with the member or members to be chosen in alternating years. All member trustees shall serve two-year terms;

(iii) If there are no active members of the pension fund, all four (4) employee members shall be elected from and by the retired membership of the pension fund;

(B) The board shall select one (1) of the police members as secretary of the board to serve for a period of two (2) years or until his successor is elected and qualified;

(C) However, if no retirant is available to serve on the board, all four (4) employee positions shall be held by active members of the pension fund and shall all be elected by secret ballot by the active members of the pension fund for two-year terms as provided above. The board shall have the power to make all rules and regulations needful for its guidance to implement the provisions regarding board composition;

(4) The six (6) members provided for in subdivisions (1)-(3) of this subsection shall elect one (1) more member who shall be a reputable physician and who shall represent the board of trustees in the examination of any member of the department upon a claim of disability;

(5) The number of active members or retired members to serve on the board shall be determined by the proportionate number of active members to retired members:

(A) When the number of active members equals seventy-five percent (75%) of the total of retired members and active members, the board shall be comprised of three (3) active members and one (1) retired member.

(B) When the number of active members equals fifty percent (50%) of the total of retired members and active members, the board shall be comprised of two (2) active members and two (2) retired members.

(C) When the number of retired members equals seventy-five percent (75%) of the total of retired members and active members, the board shall be comprised of one (1) active member and three (3) retired members.

(b) The police officer members and the physician representative of the board shall serve for a period of two (2) years or until their successors are elected and qualified.

(c) The board shall have the absolute control and management of the funds provided for in this subchapter and of all moneys donated, paid, or assessed for the relief or pension of disabled, superannuated, and retired members of the police department, their surviving spouses and minor children, or dependent parents solely dependent upon members for their support.

(d) The board shall make all necessary rules and regulations for its government and the discharge of its duties and shall hear and decide all applications for relief or pension under this subchapter; all decisions upon applications shall be final and conclusive and not subject to review or reversal except by the board. The board shall cause to be kept a record of all its meetings and proceedings.

History. Acts 1937, No. 250, 3, 4;
Pope's Dig., 9858,9859; Acts 1985, No.
390, 1; 1987, No. 405, 2; 1991,
No. 365, 1.
A.S.A. 1947, 19-1803, 19-1804.

24-11-406. Administration of small funds by Local Police and Fire Retirement System.

(a) In those local police pension and relief funds which cover less than four (4) active members, a local board of trustees may no longer exist, and the fund may be designated as inactive by the employer.

(b) Administrative responsibility. for the fund shall be assigned to the Arkansas Local Police and Fire Retirement System, as allowed by 24-10-301 and 24-10-302 and as provided in the following procedure:

(1)(A) The actuary under contract to the system shall compute the retirement reserve for vested and active members and for eligible beneficiaries of the inactive fund. After receiving the report of the actuary, the employer shall transfer the computed reserve to the system to be held in an account designated as the retirement reserve for the inactive fund and from which the system shall pay eligible beneficiaries.

(B) The retirement reserve and any additional employer contributions shall include such amounts as are necessary to provide administrative expenses for the system, but such expenses shall not exceed a total of one-half of one percent (1/2 of 1%) of active member payroll, if any, plus one percent (1%) of annual reserve assets.

(2) Any excess assets of the fund remaining after the retirement reserve is created shall be transferred to an account designated by the employer, to be used solely for the purpose of making payments to the system for employee coverage administered under the system and for no other purpose.

(3) If a former member of the local pension fund returns to service in which the employee would have again become a member of the local fund, the past service credit may be purchased by the employer for the employee under the system, and the purchase costs shall be amortized in the same manner as other service credit purchases are amortized under the system.

(4)(A) No benefit amendments shall be made in benefits payable from the inactive fund under the administration of the system.

(B) Should the law mandate an increase in benefits to retired members or their beneficiaries, the increases shall be payable from the retirement reserve of the inactive fund.

(C) No prorating of benefits shall be allowed in inactive funds under the administration of the system.

(D) If the retirement reserve of an inactive fund shall become inadequate to pay full benefits to eligible recipients, the system shall require of the employer, and the employer shall remit, such actuarially computed amounts as are necessary to pay full benefits to current and future eligible recipients.

(5)(A) Once a fund becomes inactive and a retirement reserve Is created as required by this section, the employer may continue to collect such millages, fines, fees, State Insurance Tax Turnback, and other revenues as allowed by law for the support of police retirement programs.

(B) The revenues shall be deposited locally in an account designated by the employer solely for making payments to the system, and shall be used for no other purpose.

(6)(A) All employer contributions for inactive funds shall be made in such amounts, and in such manner, form, and frequency, as the Local Police and Fire Retirement System Board of Trustees shall require.

(B) The pension records of inactive funds, and other materials and reports as may be required by the Local Police and Fire Retirement System Board of Trustees to administer the inactive funds, shall be provided to the Local Police and Fire Retirement System in such manner as the board shall require.

History. Acts 1937, No. 250, 4;
Pope's Dig., 9859; Acts 1985, No. 927,
1;
A.S.A. 1947, 19-1804.

24-11-410. **Investment.**

(a) The board of trustees shall have the power to draw sums from its treasury, only upon warrants signed by the chairman and countersigned by the policemen's pension and relief fund, to invest in the name of the board of trustees of the policemen's pension and relief fund in interest-bearing bonds of the United States, of the State of Arkansas, or of the city in which the board is located, in a local government joint investment trust pursuant to § 19-8-301 et seq., in the Arkansas Local Police and Fire Retirement System, or in savings and loan associations duly established and authorized to do business in this state.

(b) All securities shall be deposited with the treasurer of the board of trustees of the pension and relief fund and shall be subject to the order of the board.

(c)(1) In those pension and relief funds in which assets exceed five hundred thousand dollars ($500,000), the board of trustees may employ an investment advisor as defined in § 24-10-402 (a)(1)(B) to invest the assets, subject to the terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System, as provided by §§ 24-10-401 - 24-10-411.

(2) Investments shall not be limited to interest-bearing bonds.

History. Acts 1937, No. 250, § 5; Pope's Dig., § 9860; Acts 1957, No. 121, § 1; 1985, No. 6, § 2; 1985, No. 16, § 2;
A.S.A. 1947, § 19-1805;
Acts 1989, No. 152, § 3; 1995, No. 615, § 2.

24-11-416. Proration where fund insufficient.

If, at any time, there should not be sufficient money in the fund to pay each person a full amount to which he may be entitled, the beneficiaries shall be paid by prorating the fund available among them.

History. Acts 1937, No. 250, 11;
Pope's Dig., 9866;
A.S.A. 1947, 19-1811.

24-11-801. Board of trustees - Members.

(a) The board of trustees of every firemen's pension and relief fund established in a city, incorporated town, or duly qualified fire protection district pursuant to the provisions of this subchapter shall be composed of the following:

(1) The chief executive, who shall serve as chairman of the board;

(2) The city or district clerk or recorder, who shall serve as secretary of the board;

(3) The fire chief, or, if the fire chief is not a member of the fund, the highest ranking member of the fire department who is a member and who is willing to serve; and

(4) Four (4) active or retired members of the pension fund.

(b) The board thus created shall provide for the disbursement of the firemen's relief and pension fund and shall designate its beneficiaries as directed in this act.

(c) The fire department shall elect the active member or members by secret written ballot in May of each year, with the member or members to be chosen in alternate years.

(d) The retired members shall elect the retired member or members by secret written ballot in May of each year, with the member or members to be chosen in alternate years by a method to be determined by the board.

(e) All member trustees shall serve two-year terms.

(f) The number of active members or retired members to serve on the board shall be determined by the proportionate number of active members to retired members:

(1) When the number of active members equals seventy-five percent (75%) of the total of retired members and active members, the board shall be comprised of three (3) active members and one (1) retired member.

(2) When the number of active members equals fifty percent (50%) of the total of retired members and active members, the board shall be comprised of two (2) active members and two (2) retired members.

(3) When the number of retired members equals seventy-five percent (75%) of the total of retired members and active members, the board shall be comprised of one (1) active member and three (3) retired members.

(4) However, when no retirant is available to serve on the board, all four (4) employee positions shall be held by active members of the pension fund and shall all be elected for two-year terms as provided in subsection (e) of this section. However, when no active member is available to serve on the board, all four (4) positions shall be held by retired members of the pension fund and shall all be elected for two-year terms as provided in subsection (e) of this section.

(g) The board shall have the power to make all rules and regulations needful for its guidance to implement the provisions regarding board composition.

(h) The chief executive in the cities, incorporated towns, or fire protection districts shall be the chairman; the city or town clerk or recorder or clerk of the fire protection district shall be ex officio secretary; and the city, town, or fire protection district treasurer shall be ex officio treasurer of the board of trustees during his respective term of office as the official of the city, incorporated town, or fire protection district.

(i) The secretary and treasurer of each board of trustees shall report annually, at the same time annual reports are required as clerk, recorder, or treasurer, the precise status of the firemen's relief and pension fund, showing all receipts and disbursements on account with a full and complete list of all beneficiaries of the fund and the amount paid each beneficiary.

History. Acts 1921, No. 491, 1, 2; Pope's Dig., 7737, 7738; Acts 1943, No. 167, 1; 1957, No. 326, 1, 2; 1968 (1st Ex. Sess.), No. 24, 1, 2; 1985, No. 927, 2; 1987, No. 405, 1; 1989, No. 527, 1; 1991, No. 770, 1.
A.S.A. 1947, 19-2201, 19-2202.

24-11-803. Board of trustees - Powers.

(a) In addition to the other powers granted in this subchapter, the board shall have the power to:

(1) Compel witnesses to attend and testify before it upon all matters connected with the operation of this act and in the same manner as provided by law for the taking of testimony before a notary public; its president or any member of the board may administer oaths to the witness;

(2) Provide for the payment from the fund of all its necessary expenses and printing; however, no compensation or emoluments shall be paid to any member of the board for any duties performed under this act;

(3) Make all rules and regulations needful for its guidance in conformity with the provisions of this act.

(b) The board of trustees shall have the power to accept and disburse, according to the provisions of this act, any and all sums which may come into its hands through appropriation, gift, or devise.

(c) Members of the board of trustees of the firemen's relief and pension fund of incorporated cities and towns in Arkansas shall have the power, in their discretion, to expend moneys from the firemen's pension and relief fund for the purpose of paying premiums and purchasing group insurance covering the members of the fire departments of the cities and towns against accidental injury or death occurring within the line of duty of the fire fighters.

History. Acts 1921, No. 491, 11, 14;
Pope's Dig., 7747, 7750; Acts 1947,
No. 187, 1;
A.S.A. 1947, 19-2211, 19-2222, 19-2229.

24-11-804. Administration of small funds by Local Police and Fire Retirement System.

(a) In those local fire pension and relief funds which cover less than four (4) active members, a local board of trustees may no longer exist, and the pension fund may be designated as inactive by the employer.

(b) Administrative responsibility for the fund shall be assigned to the Arkansas Local Police and Fire Retirement System, as allowed by 24-10-301 and 24-10-302 and as provided in the following procedure:

(1)(A) The actuary under contract to the system shall compute the retirement reserve for vested and active members and for eligible beneficiaries of the inactive fund. After receiving the report of the actuary, the employer shall transfer the computed reserve to the system to be held in an account designed as the retirement reserve for the inactive fund and from which the system shall pay eligible beneficiaries.

(B) The retirement reserve and any additional employer contributions shall include such amounts as are necessary to provide administrative expenses for the system, but such expenses shall not exceed a total of one-half of one percent (0.5%) of active member payroll plus one percent (1%) of annual reserve assets.

(2) Any excess assets of the fund remaining after the retirement reserve is created shall be transferred to an account designated by the employer, to be used solely for the purpose of making payments to the system for employee coverage administered under the system, and for no other purpose.

(3) If a former member of the local pension fund returns to service in which the employee would have again become a member of the local fund, the past service credit may be purchased by the employer for the employee under the system, and the purchase costs shall be amortized in the same manner as other service credit purchases are amortized under the system.

(A) No benefit amendments shall be made in benefits payable from the inactive fund under the administration of the system.

(B) Should the law mandate an increase in benefits to retired members or their beneficiaries, the increases shall be payable from the retirement reserve of the inactive fund.

(C) No prorating of benefits shall be allowed in inactive funds under the administration of the system.

(D) If the retirement reserve of an inactive fund shall become inadequate to pay full benefits to eligible recipients, or if active members are still covered by the fund, the system shall require of the employer, and the employer shall remit, such actuarially computed amounts as are necessary to pay full benefits to current and future recipients.

(4)(A) Once a fund becomes inactive and a retirement reserve Is created as required by this section, the employer may continue to collect such millages, state insurance tax turnback, and other revenues allowed by law for the support of fire fighter retirement programs.

(B) The revenues shall be deposited locally in an account designated by the employer solely for making payments to the system for employee coverage administered under the system, and for no other purpose.

(5)(A) All employer contributions for inactive funds shall be made in such amounts, and in such manner, form, and frequency, as the Local Police and Fire Retirement System Board of Trustees shall require.

(B) The pension records of inactive funds, and other materials and reports as may be required by the Local Police and Fire Retirement System Board of Trustees to administer the inactive funds, shall be provided to the system in such manner as the board shall require.

History. Acts 1921, No. 491, 1;
Pope's Dig., 7737; Acts 1985, No. 927,
2; 1987, No. 405, 1.
A.S.A. 1947, 19-2201.

24-11-805. **Investment.**

(a) All moneys provided for the fund by this act shall be paid over to and received by the treasurer of the city or town for the sole use and benefit of the firemen's relief and pension fund, and the fund shall be used for no other purpose. The additional duties imposed upon the treasurer shall be and comprise additional duties for which he shall be liable under his oath and bond as the city or town treasurer.

(b) The board of trustees shall have the power, with the consent of a majority of the fire fighters at the time employed, expressed in writing and filed with the city clerk, to authorize the treasurer to draw sums from its treasury to invest in the name of the board of trustees of the firemen's relief and pension fund in interest-bearing bonds of the United States, of the State of Arkansas, or of the city where the board is located, in a local government joint investment trust pursuant to § 19-8-301 et seq., the Arkansas Local Police and Fire Retirement System, or in certificates of deposit or time deposits in banks duly established and authorized to do business in this state, or in savings and loan associations duly established and authorized to do business in this state.

(c) All securities shall be deposited with the treasurer of the board of trustees of the relief and pension fund and shall be subject to the orders of the board.

(d) However, in those pension and relief funds in which assets exceed five hundred thousand dollars ($500,000), the board of trustees may employ an investment advisor as defined in § 24-10-402 (a)(1)(B) to invest the assets, subject to the terms, conditions, limitations, and restrictions imposed by law upon the Arkansas Local Police and Fire Retirement System, as provided by §§ 24-10-401 - 24-10-411. Investments shall not be limited to interest-bearing bonds, certificates of deposit, and time deposits.

History. Acts 1921, No. 491, § 15; Pope's Dig., § 7751; Acts 1939, No. 84, § 1; 1957, No. 121, § 2; 1967, No. 156, § 1; 1985, No. 6, § 3; 1985, No. 16, § 3;
A.S.A. 1947, § 19-2223;
Acts 1989, No. 152, § 4; 1995, No. 615, § 3.

24-11-807. **Minimum payments generally - Proration upon insufficiency of fund - Supplemental pensions.**

(a)(1) For volunteer fire fighters, in no case shall the payment to any retired member be less than fifty dollars ($50.00) per month, and the payment shall be made in accordance with the justice and equity of each case as determined by the board of trustees of the firemen's relief and pension fund. The benefits provided for in this subdivision shall only be paid provided the retirement funds are actuarially sound after the increase as determined by the actuary for the Arkansas Fire and Police Pension Review Board.

(2) In no case shall the payment to any retired member be less than thirty dollars ($30.00) per month, and the payment shall be made in accordance with the justice and equity of each case as determined by the board of trustees of the firemen's relief and pension fund.

(b) Should the fund provided for in this subchapter be insufficient to make full payment of the amount of pensions to all persons entitled thereto, then the fund shall be prorated among those entitled by the proper authorities as may be deemed just and equitable.

(c) The payment provided for in this section shall not be made until after the payment in full of all claims or demands against the fund arising or accruing under the provisions of § 24-11-819 (c).

(d) For the purpose of determining how to prorate benefits, the proration shall be considered just and equitable if:

(1) The board of trustees pays the full minimum benefit each month to all eligible beneficiaries until assets in the fund are depleted for the fiscal year, at which time all payments shall cease until revenues are received for the next fiscal year; or

(2) The board of trustees decreases all payments to all eligible beneficiaries by an equal proportion for the fiscal year and does not allow the assets in the fund to become fully depleted.

(e) In cities having a population of twenty thousand (20,000) or more, if the board of trustees of the firemen's relief and pension fund shall determine that the balances in the fund, together with estimated income thereto, will provide an amount sufficient to pay additional minimum pensions to volunteer fire fighters entitled to the pensions, then, by adoption of a resolution by majority vote of the full membership of the board of trustees, the board of trustees may provide for the payment of supplemental, additional minimum pensions in an amount not to exceed twenty-five dollars ($25.00) per month per retired volunteer fire fighter, or such lesser amount as the board of trustees shall determine can be paid from fund balances and estimated income without jeopardizing or reducing other benefits payable from the fund.

History. Acts 1921, No. 491, § 20; Pope's Dig., § 7756; Acts 1963, No. 524, § 1; 1971, No. 64, § 1; 1985, No. 338, § 1; A.S.A. 1947, § 19-2227; Acts 1993, No. 1197, § 5.

24-11-101. Legislative intent.

(a) The provisions of this subchapter are intended to establish procedures whereby the benefits to members and beneficiaries under the firemen's and policemen's pension and relief funds within the respective municipalities of this state may be increased on an orderly basis without a deterioration of actuarial soundness and are further intended to establish procedures for review and certification in order that the proposed increase in pension and relief fund benefits will not result in a deterioration of actuarial soundness prior to the adoption or implementation thereof.

(b) It is not the intent of this subchapter to repeal or modify any of the existing firemen's or policemen's pension and relief fund laws of this state, and this subchapter shall be construed to supplement and to be in addition to any of those laws in effect.

History. Acts 1979, No. 839, 3; 1981,
No. 283, 3;
A.S.A. 1947, 19-2232.

POLICE PENSION FUND
NOVEMBER 1998

EMP#	NAME	GROSS	FED. TAX	ST. TAX	NET
154	ALLEN, CHARLES	1,362.49	110.00		1,252.49
152	ARNOLD, WILLADEAN	838.00			838.00
130	BAYLES, DON	836.80			836.80
107	BLACK, JOE P	593.38			593.38
120	BOWEN, J R	365.56	10.00		355.56
147	BRADLEY, GERALD	2,572.02	300.00	45.47	2,226.55
139	BRADLEY, RANDALL	1,523.29			1,523.29
101	BROOKS, BILL	801.04			801.04
151	COLE, RUSTON	1,616.10	100.00	100.00	1,416.10
109	COOPER, ADRIAN	350.00			350.00
111	DAY, LUCILLE	350.00			350.00
108	DENNIS, WARREN	731.66			731.66
125	FLOWERS, HAROLD	454.73			454.73
140	FOSTER, BILLIE D.	1,714.08	150.00	50.00	1,514.08
148	FRIEND, JERRY	1,661.94	300.00	50.00	1,311.94
145	HANNA, MARK	1,442.90	120.00	35.00	1,287.90
124	HASKINS, RONALD	412.34			412.34
146	HUTCHENS, BERNICE	874.85	130.00		744.85
143	JOHNSON, CHARLES	1,294.42		36.70	1,257.72
103	JOHNSON, WENDELL	412.84			412.84
118	JONES, BOB	1,739.83			1,739.83
144	KILGORE, DONALD	1078.80		19.72	1,059.08
129	LAWSON, FORREST	826.51	50.00		776.51
150	LITTLE, PATSY R	350.00			350.00
153	LORCH, DONNA G	350.00			350.00
128	MCCAWLEY, LARRY	893.41	70.00		823.41
116	MCCHRISTIAN, MARIE	350.00			350.00
126	MCWHORTER, KAREN	485.02			485.02
136	MITCHELL, MICHAEL	1,215.23	150.00		1,065.23
141	MUELLER, ROSEMARY	1,088.01			1,088.01
112	MURPHY, JAKE	350.00			350.00
137	PERDUE, LARRY	1,224.39	100.00		1,124.39
132	PHILLIPS, HOMER GENE	926.80	300.00		626.80
105	PRESTON, GEORGE DAVID	844.17	67.43		776.74
135	RICKMAN, LOREN	1,176.11	169.00	20.00	987.11
104	RIGGINS, RAYMOND C	885.84	100.00		785.84
115	RITCHIE, LIZZIE	350.00			350.00
122	SKELTON, FRANK	438.08			438.08
123	SPENCER, HOLLIS	725.18	50.00		675.18
121	STOUT, WAYNE	456.78			456.78
133	SURLES, JERRY	1,434.58	138.00		1,296.58
142	TAYLOR, DENNIS	1,088.01	60.00	15.00	1,013.01
106	UPTON, FRANKLIN	557.24	10.00		547.24
110	WATTS, BEULAH	350.00			350.00
149	WILLIAMS, JOYCE	1,217.07	217.07		1,000.00
134	WITT, DON	931.39	64.00		867.39
127	WOOD, PAUL J	833.38			833.38
		$42,374.27	$2,765.50	$371.89	$39,236.88

FIREMEN'S RELIEF AND PENSION FUND
NOVEMBER 1998

THE FOLLOWING ARE THE OBLIGATIONS OF THE FIREMEN'S RELIEF FUND FOR THE MONTH OF NOVEMBER 1998. YOU ARE HEREBY INSTRUCTED TO ISSUE CHECKS TO THE PAYEES, IN THE AMOUNTS SHOWN, AND FOR THE PURPOSE SO STATED.

EMP#	DATE OF RETIREMENT	NAME	GROSS	FED. TAX	ST. TAX	NET
43	3/86	BAIRD, RICHARD H.	1,191.06	100.00		1,091.06
2	3/75	BLACKARD, PAUL	55.00			55.00
63	5/72	BOLAIN, ANN	55.00			55.00
44	9/86	BOUDREY, BETTY MRS.	1,641.57	180.00		1,461.57
45	9/86	BOUDREY, HOWARD	1,383.66			1,383.66
49	7/88	BOUDREY, JACK	1,088.98	287.68	50.00	751.30
4	6/67	CARL, FLOYD JR	55.00			55.00
5	5/72	CASELMAN, ARTHUR	75.00			75.00
57	5/90	CATE, ROY	1,182.35			1,182.35
6	4/68	CHRISTIE, ARNOLD	55.00			55.00
8	10/76	COUNTS, WAYNE	55.00			55.00
61	6/66	DAVIS, BEULAH F.	377.50			377.50
10	2/66	DEARING, EMMA MRS.	55.00			55.00
11	2/76	FARRAR, ALONZO	707.84			707.84
38	5/84	FRALEY, JOSEPH G.	1,171.39	100.00	10.00	1,061.39
33	5/80	HARRIS, BILL C.	55.00			55.00
34	6/79	HARRIS, JAMES E.	55.00			55.00
64	4/95	JORDAN, CHARLIE	1,525.81			1,525.81
47	5/88	JUDY, DARRELL	1,088.98			1,088.98
37	3/84	KING, ARNOLD D.	1,008.97	100.00	10.00	898.97
54	5/89	KING, ARVIL	1,131.00	130.00		1,001.00
12	3/60	LANE, HOPE MRS	55.00			55.00
13	10/67	LAYER, MERLIN	417.50			417.50
14	7/74	LEE, HAROLD	55.00			55.00
51	10/88	LEWIS, CHARLES	1,088.98			1,088.98
60	12/89	LEWIS, MARVIE	570.91			570.91
55	12/89	LEWIS, ROGER	570.92	50.00	10.00	510.92
40	9/85	LOGUE, PAUL D.	1,902.69	200.00	25.00	1,677.69
50	9/88	MASON, LARRY	1,078.16	78.16		1,000.00
39	4/85	MC ARTHUR, RONALD A.	1,159.11	100.00		1,059.11
35	2/82	MC CHRISTIAN, DWAYNE	55.00	30.00		25.00
15	4/77	MC WHORTER, CHARLES	886.19	80.00		806.19
29	8/81	MILLER, DONALD	863.01	125.00		738.01
42	2/86	MOORE, JAMES H.	55.00			55.00
17	2/66	MORRIS, WILKIE MRS.	55.00			55.00
16	4/64	MORRIS, WILLIAM H.	70.00			70.00
62	10/68	MORRISON, ELIENE	80.00			80.00
48	7/88	MULLENS, DENNIS W.	1,448.31			1,448.31
58	9/90	OSBURN, EDWARD	1,646.01	160.00		1,486.01
46	5/88	OSBURN, TROY	1,255.55	65.81		1,189.74
53	2/89	POAGE, LARRY	1,556.57	210.00	60.00	1,286.57
20	12/52	POLLY, GRACE A. MRS.	55.00			55.00
22	4/73	REED, JOE	55.00			55.00
30	3/81	SCHADER, EARVEL	923.01			923.01
41	9/85	SCHADER, TROY	1,007.92	57.00		950.92
23	4/71	SKELTON, BURL L.	692.50	42.50		650.00
67	10/98	SKELTON, KATHY	417.80			417.80
66	8/98	SKELTON, PAULINE	390.00			390.00
56	2/90	SKELTON, ROY	1,208.22	210.00	63.40	934.82
36	5/76	SPRINGSTON, CARL	609.88	50.00	9.88	550.00

25	2/75	STOUT, ORVILLE	590.36	50.00		540.36
27	3/71	TUNE, MILDRED MRS.	80.00			80.00
26	3/66	TUNE, BILLIE SUE	80.00			80.00
28	7/68	WATTS, DONALD	400.00			400.00
59	5/91	WATTS, WAYNE	1,191.51	96.17		1,095.34
52	9/88	WRIGHT, RANDALL	1,128.98	150.00		978.98
			37,713.20	2,652.32	238.28	34,822.60

DROP EMPLOYEES

JOHNSON, ROBERT	2,042.47
MILLER, KENNETH	2,129.57
WARFORD, THOMAS	1,659.70
BONADUCE, MICHAEL	1,975.38
DILL, GARY	2,396.21
GAGE, TOMMY	1,716.25
FREEDLE, LARRY	2,550.40

WE, THE UNDERSIGNED, DO SOLEMNLY SWEAR THAT THE ABOVE OBLIGATIONS ARE JUST AND CORRECT; THAT NO PART THEREOF HAS BEEN PREVIOUSLY PAID; THAT THE PENSION PAYMENTS SO CHARGED ARE IN ACCORDANCE WITH THE ACTIONS OF THE BOARD OF TRUSTEES OF THE FIREMEN'S RELIEF AND PENSION FUND; THAT THE SERVICES OR SUPPLIES FURNISHED, AS THE CASE MAY BE, WERE ACTUALLY RENDERED OR FURNISHED; AND THAT THE CHARGES MADE THEREFORE DO NOT EXCEED THE AMOUNT ALLOWED BY LAW OR THE CUSTOMARY CHARGE FOR SIMILAR SERVICES OR SUPPLIES.

SECRETARY   CHAIRMAN AND PRESIDENT

ACKNOWLEDGEMENT

STATE OF ARKANSAS)
COUNTY OF WASHINGTON))SS

SWORN TO AND SUBSCRIBED BEFORE ME THIS ____DAY OF _________, 1998.

NOTARY PUBLIC

MY COMMISSION EXPIRES:_______________

Tax Rates
II.A.21

FAYETTEVILLE POLICE PENSION FUND

ACTUARIAL VALUATION

AS OF DECEMBER 31, 1997

Tax Rates
II.A.22

Osborn, Carreiro & Associates, Inc.

ACTUARIES • CONSULTANTS • ANALYSTS

One Union National Plaza.Suite 1690
124 West Capitol Avenue
Little Rock, Arkansas 72201
(501)376-8043

July 7, 1998

Board of Trustees
Fayetteville Police Pension Fund

Gentlemen:

This report presents the results of our actuarial valuation of the assets and liabilities of the Fayetteville Police Pension Fund as of December 31, 1997.

This valuation is required by Arkansas Code Annotated 24-11-205. The purpose of this report is to (1) evaluate the actuarial status of the Fund, (2) determine the level contribution requirement needed, (3) review the development of the Fund over the past several years, and (4) present certain actuarial items on pages 8 and 9 for disclosure under Governmental Accounting Standards. This report is not intended for any other purpose.

The member and financial information used in this report was supplied by the Arkansas Fire & Police Pension Review Board, whose cooperation is appreciated. We did not audit this information, although we did review it for reasonableness and consistency.

I certify that this report has been prepared in accordance with generally accepted actuarial principles and practices. In my opinion, the actuarial methods used are appropriate and the actuarial assumptions produce results which, in the aggregate, are reasonable.

Sincerely,

Steve Osborn

Steve Osborn, F.S.A., M.A.A.A.
Actuary

TABLE OF CONTENTS

EXHIBIT 1

CONTRIBUTIONS

The following contribution level reflects the payment of the current year Normal Cost for benefits attributable to said year (see Exhibit 2) plus an amount sufficient to pay off the Unfunded Actuarial Liability over a 10-year period (5-year period for any unfunded retiree liability). These costs DO NOT include the contributions due to the Local Police and Firefighters Retirement System ("LOPFI") for persons hired after 1982.

1998 Necessary Annual Contribution to pay:

1	Normal Cost, plus	$	132,306
2	Pay off the Unfunded Actuarial Accrued Liability		(28,679)
3	Total necessary	$	103,627
	Less		
4	Expected Employee Contribution (6.00% of salary)	-	29,485
	Necessary Employer Contribution (This is the amount needed in addition to investment income)	$	74,142
	Covered Payroll	$	491,422
	Necessary Employer Rate		15.09%

These contributions assume that the dollar contribution grows at a rate of 4% per year. The contributions are assumed to be made continuously throughout the year.

The actual 1997 contribution was $588,261 from the employer.

EXHIBIT 2

COSTS AND LIABILITIES

		December 31, 1997	
A <u>Normal Cost</u> (Cost to fund current active members)		<u>Dollar Amount</u>	<u>Percent of pay</u>
1 Regular Retirement Benefits	$	121,708	24.77%
2 Voluntary Termination Benefits		2,712	0.55%
3 Survivors' Benefits		3,800	0.77%
4 Disability Benefits		4,086	0.83%
TOTAL	$	132,306	26.92%
B <u>Actuarial Accrued Liability</u>			
1 <u>Active Lives</u>			
Regular Retirement Benefits	$	2,918,517	
Voluntary Termination Benefits		0	
Survivors' Benefits		2,227	
Disability Benefits		4,917	
TOTAL ACTIVE LIVES	$	2,925,661	
2 <u>Inactive Lives</u>			
Retirees	$	3,259,339	
Disability Retirees		1,985,681	
Widows & Children		699,822	
TOTAL INACTIVE LIVES	$	5,944,842	
3 <u>Total Liability</u>	$	8,870,503	
C <u>Assets</u>	$	9,126,449	
D <u>Unfunded Actuarial Accrued Liability</u>	$	(255,946)	

EXHIBIT 3

SUMMARY OF FINANCIAL INFORMATION

(Items D-E determined by Osborn, Carreiro and Associates, Inc.)

	Year Ended 12/31/95	Year Ended 12/31/96	Year Ended 12/31/97
A. INCOME			
1 Contributions			
Employee	$ 32,206	$ 32,644	$ 31,663
Donations	600	530	420
Employer/Court Fines/Other	171,256	175,146	192,089
Insurance Tax	163,469	163,303	158,283
Local Millage	166,068	215,222	237,469
Adjustment to prior year asset value	0	0	0
2 Net Investment Income	318,782	753,400	874,170
TOTAL INCOME	$ 852,381	$ 1,340,245	$ 1,494,094
B. EXPENSES			
1 Administrative	$ 3,400	$ 3,725	$ 3,000
2 Benefits	403,839	435,322	453,553
3 Refunds	0	0	0
TOTAL EXPENSES	$ 407,239	$ 439,047	$ 456,553

EXHIBIT 3 (Continued)

C	ASSETS (at book value)	12/31/95	12/31/96	12/31/97
	1 Cash & Checking Accounts	$ 0	$ 0	$ 0
	2 Bank Deposits	3,132	4,629	16,086
	3 Savings and Loan Deposits	0	0	0
	4 Other Cash Equivalents	722,791	752,438	911,757
	5 US Govt. Securities	2,671,628	3,182,681	3,032,039
	6 Non-US Govt Securities	0	0	0
	7 Mortgages	0	0	0
	8 Corporate Bonds	1,157,519	1,043,872	1,174,980
	9 Common Stocks	2,534,108	3,017,749	3,907,641
	10 Other	98,532	87,539	83,946
	11 Payables	0	0	0
	TOTAL ASSETS	$ 7,187,710	$ 8,088,908	$ 9,126,449
D.	RATIO OF ASSETS TO ANNUAL EXPENSES:	17.6	18.4	20.0
E.	NET INVESTMENT RETURN:	4.7%	10.4%	10.7%
F.	TOTAL MARKET VALUE (Used only for GASB calculations)		8,455,191	9,970,550

EXHIBIT 3 (Continued)

ACCOUNTING INFORMATION

This page is included to provide the information required by the Governmental Accounting Standards Board Statement No. 5. The values below are based on the assumptions contained in Exhibit 8.

STATEMENT OF CREDITED PROJECTED BENEFITS

Actuarial present value of credited projected plan benefits		December 31, 1997
Participants currently receiving benefits	$	5,944,842
Terminated employees not yet receiving benefits		0
Active employees		
Accumulated employee contributions		317,594
Employer Financed		
Vested		1,452,054
Nonvested		1,147,082
Total actuarial present value of credited projected benefits	$	8,861,572

The actuarial present value of credited projected benefits is used in the financial statements of the plan and the Employer. These numbers are used for disclosure purposes only, and are not used in determining the actuarial contribution requirements.

Note: GASB No. 27 is effective January 1, 1998. The GASB No. 5 information on this page is being shown for transition purposes only, and will not be shown in the future.

EXHIBIT 3 (Continued)

ACCOUNTING INFORMATION

This page is included to provide the information required by the Governmental Accounting Standards Board Statement No. 25 and 27, effective January 1, 1998. The values below are based on the assumptions contained in Exhibit 8.

The Annual Pension Cost disclosed in this exhibit will almost always differ from the actual cash contribution to the fund. We must emphasize that these disclosures are shown in the city's financial statements; Sound actuarial projections should be used to determine the actual cash contribution requirements.

RECONCILIATION OF NET PENSION OBLIGATION (NPO)

		1997	1998
1.	Actuarially Required Contribution	194,517	0
2.	Interest on NPO	(117,305)	(138,229)
3.	Adjustment to (1)	(162,318)	(258,144)
4.	Annual Pension Cost (1)+(2)-(3)	239,530	119,915
5.	Actual Contribution Made	588,261	
6.	Increase in NPO (4)-(5)	(348,731)	
7.	NPO Beginning of Year	(1,955,087)	(2,303,818)
8.	NPO End of Year	(2,303,818)	

REQUIRED SUPPLEMENTARY INFORMATION

(a) Actuarial Valuation Date	(b) Market Value of Plan Assets*	(c) Entry Age Actuarial Accrued Liability	(d) Unfunded Accrued Liability (UAL) (c)-(b)	(e) Funded Ratio (b)/(c)	(f) Annual Covered Payroll	(g) UAL as a % of Covered Payroll (d)/(f)
12/31/93	6,293,999	7,526,922	1,232,923	83.6%	536,070	230.0%
12/31/95	7,187,710	8,177,365	989,655	87.9%	518,643	190.8%
12/31/97	9,970,550	8,870,503	(1,100,047)	112.4%	491,422	-223.8%

* Note: 12/31/93 and 12/31/95 are at amortized cost value.

EXHIBIT 4

COMPARISON WITH PRIOR YEARS

This exhibit compares current valuation results with those of prior years.

		Full Paid Active Members		Actuarial Computed Employer Contribution		Total Plan			
Valuation Date		No.	Annual Payroll	Percent of Pay	Dollar Amount	Assets	Unfunded Actuarial Liability	Normal Cost Percent	Funded Percent
12/31/82	*	48	775,875	30.8%	239,145	1,968,196	1,564,043	23.5%	55.7%
12/31/84		38	691,245	32.9%	227,671	2,637,566	1,685,881	23.7%	61.0%
12/31/86		29	604,566	35.5%	214,342	3,251,235	1,712,937	23.9%	65.5%
12/31/87	*	28	666,941	37.8%	252,114	3,374,250	2,065,775	24.6%	62.0%
12/31/89		25	634,711	38.8%	246,132	4,009,866	2,175,493	27.2%	64.8%
12/31/91		24	675,900	35.9%	242,541	5,144,950	1,632,194	28.2%	75.9%
12/31/93		17	536,070	37.2%	199,314	6,293,999	1,232,923	27.8%	83.6%
12/31/95	*	15	518,643	37.5%	194,517	7,187,710	989,655	27.7%	87.9%
12/31/97		12	491,422	15.1%	74,142	9,126,449	(255,946)	26.9%	102.9%

*Benefits changed

Note: Normal cost prior to 12/31/89 is net of 6% employee contributions.

EXHIBIT 5

SHORT CONDITION TEST

The Arkansas General Assembly has stated that the funding objective for these plans is to pay for benefits with contributions that remain level as a percentage of employee payroll. Thus, the long-term condition test is met when the actual contributions are fairly level and are paid when due.

A short condition test can be used to measure a plan's progress. Under the short condition test, the fund's assets are compared with:

1) Active member contributions;
2) The liabilities for future benefits to the present retirees and inactive members;
3) The liabilities for service already rendered by active members.

If the plan has been following level cost funding, liability (1) and liability (2) above will almost always be fully covered by the rest of the present assets. In addition, liability (3) above will at least partially funded. The larger the funded portion of liability (3), the stronger the condition of the fund. For a closed fund i.e., one like yours, where no new members are admitted), the funded portion of liability (3) should be steadily increasing.

The following table illustrates the history of the short condition test for this plan:

	Computed Actuarial Liabilities				Portion of Liabilities covered by Assets		
Valuation Date	(1) Active Members Contributions	(2) Retirees and Inactives	(3) Actives-Employer Financed	Valuation Assets	(1)	(2)	(3)
12/31/82	141,635	1,538,508	1,852,096	1,968,196	100%	100%	16%
12/31/84	186,492	2,220,660	1,916,295	2,637,566	100%	100%	12%
12/31/86	200,487	2,982,120	1,781,565	3,251,235	100%	100%	4%
12/31/87	229,457	3,095,232	2,115,336	3,374,250	100%	100%	2%
12/31/89	266,726	3,719,388	2,199,245	4,009,866	100%	100%	1%
12/31/91	336,940	3,674,180	2,766,024	5,144,950	100%	100%	41%
12/31/93	299,612	4,834,716	2,392,594	6,293,999	100%	100%	48%
12/31/95	319,728	5,358,162	2,499,475	7,187,710	100%	100%	60%
12/31/97	317,594	5,944,842	2,608,067	9,126,449	100%	100%	110%

Exhibit 6

Employee Profile

Employee data needed for the valuation was obtained from the records furnished by the Arkansas Fire and Police Pension Review Board. The following table shows a detailed breakdown of the present participants by the number of participants and total salary.

Actives

		Years of Service							
Age		0-5	5-10	10-15	15-20	20-25	25-30	30 and Over	Total
Under 25	Count	0	0	0	0	0	0	0	**0**
	Salary	0	0	0	0	0	0	0	**0**
25-29	Count	0	0	0	0	0	0	0	**0**
	Salary	0	0	0	0	0	0	0	**0**
30-34	Count	0	0	0	0	0	0	0	**0**
	Salary	0	0	0	0	0	0	0	**0**
35-39	Count	0	0	0	3	1	0	0	**4**
	Salary	0	0	0	112,779	28,743	0	0	**141,522**
40-44	Count	0	0	0	1	1	0	0	**2**
	Salary	0	0	0	34,840	48,242	0	0	**83,082**
45-49	Count	0	0	0	3	1	0	0	**4**
	Salary	0	0	0	107,414	39,656	0	0	**147,070**
50-54	Count	0	0	0	0	0	1	0	**1**
	Salary	0	0	0	0	0	56,075	0	**56,075**
55-59	Count	0	0	0	0	0	0	0	**0**
	Salary	0	0	0	0	0	0	0	**0**
60-64	Count	0	0	0	0	0	0	1	**1**
	Salary	0	0	0	0	0	0	63,673	**63,673**
65 & Over	Count	0	0	0	0	0	0	0	**0**
	Salary	0	0	0	0	0	0	0	**0**
Unknown Age	Count	0	0	0	0	0	0	0	**0**
	Salary	0	0	0	0	0	0	0	**0**
Total	Count	**0**	**0**	**0**	**7**	**3**	**1**	**1**	**12**
	Salary	**0**	**0**	**0**	**255,033**	**116,641**	**56,075**	**63,673**	**491,422**

Exhibit 6

Inactive Profile

Employee data needed for the valuation was obtained from the records furnished by the Arkansas Fire and Police Pension Review Board. The following table shows a detailed breakdown of the present payees by the number of payees and total annual benefit.

Retirees and Survivors

		Years Since Retirement							
Age		0-1	1-2	2-3	3-4	4-5	5-10	10 and Over	Total
Under 40	Count	0	0	0	0	0	0	1	**1**
	Benefit	0	0	0	0	0	0	4,200	**4,200**
40-44	Count	0	1	0	0	1	0	1	**3**
	Benefit	0	17,630	0	0	11,769	0	15,741	**45,140**
45-49	Count	0	0	0	1	0	1	0	**2**
	Benefit	0	0	0	28,146	0	11,869	0	**40,015**
50-54	Count	0	0	1	0	0	3	2	**6**
	Benefit	0	0	18,130	0	0	44,139	15,029	**77,298**
55-59	Count	1	0	0	0	0	4	6	**11**
	Benefit	14,864	0	0	0	0	52,561	53,643	**121,068**
60-64	Count	0	0	0	0	0	1	7	**8**
	Benefit	0	0	0	0	0	18,765	70,888	**89,653**
65-69	Count	0	0	0	0	0	0	5	**5**
	Benefit	0	0	0	0	0	0	36,286	**36,286**
70-74	Count	0	0	0	0	0	0	5	**5**
	Benefit	0	0	0	0	0	0	24,798	**24,798**
75-79	Count	0	0	0	0	0	0	3	**3**
	Benefit	0	0	0	0	0	0	17,855	**17,855**
80-84	Count	0	0	0	0	0	0	1	**1**
	Benefit	0	0	0	0	0	0	4,200	**4,200**
85 & Over	Count	0	0	0	0	0	0	2	**2**
	Benefit	0	0	0	0	0	0	8,984	**8,984**
Unknown Age	Count	0	0	0	0	0	0	0	**0**
	Benefit	0	0	0	0	0	0	0	**0**
Total	Count	**1**	**1**	**1**	**1**	**1**	**9**	**33**	**47**
	Benefit	**14,864**	**17,630**	**18,130**	**28,146**	**11,769**	**127,334**	**251,624**	**469,497**

This includes	22 retirees	with annual benefit of	$246,274 .
This includes	15 disableds	with annual benefit of	$157,044 .
This includes	10 survivors	with annual benefit of	$66,179 .

EXHIBIT 7

PRINCIPLE PROVISIONS OF THE PLAN

EMPLOYEE	Member of Police Department
EMPLOYER	Fayetteville Police Department
MEMBERSHIP	Condition of Employment. Police officers hired after 1982 must join the statewide Local Police and Firefighters Retirement System
CREDITABLE SERVICE	Determined on basis of service since employment
CONTRIBUTIONS	
Employee	6.00% of salary. Refundable if member terminates before retirement eligibility.
Employer	1. Matching contribution equal to employee contribution 2. State Insurance Premium Tax turnback 3. Local Millage 4. 10% of all fines & forfeitures collected by the Police Department.
FINAL SALARY	Highest salary for any continuous twelve-month period of time worked prior to retirement.
RETIREMENT BENEFITS	
Eligibility	20 Years of Service regardless of age.
Benefit	50% of Final Salary, but not less than $4,200. If service exceeds 20 years, the annual benefit is increased by $240 for each year over 20, up to $1,200/ year extra. If service is more than 25 years, member receives an extra 1.25% (for each year over 25) of Final Salary, payable once the retiree reaches age 60. The benefit cannot exceed 100% of Final Salary.
DEATH BENEFITS	
Eligibility	Death of an active member or member receiving benefits.
Benefit	1. Widow receives same amount as member is receiving or eligible for, excluding the 1.25% additional formula for service over 25 years. 2. Each child under age 18 (23 if still in school) receives $1,500/year. 3. If no widow or children, widowed mother receives $1,500/year.

EXHIBIT 7 (Continued)

DISABILITY BENEFITS

Eligibility

Permanent physical or mental disability. Five year service requirement unless disability is incurred in the line of duty.

Benefit

Non-duty disability

Retirement benefit but not less than $4,200/year.

Duty related disability

Retirement benefit but not less than 65% of Final Salary and not less than $4,200/year.

EXHIBIT 8

ACTUARIAL METHODS AND ASSUMPTIONS

The assumptions for this valuation have been selected in accordance with Actuarial Standards of Practice No. 27. The asset valuation method is prescribed in Arkansas Code Annotated 24-11-207 to be the amortized cost method. This prescribed asset valuation method directly impacts the investment return assumption. The assumed salary growth is restricted by A.C.A. 24-11-205 in relation to the investment return assumption.

ACTUARIAL COST METHOD

The "entry age normal" cost method has been used.

PRE-RETIREMENT MORTALITY

Deaths have been projected on the basis of the 1971 Group Annuity Table for Males, set back five years for females. Mortality rates at a few sample ages are:

Age	Mortality rate per 1,000
25	0.619
35	1.122
45	2.922
55	8.519

POST RETIREMENT MORTALITY

The 1971 Group Annuity Mortality Table was used. For females, the male table was used with a five-year setback. The life expectancy according to this table is as follows:

Age	Males	Females
55	22.71	27.99
65	15.11	19.24

VOLUNTARY TERMINATIONS

Annual termination rates at a few sample ages are:

Age	Termination rate per 1,000
20	50
25	45
30	39
35	23
40	9
45	5
50	5
55	5

EXHIBIT 8 (continued)

When a person had less than 4 years of service, we assumed that his chances of voluntary termination were a multiple of thereafter rates, with the following multiples being used:

1st year	2.85
2nd year	2.00
3rd year	1.50
4th year	1.15

ASSUMED INVESTMENT RETURN

6.0%

DISABILITIES

We continued the disability rates used in prior reports. Disability rates at a few sample ages are:

Age	Disability rate per 1,000
20	0.8
25	0.8
30	0.8
35	0.8
40	2.0
45	2.6
50	4.9
55	8.9
60	14.1

One third of the disabilities were assumed to be service related.

For mortality after disability, we assumed rates based on the Eleventh Actuarial Valuation of the Railroad Retirement System, for occupational disabilities

ASSET VALUATION

Book Value

EXHIBIT 8 (continued)

SALARY GROWTH

We have used the salary scale used in prior reports. Annual assumed growth at a few sample ages is:

	ANNUAL SALARY INCREASE		
Age	Base	Merit	Total
20	4.0%	4.0%	8.0%
25	4.0%	3.2%	7.2%
30	4.0%	2.8%	6.8%
35	4.0%	2.5%	6.5%
40	4.0%	2.2%	6.2%
45	4.0%	1.7%	5.7%
50	4.0%	1.2%	5.2%
55	4.0%	0.7%	4.7%
60	4.0%	0.2%	4.2%

EXPECTED RETIREMENT PATTERN

Since the plan allows full benefits at ages younger than the traditional "65", an assumption that will have an important impact is what percentage of people who are eligible for this early retirement will actually take advantage of it.

This will depend on intangible things such as the economy, health, financial ability to retire, Social Security eligibility, and work patterns. Based on recent experience, we are using the following assumed rates, effective 12/31/91:

Age	Retirement rate per 1,000
40-44	200
45-50	250
51	250
52-58	250
59	250
60+	1,000

Note: A member was assumed to be eligible for retirement after attaining age 40 with 20 years of service. It is also assumed that twice the normal number will retire in the first year of eligibility.

PRB ARKANSAS FIRE & POLICE PENSION REVIEW BOARD

P.O. DRAWER 34164
LITTLE ROCK, ARKANSAS 722C
TELEPHONE (501) 682-1745
FAX: (501) 682-1751

TO: The Board of Trustees
Police Pension and Relief Fund of FAYETTEVILLE

FROM: Arkansas Fire and Police Pension Review Board

RE: 1997 Pension Fund Actuarial Valuation

DATE: July 7, 1998

In accordance with State law, the actuary under contract to this office periodically tests all local fire and police pension funds for actuarial soundness. The 1997 actuarial study of your pension fund is attached. The financial tests for the pension fund are to answer the following questions:

	YES	NO
1. Is there enough annual income to the pension fund to fully fund it? (See page 4 of the actuary's report.)	✓	
2. Are there enough assets in the pension fund to cover all active member contributions, all payments to current retirants, and at least 75% of future payments earned by active members (See page 11 of the actuary's report), OR are current assets sufficient to cover 90% of all accrued actuarial liabilities (See page 10 of the actuary's report)?	✓	
3. Is this pension fund considered actuarially sound under State law?	✓	

Tax Rates
II.A.40

FAYETTEVILLE FIREFIGHTERS PENSION FUND

ACTUARIAL VALUATION

AS OF DECEMBER 31, 1997

Osborn, Carreiro & Associates, Inc.

ACTUARIES • CONSULTANTS • ANALYSTS

One Union National Plaza, Suite 1690
124 West Capitol Avenue
Little Rock, Arkansas 72201
(501)376-8043

July 7, 1998

Board of Trustees
Fayetteville Firefighters Pension Fund

Gentlemen:

This report presents the results of our actuarial valuation of the assets and liabilities of the Fayetteville Firefighters Pension Fund as of December 31, 1997.

This valuation is required by Arkansas Code Annotated 24-11-205. The purpose of this report is to (1) evaluate the actuarial status of the Fund, (2) determine the level contribution requirement needed, (3) review the development of the Fund over the past several years, and (4) present certain actuarial items on pages 8 and 9 for disclosure under Governmental Accounting Standards. This report is not intended for any other purpose.

The member and financial information used in this report was supplied by the Arkansas Fire & Police Pension Review Board, whose cooperation is appreciated. We did not audit this information, although we did review it for reasonableness and consistency.

I certify that this report has been prepared in accordance with generally accepted actuarial principles and practices. In my opinion, the actuarial methods used are appropriate and the actuarial assumptions produce results which, in the aggregate, are reasonable.

Sincerely,

Steve Osborn, F.S.A., M.A.A.A.
Actuary

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EXHIBIT 1

CONTRIBUTIONS

The following contribution level reflects the payment of the current year Normal Cost for benefits attributable to said year (see Exhibit 2) plus an amount sufficient to pay off the Unfunded Actuarial Liability over a 10-year period (5-year period for any unfunded retiree liability). These costs DO NOT include the contributions due to the Local Police and Firefighters Retirement System ("LOPFI") for persons hired after 1982.

1998 Necessary Annual Contribution to pay:		Full Paid		Volunteer or Part-Paid		Total
1 Normal Cost, plus	$	231,299	$	0	$	231,299
2 Pay off the Unfunded Actuarial Accrued Liability		145,191		0		145,191
3 Total necessary	$	376,490	$	0	$	376,490
Less						
4 Expected Employee Contribution (6.00% of salary. $12 per active volunteer)	-	36,516	-	0	-	36,516
Necessary Employer Contribution (This is the amount needed in addition to investment income)	$	339,974	$	0	$	339,974
Covered Payroll	$	608,602		N/A	$	608,602
Necessary Employer Rate		55.86%	$	N/A		55.86%

These contributions assume that the dollar contribution grows at a rate of 4% per year. The contributions are assumed to be made continuously throughout the year.

The actual 1997 contribution was $481,137 from the employer.

EXHIBIT 2

COSTS AND LIABILITIES

	December 31, 1997 Dollar Amount	Percent of pay
A Normal Cost (Cost to fund current active members)		
1 Regular Retirement Benefits	$ 216,601	35.59%
2 Voluntary Termination Benefits	3,099	0.51%
3 Survivors' Benefits	5,560	0.91%
4 Disability Benefits	6,039	0.99%
TOTAL	$ 231,299	38.00%
B Actuarial Accrued Liability		
1 Active Lives		
Regular Retirement Benefits	$ 4,770,150	
Voluntary Termination Benefits	0	
Survivors' Benefits	2,893	
Disability Benefits	4,702	
TOTAL ACTIVE LIVES	$ 4,777,745	
2 Deferred Retirement Option		
DROP Accounts	$ 135,845	
Future DROP Payments & Pensions	1,345,538	
TOTAL DROP	$ 1,481,383	
3 Inactive Lives		
Retirees	$ 4,739,155	
Disability Retirees	794,740	
Widows & Children	300,427	
TOTAL INACTIVE LIVES	$ 5,834,322	
4 Total Liability	$ 12,093,450	
C Assets	$ 10,797,686	
D Unfunded Actuarial Accrued Liability	$ 1,295,764	

EXHIBIT 3

SUMMARY OF FINANCIAL INFORMATION

(Items D-E determined by Osborn, Carreiro and Associates, Inc.)

	Year Ended 12/31/95	Year Ended 12/31/96	Year Ended 12/31/97
A. INCOME			
1 Contributions			
Employee	$ 41,187	$ 44,248	$ 44,797
Donations	50	300	0
Employer/Court Fines/Other	83,087	88,521	89,593
Insurance Tax	137,227	146,423	154,075
Local Millage	166,068	215,222	237,469
Adjustment to prior year asset value	0	0	0
2 Net Investment Income	1,047,672	844,248	877,202
TOTAL INCOME	$ 1,475,291	$ 1,338,962	$ 1,403,136
B. EXPENSES			
1 Administrative	$ 5,426	$ 4,775	$ 3,000
2 Benefits	379,530	381,670	452,558
3 Refunds	0	0	0
TOTAL EXPENSES	$ 384,956	$ 386,445	$ 455,558

EXHIBIT 3 (Continued)

C	ASSETS (at book value)	12/31/95	12/31/96	12/31/97
	1 Cash & Checking Accounts	$ 0	$ 0	$ 0
	2 Bank Deposits	32,125	59,911	66,202
	3 Savings and Loan Deposits	0	0	0
	4 Other Cash Equivalents	647,238	371,374	650,784
	5 US Govt. Securities	1,640,239	1,763,736	2,184,012
	6 Non-US Govt Securities	0	0	0
	7 Mortgages	0	0	0
	8 Corporate Bonds	2,152,304	2,305,155	2,377,472
	9 Common Stocks	4,357,651	5,252,056	5,401,209
	10 Other	68,616	97,876	118,007
	11 Payables	(582)	0	0
	TOTAL ASSETS	$ 8,897,591	$ 9,850,108	$ 10,797,686
D.	RATIO OF ASSETS TO ANNUAL EXPENSES:	23.1	25.5	23.7
E.	NET INVESTMENT RETURN:	13.4%	9.4%	8.9%
F.	TOTAL MARKET VALUE (Used only for GASB calculations)		9,826,212	11,225,602

EXHIBIT 3 (Continued)

ACCOUNTING INFORMATION

This page is included to provide the information required by the Governmental Accounting Standards Board Statement No. 5. The values below are based on the assumptions contained in Exhibit 8.

STATEMENT OF CREDITED PROJECTED BENEFITS

Actuarial present value of credited projected plan benefits		December 31, 1997
Participants currently receiving benefits	$	5,834,322
Terminated employees not yet receiving benefits		0
DROP Balances		135,845
Future DROP Payments & Pensions		1,345,538
Active employees		
Accumulated employee contributions		401,937
Employer Financed		
Vested		2,025,857
Nonvested		2,375,693
Total actuarial present value of credited projected benefits	$	12,119,192

The actuarial present value of credited projected benefits is used in the financial statements of the plan and the Employer. These numbers are used for disclosure purposes only, and are not used in determining the actuarial contribution requirements.

Note: GASB No. 27 is effective January 1, 1998. The GASB No. 5 information on this page is being shown for transition purposes only, and will not be shown in the future.

EXHIBIT 3 (Continued)

ACCOUNTING INFORMATION

This page is included to provide the information required by the Governmental Accounting Standards Board Statement No. 25 and 27, effective January 1, 1998. The values below are based on the assumptions contained in Exhibit 8.

The Annual Pension Cost disclosed in this exhibit will almost always differ from the actual cash contribution to the fund. We must emphasize that these disclosures are shown in the city's financial statements; Sound actuarial projections should be used to determine the actual cash contribution requirements.

RECONCILIATION OF NET PENSION OBLIGATION (NPO)

		1997	1998
1.	Actuarially Required Contribution	173,401	292,026
2.	Interest on NPO	(77,367)	(94,050)
3.	Adjustment to (1)	(107,055)	(175,639)
4.	Annual Pension Cost (1)+(2)-(3)	203,089	373,615
5.	Actual Contribution Made	481,137	
6.	Increase in NPO (4)-(5)	(278,048)	
7.	NPO Beginning of Year	(1,289,450)	(1,567,498)
8.	NPO End of Year	(1,567,498)	

REQUIRED SUPPLEMENTARY INFORMATION

(a) Actuarial Valuation Date	(b) Market Value of Plan Assets*	(c) Entry Age Actuarial Accrued Liability	(d) Unfunded Accrued Liability (UAL) (c)-(b)	(e) Funded Ratio (b)/(c)	(f) Annual Covered Payroll	(g) UAL as a % of Covered Payroll (d)/(f)
12/31/93	7,271,255	7,816,034	544,779	93.0%	620,116	87.9%
12/31/95	8,897,591	9,045,983	148,392	98.4%	676,847	21.9%
12/31/97	11,225,602	12,093,450	867,848	92.8%	608,602	142.6%

* Note: 12/31/93 and 12/31/95 are at amortized cost value.

** Note: For volunteer/part paid members, Annual Covered Payroll is $200 for such active members

EXHIBIT 4

COMPARISON WITH PRIOR YEARS

This exhibit compares current valuation results with those of prior years.

		Full Paid Active Members		Actuarial Computed Employer Contribution		Total Plan			
Valuation Date		No.	Annual Payroll	Percent of Pay	Dollar Amount	Assets	Unfunded Actuarial Liability	Normal Cost Percent	Funded Percent
12/31/82		50	810,926	22.1%	179,271	2,202,969	811,186	18.5%	73.1%
12/31/84		45	807,438	27.7%	223,455	3,078,619	1,193,660	22.1%	72.1%
12/31/86		37	723,894	29.6%	213,935	4,006,484	1,379,340	21.8%	74.4%
12/31/87	*	38	788,348	31.3%	246,479	4,460,948	1,455,161	23.4%	75.4%
12/31/89		27	639,962	36.0%	230,328	5,189,846	1,976,463	26.6%	72.4%
12/31/91		23	585,898	33.3%	195,273	5,999,964	1,427,422	25.5%	80.8%
12/31/93		22	620,116	25.2%	156,484	7,271,255	544,779	25.4%	93.0%
12/31/95	*	21	676,847	25.6%	173,401	8,897,591	148,392	29.8%	98.4%
12/31/97	*	17	608,602	55.9%	339,974	10,797,686	1,295,764	38.0%	89.3%

*Benefits changed

Note: Normal cost prior to 12/31/89 is net of 6% employee contributions.

Valuation Date		Part-Paid/ Volunteer Active Members	Actuarial Computed Employer Contribution
12/31/82		1	227
12/31/84		1	274
12/31/86		0	0
12/31/87	*	0	0
12/31/89		0	0
12/31/91		0	0
12/31/93		0	0
12/31/95	*	0	0
12/31/97	*	0	0

EXHIBIT 5

SHORT CONDITION TEST

The Arkansas General Assembly has stated that the funding objective for these plans is to pay for benefits with contributions that remain level as a percentage of employee payroll. Thus, the long-term condition test is met when the actual contributions are fairly level and are paid when due.

A short condition test can be used to measure a plan's progress. Under the short condition test, the fund's assets are compared with:

1) Active member contributions;
2) The liabilities for future benefits to the present retirees and inactive members;
3) The liabilities for service already rendered by active members.

If the plan has been following level cost funding, liability (1) and liability (2) above will almost always be fully covered by the rest of the present assets. In addition, liability (3) above will at least partially funded. The larger the funded portion of liability (3), the stronger the condition of the fund.For a closed fund i.e., one like yours, where no new members are admitted), the funded portion of liability (3) should be steadily increasing.

The following table illustrates the history of the short condition test for this plan:

	Computed Actuarial Liabilities				Portion of Liabilities covered by Assets		
Valuation Date	(1) Active Members Contributions	(2) Retirees, Inactives, and DROPS	(3) Actives-Employer Financed	Valuation Assets	(1)	(2)	(3)
12/31/82	160,669	898,272	1,955,214	2,202,969	100%	100%	59%
12/31/84	236,541	1,464,696	2,571,042	3,078,619	100%	100%	54%
12/31/86	263,129	2,753,772	2,368,923	4,006,484	100%	100%	42%
12/31/87	308,829	2,754,276	2,853,004	4,460,948	100%	100%	49%
12/31/89	274,405	4,560,672	2,331,232	5,189,846	100%	100%	15%
12/31/91	292,477	5,072,169	2,062,740	5,999,964	100%	100%	31%
12/31/93	353,891	5,005,131	2,457,012	7,271,255	100%	100%	78%
12/31/95	418,412	5,101,995	3,525,576	8,897,591	100%	100%	96%
12/31/97	401,937	7,315,705	4,375,808	10,797,686	100%	100%	70%

Exhibit 6

Employee Profile

Employee data needed for the valuation was obtained from the records furnished by the Arkansas Fire and Police Pension Review Board. The following table shows a detailed breakdown of the present participants by the number of participants and total salary.

Actives

		Years of Service							
Age		0-5	5-10	10-15	15-20	20-25	25-30	30 and Over	Total
Under 25	Count	0	0	0	0	0	0	0	0
	Salary	0	0	0	0	0	0	0	0
25-29	Count	0	0	0	0	0	0	0	0
	Salary	0	0	0	0	0	0	0	0
30-34	Count	0	0	0	0	0	0	0	0
	Salary	0	0	0	0	0	0	0	0
35-39	Count	0	0	0	5	0	0	0	5
	Salary	0	0	0	151,706	0	0	0	151,706
40-44	Count	0	0	1	1	2	0	0	4
	Salary	0	0	35,068	35,626	61,365	0	0	132,059
45-49	Count	0	0	0	3	3	0	0	6
	Salary	0	0	0	111,934	113,911	0	0	225,845
50-54	Count	0	0	0	0	0	1	0	1
	Salary	0	0	0	0	0	42,438	0	42,438
55-59	Count	0	0	0	0	0	0	1	1
	Salary	0	0	0	0	0	0	56,555	56,555
60-64	Count	0	0	0	0	0	0	0	0
	Salary	0	0	0	0	0	0	0	0
65 & Over	Count	0	0	0	0	0	0	0	0
	Salary	0	0	0	0	0	0	0	0
Unknown Age	Count	0	0	0	0	0	0	0	0
	Salary	0	0	0	0	0	0	0	0
Total	Count	0	0	1	9	5	1	1	17
	Salary	0	0	35,068	299,266	175,276	42,438	56,555	608,603

Exhibit 6

Employee Profile

Employee data needed for the valuation was obtained from the records furnished by the Arkansas Fire and Police Pension Review Board. The following table shows a detailed breakdown of the present participants by the number of participants.

Volunteers/Part-Paid Actives

		Years of Service							
Age		0-5	5-10	10-15	15-20	20-25	25-30	30 and Over	Total
Under 25	Count	0	0	0	0	0	0	0	0
25-29	Count	0	0	0	0	0	0	0	0
30-34	Count	0	0	0	0	0	0	0	0
35-39	Count	0	0	0	0	0	0	0	0
40-44	Count	0	0	0	0	0	0	0	0
45-49	Count	0	0	0	0	0	0	0	0
50-54	Count	0	0	0	0	0	0	0	0
55-59	Count	0	0	0	0	0	0	0	0
60-64	Count	0	0	0	0	0	0	0	0
65 & Over	Count	0	0	0	0	0	0	0	0
Unknown Age	Count	0	0	0	0	0	0	0	0
Total	Count	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Exhibit 6

Inactive Profile

Employee data needed for the valuation was obtained from the records furnished by the Arkansas Fire and Police Pension Review Board. The following table shows a detailed breakdown of the present payees by the number of payees and total annual benefit.

Retirees and Survivors

Age		*Years Since Retirement* 0-1	1-2	2-3	3-4	4-5	5-10	10 and Over	Total
Under 40	Count	0	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0	0
40-44	Count	0	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0	0
45-49	Count	0	0	0	0	0	2	0	2
	Benefit	0	0	0	0	0	28,486	0	28,486
50-54	Count	0	0	0	1	0	8	0	9
	Benefit	0	0	0	18,310	0	121,820	0	140,130
55-59	Count	0	0	0	0	0	5	7	12
	Benefit	0	0	0	0	0	60,574	89,368	149,942
60-64	Count	0	0	0	0	0	0	3	3
	Benefit	0	0	0	0	0	0	30,811	30,811
65-69	Count	0	0	0	0	0	0	6	6
	Benefit	0	0	0	0	0	0	45,303	45,303
70-74	Count	0	0	0	0	0	0	6	6
	Benefit	0	0	0	0	0	0	20,358	20,358
75-79	Count	0	0	0	0	0	0	7	7
	Benefit	0	0	0	0	0	0	13,110	13,110
80-84	Count	0	0	0	0	0	0	6	6
	Benefit	0	0	0	0	0	0	16,650	16,650
85 & Over	Count	0	0	0	0	0	0	4	4
	Benefit	0	0	0	0	0	0	6,810	6,810
Unknown Age	Count	0	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0	0
Total	Count	0	0	0	1	0	15	39	55
	Benefit	0	0	0	18,310	0	210,880	222,410	451,600

This includes	42 retirees	with annual benefit of	$361,395 .
This includes	5 disableds	with annual benefit of	$61,416 .
This includes	8 survivors	with annual benefit of	$28,789 .

Exhibit 6

Deferred Retirement Option Plan Profile

Employee data needed for the valuation was obtained from the records furnished by the Arkansas Fire and Police Pension Review Board. The following table shows a detailed breakdown of the current participants on DROP by the number of participants and total annual DROP benefit.

DROP Participants

		Years Since Electing DROP						
Age		0-1	1-2	2-3	3-4	4-5	5-10	Total
Under 40	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
40-44	Count	1	1	0	0	0	0	2
	Benefit	23,705	25,555	0	0	0	0	49,260
45-49	Count	0	2	0	0	0	0	2
	Benefit	0	44,426	0	0	0	0	44,426
50-54	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
55-59	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
60-64	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
65-69	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
70-74	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
75 & Over	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
Unknown Age	Count	0	0	0	0	0	0	0
	Benefit	0	0	0	0	0	0	0
Total	Count	**1**	**3**	**0**	**0**	**0**	**0**	**4**
	Benefit	**23,705**	**69,981**	**0**	**0**	**0**	**0**	**93,686**

EXHIBIT 7

PRINCIPLE PROVISIONS OF THE PLAN

EMPLOYEE	Member of Fire Department
EMPLOYER	Fayetteville Fire Department
MEMBERSHIP	Condition of Employment. Firefighters hired after 1982 must join the statewide Local Police and Firefighters Retirement System
CREDITABLE SERVICE	Determined on basis of service since employment
CONTRIBUTIONS	
Employee	6.00% of salary. Volunteers contribute $12/year. Refundable if member terminates before retirement eligibility.
Employer	1. Matching contribution equal to employee contribution 2. State Insurance Premium Tax turnback 3. Local Millage
FINAL SALARY	Salary attached to the rank of the member at time of retirement, based on regularly scheduled work-week.
DEFERRED RETIREMENT OPTION PLAN	This plan has elected to participate in the Deferred Retirement Option Plan effective January 25, 1996. Members who elect to participate have a DROP account that is increased by the monthly amount of their retirement as if they had retired as of the date DROP was elected.
RETIREMENT BENEFITS	
Eligibility	20 Years of Service regardless of age.
Benefit	65% of Final Salary, but not less than $4,200. ($660/year for volunteer/part-paid). If service exceeds 20 years, the annual benefit is increased by $240 for each year over 20, up to $1,200/year extra. ($120 for each year over 20 up to $600/year for volunteer/part-paid). If service is more than 25 years, member receives an extra 1.25% (for each year over 25) of Final Salary, payable once the retiree reaches age 60. The benefit cannot exceed 100% of Final Salary.

EXHIBIT 7 (Continued)

DEATH BENEFITS

Eligibility	Death before 20 Years of Service not occurring while performing work in gainful employment outside the fire department, or death after 20 years.
Benefit	1. Widow receives same amount as member is receiving or eligible for. 2. Each child under age 19 receives $1,500/year. ($300/year for volunteer/part-paid).

DISABILITY BENEFITS

Eligibility	Permanent physical or mental disability not acquired while performing work in gainful employment outside the fire department.
Benefit	Full Paid Non-duty disability Retirement benefit but not less than $4,200/year. Full Paid Duty related disability Retirement benefit but not less than 65% of Final Salary and not less than $4,200/year. Volunteer/Part-Paid: Computed as voluntary retirement benefit

EXHIBIT 8

ACTUARIAL METHODS AND ASSUMPTIONS

The assumptions for this valuation have been selected in accordance with Actuarial Standards of Practice No. 27. The asset valuation method is prescribed in Arkansas Code Annotated 24-11-207 to be the amortized cost method. This prescribed asset valuation method directly impacts the investment return assumption. The assumed salary growth is restricted by A.C.A. 24-11-205 in relation to the investment return assumption.

ACTUARIAL COST METHOD

The "entry age normal" cost method has been used.

PRE-RETIREMENT MORTALITY

Deaths have been projected on the basis of the 1971 Group Annuity Table for Males, set back five years for females. Mortality rates at a few sample ages are:

Age	Mortality rate per 1,000
25	0.619
35	1.122
45	2.922
55	8.519

POST RETIREMENT MORTALITY

The 1971 Group Annuity Mortality Table was used. For females, the male table was used with a five-year setback. The life expectancy according to this table is as follows:

Age	Males	Females
55	22.71	27.99
65	15.11	19.24

VOLUNTARY TERMINATIONS

Annual termination rates at a few sample ages are:

Age	Termination rate per 1,000
20	40
25	35
30	29
35	15
40	6
45	5
50	5
55	5

EXHIBIT 8 (continued)

When a person had less than 4 years of service, we assumed that his chances of voluntary termination were a multiple of thereafter rates, with the following multiples being used:

1st year	2.85
2nd year	2.00
3rd year	1.50
4th year	1.15

ASSUMED INVESTMENT RETURN

6.0%

DISABILITIES

We continued the disability rates used in prior reports. Disability rates at a few sample ages are:

Age	Disability rate per 1,000
20	0.8
25	0.8
30	0.8
35	0.8
40	2.0
45	2.6
50	4.9
55	8.9
60	14.1

One third of the disabilities were assumed to be service related.

For mortality after disability, we assumed rates based on the Eleventh Actuarial Valuation of the Railroad Retirement System, for occupational disabilities

ASSET VALUATION

Amortized Book Value; Market Value was used for GASB.

EXHIBIT 8 (continued)

SALARY GROWTH

We have used the salary scale used in prior reports. Annual assumed growth at a few sample ages is:

	ANNUAL SALARY INCREASE		
Age	Base	Merit	Total
20	4.0%	4.0%	8.0%
25	4.0%	3.2%	7.2%
30	4.0%	2.8%	6.8%
35	4.0%	2.5%	6.5%
40	4.0%	2.2%	6.2%
45	4.0%	1.7%	5.7%
50	4.0%	1.2%	5.2%
55	4.0%	0.7%	4.7%
60	4.0%	0.2%	4.2%

EXPECTED RETIREMENT AND DROP PATTERN

Since the plan allows full benefits at ages younger than the traditional "65", an assumption that will have an important impact is what percentage of people who are eligible for this early retirement will actually take advantage of it.

This will depend on intangible things such as the economy, health, financial ability to retire, Social Security eligibility, and work patterns. Based on recent experience, we are using the following assumed rates, effective 12/31/93:

	Retirement rate per 1,000	
Age	Retirement	DROP
40-59	100	200
60+	1,000	0

Note: A member was assumed to be eligible for retirement or DROP after attaining age 40 with 20 years of service. It is also assumed that twice the normal number will retire or elect DROP in the first year of eligibility.

Note: Volunteer/Part Paid members were assumed to all retire by the time they had 25 years of service.

EXHIBIT 8 (continued)

RETIREMENT PATTERN AFTER ELECTION OF DROP

Once a person is on DROP (Deferred Retirement Option Program), they were assumed to retiree from the department as follows:

Years on DROP	Retirement rate per 1,000
1	100
2	200
3	200
4	300
5	1,000

PRB ARKANSAS FIRE & POLICE PENSION REVIEW BOARD

P.O. DRAWER 34164
LITTLE ROCK, ARKANSAS 722
TELEPHONE (501) 682-1745
FAX: (501) 682-1751

TO: The Board of Trustees
Fire Pension and Relief Fund of FAYETTEVILLE

FROM: Arkansas Fire and Police Pension Review Board

RE: 1997 Pension Fund Actuarial Valuation

DATE: July 7, 1998

In accordance with State law, the actuary under contract to this office periodically tests all local fire and police pension funds for actuarial soundness. The 1997 actuarial study of your pension fund is attached. The financial tests for the pension fund are to answer the following questions:

		YES	NO
1.	Is there enough annual income to the pension fund to fully fund it? (See page 4 of the actuary's report.)	✓	
2.	Are there enough assets in the pension fund to cover all active member contributions, all payments to current retirants, and at least 75% of future payments earned by active members (See page 11 of the actuary's report), OR are current assets sufficient to cover 90% of all accrued actuarial liabilities (See page 10 of the actuary's report).		X
3.	Is this pension fund considered actuarially sound under State law?		X

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Fayetteville City Council

THRU: Kevin Crosson, Administrative Services Director

FROM: Jan Simco, Community Development Coordinator

DATE: October 5, 1998

SUBJECT: Presentation by the Council on Aging, Inc. - Senior Center Construction

The Council on Aging recently requested some time to address the City Council regarding the status of construction of the proposed Senior Center. The presentation is planned for the Council's agenda meeting on October 13.

The Senior Center construction was delayed last year after construction bids were opened with a low bid of $2.4 million. Funding for the construction is estimated to be $1.2 million and consists of the following commitments:

City of Fayetteville (HMR & CDBG)	$851,000
Area Connection	$252,500
Private Contributions	$ 97,500

I recently completed a report to provide some background information regarding the development process that began in 1993. This report is not comprehensive but does include most of the notable events that have taken place.

Please contact me at 575-8261 (ext.261) if you have questions or if you need additional information.

Attachment

STATUS REPORT: SENIOR CENTER PROJECT

INTRODUCTION

The Sang Avenue Senior Center located at 818 Sang Avenue provides meals, socialization, and transportation for older Fayetteville residents. The building was purchased by the City in 1980 with Community Development Block Grant (CDBG) funds and, in 1997, an addition to the building was constructed that was partially funded with CDBG funds. The Area Connection (formerly the Area Agency on Aging of Northwest Arkansas) receives federal funding for programs and activities for the elderly and then subcontracts with local agencies to provide those programs. The first subcontractor at Sang Center was Economic Opportunity Agency and the Council on Aging, Inc (COA) took over services in 1992.

The Sang Center served elderly residents well for a number of years. But, shortly after taking over service delivery, COA expressed concern about the adequacy of facilities due to anticipated growth trends and a desire to provide a wider range of programs to attract more Center users. The location of the Sang Center made it impossible to add needed space for activities and parking. The City agreed that a new Senior Center was a priority need.

This is a summary of actions and events regarding the development of the Senior Center since 1993. This should not be interpreted as an all-inclusive report; rather, it represents notable events from the viewpoint of City staff.

1992

The City purchases approximately 26 acres of mostly undeveloped land from the Brian Walker estate. The land is located adjacent to Walker Park between College and Block Streets and 7th and 13th Streets. Preliminary plans call for the land to be used for parks and recreation. The City determines that a new Senior Center is a priority project and agrees it can be located on a portion of the Walker Park land.

1993

September 2, 1993

A Selection Committee composed of City and COA staff selects Daryl Rantis as architect for the Senior Center project.

October 22, 1993

Mr. Rantis submits a proposal for Design Services and the first construction cost estimate. The cost is based upon a preliminary list of needs and requirements that the building should contain as determined by COA staff. The cost is estimated at $994,000 summarized as follows:

Cost of Construction	$747,000 (9,000 sq ft @ $83.00/sq ft)
Parking/Landscape allowance	$155,000
Furnishing/Fixture allowance	$100,000
Total Cost Estimate	$994,000

City and CDBG procedures prohibit incremental funding of a project i.e., all funds necessary for a complete and usable facility must be committed before construction bids can be solicited. CDBG funds alone cannot support a project of this scope.

Fund raising is necessary for the completion project and, for that reason, COA is the most appropriate agency to assume the role of lead agency. The CDBG funds will be formally committed in a written agreement with COA as soon as the City receives notification from HUD that 1994 grant funds are released. Action on the architect's proposal is postponed until the City/COA agreement is approved.

1994

April 18, 1994

The City leases the existing Walker residence, located on the property where the Senior Center is to be built, to COA to use for administrative offices.

May 17, 1994 - Council on Aging, Inc. Grant Agreement

The Agreement commits Community Development Block Grant (CDBG) funds in the amount of $375,000 for "...planning, design, development, and construction..." of a Senior Center and sets aside approximately 6 acres of the Walker property as the site. The agreement stipulates $25,000 for planning and design activities with the remaining grant funds earmarked for construction that "...will be undertaken only when sufficient funding is secured to complete the project." The time of performance of the Agreement is from May 17, 1994 to December 31, 1995.

May 27, 1994

Mr. Rantis and COA enter into an agreement for architectural services including programming, preliminary design, presentation model and renderings (for fund-raising purposes), and cost estimate. The fee is $21,600 and is paid with the CDBG allocation approved May 17.

1995

Mr. Rantis completes conceptual design of the Senior Center, drawings, and a model. Fund raising activities continues with an open house at the site to showcase the model and property and individual meetings with area businessmen and potential donors.

The Area Agency on Aging of Northwest Arkansas announces a $350,000 contribution for the project and the City Parks and Recreation Division announces a commitment of $500,000 that will come from the one-cent HMR sales tax proceeds recently approved by voters. This brings total funding for the project to $1.2 million.

1996

January 10, 1996

COA and Mr. Rantis enter into a contract for the next phase of architectural services. This includes schematic design and design development, construction documents, bidding, and construction oversight. The contract will be paid from the Area Agency on Aging of Northwest Arkansas contribution.

The project now consists of three phases: Phase 1 is the Senior Center building, phase 2 is a new building for adult daycare, and phase 3 is remodel and expansion of the existing Walker residence for administrative offices. Phase 2 is added at the request of the Area Agency on Aging to replace the existing facility located on Wood Ave. City funds are committed only for Phase 1.

The architect's fee for these services is a percentage of the construction costs so the contract includes a construction cost estimate for each phase of the project. The Senior Center building is estimated at $1.4 million and the entire project is estimated at $1.775 million.

Fall/Winter 1996

COA recruits Michael Thomas to organize and develop fund-raising.

The Community Development Division hires Minor Wallace as Construction Manager. Mr. Wallace's primary duty is to act as liaison for the City when construction begins. He begins review of the drawings and specifications.

Mr. Rantis continues schematic design and design development. He subcontracts with a consulting company to assist in estimating the construction cost. At the end of 1996 the estimated cost of the Senior Center building is $1.66 million and funding is estimated at $1.4 million from these sources:

CDBG	$351,000
Parks HMR 1996	$200,000
Parks HMR 1997	$300,000
Area Connection	$350,000
Private Contributions	$200,000

1997

February 6, 1997

The agreement between the City and COA regarding the CDBG funds expires December 31, 1996. The City Council approves an amendment to extend the agreement to December 31, 1997.

March, 1997

The proposed construction site is historic in nature and it is rumored that an old cemetery is located on or near the site. CDBG regulations require an archeological survey to determine if measures to mitigate environmental impact are needed prior to construction. Mid-Continental Research Associates, Inc conducts the survey but no significant artifacts or remains are found. The cost of the survey is $16,547 and is paid with CDBG funds.

Drawings and specifications are nearly complete, COA and City staff are ready to break ground but there is no significant additional funding. Mr. Wallace proposes methods that may reduce building costs such as modifying the foundation and structural design, changing roofing materials, and replacing custom doors, millwork, and light fixtures with stock items. Mr. Rantis is reluctant to make any alterations in the foundation or structural design but agrees to include some items as deductive alternates in the bid documents.

April, 1997

Documents are prepared to advertise the project for bids. Although available funds ($1.4 million) exceed the construction estimate of $1.9 million, using deductive alternates as a method of bidding may result in enough savings to bring the project within budget so construction can begin.
The deductive alternates are:

1. Light Fixtures - custom-fabricated fixtures designed by the architect
2. Entrance Structures
3. Main Entrance Canopy
4. Pavilion, Trellis, exterior stonework, plastering, and kiln area
5. Sitework - roads, sidewalks, landscaping
6. Millwork - custom millwork and doors

May/June, 1997

Bidding follows established City procedures. Bids are advertised May 2 and May 9 and opened June 4. Bids are tabulated as follows:

	Base Bid	*Alternates*	*Bid Less Alternates*
Harrison Davis Construction	$2,345,000	$176,600	$2,168,400
Nabholz Construction	$2,388,000	$176,000	$2,212,000
Crossland Construction	$2,625,000	$125,100	$2,499,900
H.J. Taylor	$2,795,000	$210,000	$2,585,000
SSI of NW Arkansas	$2,960,000	$189,000	$2,771,000

The bids are higher that expected even with deductions. COA now has two options regarding construction: Request Mr. Rantis to make design changes to decrease costs or continue fund raising. COA decides to continue fund raising for one year and to apply for a grant from the Donald Reynolds Foundation.

August 18, 1997

In light of the decision to delay construction, the City notifies COA in writing that CDBG and Parks and Recreation funds committed for the project will be reallocated in fiscal year 1998. This action "...will allow the City to meet regulatory obligations governing the CDBG Program and address concerns of the Parks and Recreation Advisory Board." The letter also states that "... in order to obligate funds for fiscal year 1999, the City must be aware of the Council's financial status...regarding plans for construction by July 31, 1998."

December 31, 1997

Agreement between COA and the City dated May 17, 1994 expires.

1998

COA completes application for Reynolds Foundation grant in the amount of $4 million. The application is denied in June, 1998.

Turtle Creek Subdivison
III.B.1

STAFF REVIEW FORM

✓ AGENDA REQUEST
___ CONTRACT REVIEW
___ GRANT REVIEW

For the Fayetteville City Council meeting of ~~November 3, 1998~~ Oct 20, 1998

FROM:

Connie Edmonston — Name
Parks & Recreation — Division
Public Works — Department

ACTION REQUIRED:
Waiver of the Park Land Dedication Ordinance 3793, to accept money in lieu as the requirement of the Estates at Turtle Creek subdivision.

COST TO CITY:

$ 0	$	
Cost of this Request	Category/Project Budget	Category/Project Name
	$	
Account Number	Funds Used To Date	Program Name
	$	
Project Number	Remaining Balance	Fund

BUDGET REVIEW: ___ Budgeted Item ___ Budget Adjustment Attached

Budget Coordinator

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:**

~~Accounting Manager~~ Date ~~ADA Coordinator~~ Date

City Attorney 10-7-98 Date ~~Internal Auditor~~ Date

~~Purchasing Officer~~ Date

STAFF RECOMMENDATION:
To accept money in lieu as the park land requirement of the Estates at Turtle Creek subdivision.

Connie Edmonston — Division Head — 10-6-98 Date

Department Director — 10-7-98 Date

Administrative Services Director — 8OCT98 Date

Fred Hanna — Mayor — 10/8/98 Date

Cross Reference

New Item: Yes No

Prev Ord/Res #: ____

Orig Contract Date: ____

Turtle Creek Subdivison
III.B.2

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: Charles Venable, Public Works Director

FROM: Connie Edmonston, Parks & Recreation Superintendent C.E.

DATE: October 6, 1998

SUBJECT: Waiver of the Park Land Dedication Ordinance 3793

The Estates at Turtle Creek is a newly proposed subdivision located north of Township and east of Highway 265 with 63 single family units planned. The owner of the subdivision is Tom Terminella, and the engineer is Jorgensen and Associates. The plat was brought before the Parks and Recreation Advisory Board on October 5, 1998 to determine the park land requirement. The requirements for park land is 1.5 acres and money in lieu is $23,625. Park staff toured the site with David Jorgensen and recommended money in lieu be accepted as the requirement. The Parks and Recreation Advisory Board also recommended to accept money in lieu as the park land requirement for the reasons stated below. (Motion by Bleidt/Judy - Vote 5-0.)

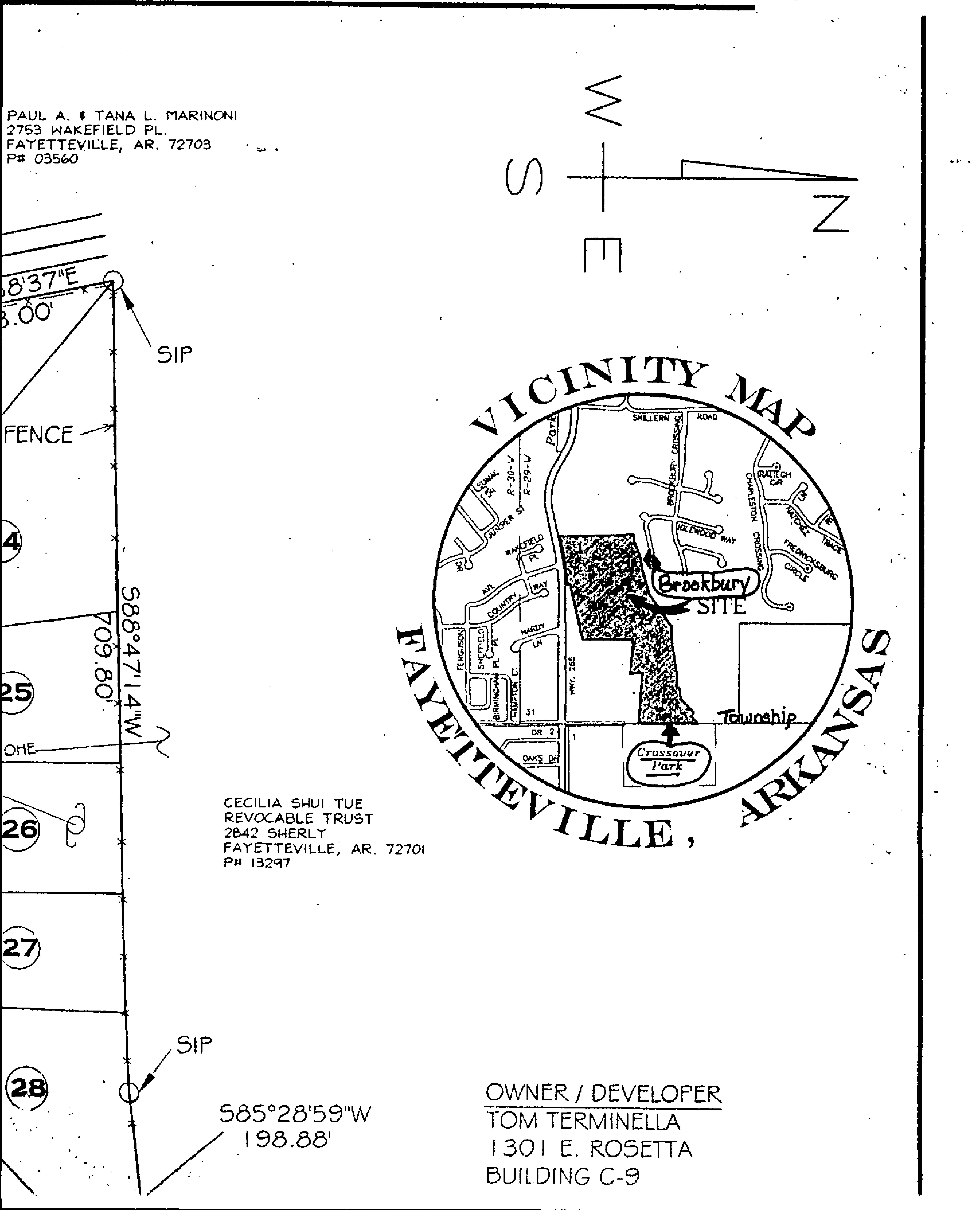
This subdivision is located directly across Township from Crossover Park which contains 20 acres of wooded land. Immediately adjacent to Crossover Park is Vandergriff School Park with facilities including playground structures, benches, basketball courts, and a gymnasium. There is also 5.7 acres of creek trail land adjoining the proposed subdivision to the east in the Brookbury Addition. Even though the creek continues north into the Estates at Turtle Creek, the creek would need to be crossed to continue the trail. Crossing the creek with the high embankments would be too costly for development. There are already problems existing along the creek trail in the Brookbury Addition with property owners encroaching facilities onto park land.

Due to the fact residences of the Estates at Turtle Creek have access to over 30 acres of park land in their neighborhood that would adequately serve their park and recreational needs, park staff and the Parks and Recreation Advisory Board recommend money in lieu as the park land requirement. David Jorgensen stated the developer was willing to contribute money in lieu.

Because the Estates at Turtle Creek subdivision is over 40 acres, Ordinance 3793 regulates the Parks Division to accept a land dedication. The ordinance states:

> However, if the Parks and Recreation Advisory Board determines that a neighborhood park is not feasible or advisable, it may recommend to the City Council that a cash contribution pursuant to our ordinance be accepted in lieu of land dedication. The City Council will either accept the recommendation for a cash contribution or return the subdivision plat to the Parks Board with instructions or for further study.

If you have questions concerning our requests to waive the Park Land Dedication Ordinance and to accept money in lieu, please call me at 444-3473.


PAUL A. & TANA L. MARINONI
2753 WAKEFIELD PL.
FAYETTEVILLE, AR. 72703
P# 03560
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CECILIA SHUI TUE
REVOCABLE TRUST
2842 SHERLY
FAYETTEVILLE, AR. 72701
P# 13297
VICINITY MAP
FAYETTEVILLE, ARKANSAS
SKILLERN ROAD
BROOKBURY CROSSING
RALEIGH CIR
CHARLESTON CROSSING
NATCHEZ TRACE
FREDRICKSBURG CIRCLE
IDLEWOOD WAY
SUMAC
JUNIPER ST
R-30-W
R-29-W
WAKEFIELD PL
COUNTRY WAY
AVE
HARDY LN
FERGUSON
SHEFFIELD PL
BIRMINGHAM
HAMPTON CT
HWY. 265
Park
Brookbury
SITE
Township
Crossover Park
OAKS DR
SIP
S85°28'59"W
198.88'
OWNER / DEVELOPER
TOM TERMINELLA
1301 E. ROSETTA
BUILDING C-9

Highway 16 Widening
III.C.1

STAFF REVIEW FORM

X AGENDA REQUEST
X CONTRACT REVIEW
___ GRANT REVIEW

For the Fayetteville City Council meeting of 10-20-98

FROM:

Sid Norbash	Engineering	Public Works
Name	Division	Department

ACTION REQUIRED: Approval of the Utilities Adjustments Contract with Arkansas Highway and Transportation Department for Highway 16 widening (71 Bypass to Meadowlands Dr.)

COST TO CITY:

Cost of this Request	Category/Project Budget	Category/Project Name
Account Number	Funds Used To Date	Program Name
Project Number	Remaining Balance	Fund

BUDGET REVIEW: ___ Budgeted Item ___ Budget Adjustment Attached

Budget Coordinator

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:** ___

Accounting Manager Date

ADA Coordinator Date

City Attorney Date

Internal Auditor Date

Purchasing Officer Date

STAFF RECOMMENDATION:

Division Head Date

Department Director Date

Administrative Services Director Date

Mayor Date

Cross Reference

New Item: Yes X No ___

Prev Ord/Res #: ___

Orig Contract Date: ___

Highway 265 Widening
III.D and E

STAFF REVIEW FORM

__X__ AGENDA REQUEST
__X__ CONTRACT REVIEW
_____ GRANT REVIEW

For the Fayetteville City Council meeting of 10-20-98

FROM:

Sid Norbash	Engineering	Public Works
Name	Division	Department

ACTION REQUIRED: Reference to Hwy 265 Widening (Hwy 45 to Hwy 16) - Water & Sewer Relocations : Approval of (1) The Engineering Contract with RJN Group, Inc. (2) The Utilities Adjustments Contract with Arkansas Highway and Transportation Department.

COST TO CITY:

Cost of this Request	Category/Project Budget	Category/Project Name
Account Number	Funds Used To Date	Program Name
Project Number	Remaining Balance	Fund

BUDGET REVIEW: _____ Budgeted Item _____ Budget Adjustment Attached

Budget Coordinator

Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:**

Accounting Manager Date

ADA Coordinator Date

City Attorney Date

Internal Auditor Date

Purchasing Officer Date

STAFF RECOMMENDATION: Approval of both contracts.

Division Head Date

Department Director Date

Administrative Services Director Date

Mayor Date

Cross Reference

New Item: **Yes X No**

Prev Ord/Res #:

Orig Contract Date:

STAFF REVIEW FORM

X AGENDA REQUEST
___ CONTRACT REVIEW
___ GRANT REVIEW

For the Fayetteville City Council meeting of October 20, 1998

FROM:

Steve Davis	Budget & Research	Admin Services
Name	Division	Department

ACTION REQUIRED: Council approval of the 1999-2003 Capital Improvement Program. This is a planning document - any funding required will be submitted with the 1999 operating budget.

COST TO CITY:

$see attachment	$	
Cost of this Request	Category/Project Budget	Category/Project Name
	$	
Account Number	Funds Used To Date	Program Name
	$	
Project Number	Remaining Balance	Fund

BUDGET REVIEW: N/A Budgeted Item ____ Budget Adjustment Attached

No budget impact at this time.

Budget Coordinator — Administrative Services Director

CONTRACT/GRANT/LEASE REVIEW: **GRANTING AGENCY:**

Marilyn J. Cramer	10-1-98		
Accounting Manager	Date	ADA Coordinator	Date
	10-2-98	Yolanda Fields	10-2-98
City Attorney	Date	Internal Auditor	Date
	10-4-98		
Purchasing Officer	Date		

STAFF RECOMMENDATION: Staff recommends approval of the 1999-2003 Capital Improvement Program.

	10-1-98
Division Head	Date
Department Director	Date
	6 OCT 98
Administrative Services Director	Date
	10/6/98
Mayor	Date

Cross Reference

New Item: **Yes** **No**

Prev Ord/Res #: ________

Orig Contract Date: ________

Capital Improvement Prg
III.F.2

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

DEPARTMENTAL CORRESPONDENCE

TO: The Fayetteville City Council

THRU: Fred Hanna, Mayor
Kevin Crosson, Administrative Services Director

FROM: Budget & Research

DATE: October 1, 1998

RE: **1999-2003 Capital Improvements Program**

The 1999-2003 Capital Improvement Program (CIP) is submitted for Council adoption. The CIP contains approximately $ 156.3 million in planned capital improvements over the next five years. The CIP is the planning tool that provides guidance in making infrastructure and capital improvements. The 1999-2003 CIP contains planned expenditures in the following areas:

Water & Sewer Improvements	$ 96.0 million
Street Improvements	18.1 million
Airport Improvements	9.2 million
Vehicles & Equipment Replacements/Expansion	9.0 million
Parks & Recreation Improvements	7.5 million
Bridge & Drainage Improvements	2.6 million
Fire Safety Improvements	2.6 million
Sidewalk Improvements	1.5 million
Police Safety Improvements	1.4 million
Solid Waste Improvements	0.8 million
Other Capital Improvements	7.6 million

The estimated cost of purchasing land and constructing phase one (1) improvements to the City's wastewater collection and wastewater treatment plants (Paul Noland Wastewater Treatment Plant and new wastewater treatment plant) is incorporated in this capital improvement program at an estimated cost of $69.7 million.

The process for completing the annual update of the City's Five-Year Capital Improvements Program (CIP) began in June with the preparation of projected funding available and a packet distributed to in-house staff to be used in the submission of capital projects. Since that time, numerous staff meetings have been held concerning the proposed CIP to assist in fine tuning it. In addition, City Council committee meetings, Airport Board meetings, and Parks & Recreation Advisory Board meetings have been held to obtain comments on the proposed improvements.

By adopting the CIP, the City Council is providing direction on what are considered the prioritized capital replacement and expansion needs of the City during the next five year period at this time. However, it should be understood that the City will update and revise the CIP on an annual basis. These annual updates are prepared primarily to reflect changing priorities, to renew existing priorities, and to revise cost estimates. The funding requests for the projects planned for 1999 will be incorporated in the 1999 budget submitted for Council approval in November.

Thank you for consideration of this request and should you have any questions, please feel free to contact either Kevin Crosson at extension 330 or Steve Davis at extension 296.

SITE LEASE AGREEMENT

THIS SITE LEASE AGREEMENT (this "Lease") is made this _____ day of _______________, 199___, by and between the **CITY OF FAYETTEVILLE, ARKANSAS**, a city of the first class incorporated in the State of Arkansas ("Lessor") and **TELECORP REALTY, L.L.C.**, a limited liability company formed in the State of Delaware ("Lessee").

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Property** — Lessor owns certain property located at **1060 S. Township Drive, Fayetteville, Arkansas**, as further described on **Exhibit A** (hereinafter the "Property").

2. **Premises** — Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the following (hereinafter collectively referred to as the "Leased Premises"):

   (a) Ground space not to exceed 50' x 50' in size in the approximate location as described on **Exhibit B**.

   (b) Together with such rights of way and easements on, over, under, across, and through the Property for ingress and egress by motor vehicle or on foot and for the installation of wires, cables and electrical support equipment necessary for the installation and operation of Lessee's telecommunications equipment located upon the Property including but not limited to access from the nearest source of telephone and electric utilities.

3. **Use/Equipment** — The Leased Premises may be used by Lessee for the installation, operation, maintenance, repair, or replacement of (i) a monopole or self-supporting tower, not to exceed One Hundred Fifty feet (150') in height (the "Antenna Tower") and (ii) a pre-fabricated building not to exceed two hundred fifty square feet (250') (the "Building") and/or equipment cabinets supported on a concrete or raised platform (the "Equipment Cabinets"). The Antenna Tower, Building and/or Equipment Cabinets shall house and contain the equipment described on **Exhibit C** annexed hereto (hereinafter collectively referred to as the "Communications Equipment"). The Antenna Tower, Building, Equipment Cabinets and Communications Equipment are sometimes hereinafter collectively referred to as "Equipment." All Equipment, fixtures, appurtenances and improvements erected, located, placed or constructed by Lessee upon the Leased Premises shall remain the personal property of Lessee regardless of the manner or mode of attachment and may be removed by Lessee at its sole option at any time during the initial term, any renewal term or after termination or expiration of this Lease. Lessor hereby expressly waives any and all Lessor's liens or claims of such on said Equipment, fixtures, appurtenances, and improvements.

4. **Term** — The initial term of this Lease shall be ten (10) years (the "Initial Term") commencing upon the start of installation of the Equipment (the "Commencement Date"). The Initial Term of this Lease shall be automatically renewed and extended, unless terminated as provided herein, upon the same terms and conditions, except as otherwise stated herein, for two (2) additional terms of five (5) years each (the "Renewal Terms") unless, at least sixty (60) days prior to the termination of the then existing term, Lessee notifies Lessor of its intention not to permit the Lease to renew. The Initial Term and Renewal Term(s) are collectively referred to as the "Term".

5. **Rent** — Upon the Commencement Date, Lessee shall pay Lessor, as rent, the sum of **Six Hundred** Dollars (**$600**) per month (the "Rent"), prorated for any partial months.

Rent shall be payable on the first day of each month, in advance, payable to: **City of Fayetteville** at Lessor's address specified in the Notice Section of this Lease. On the sixth (6^{th}), eleventh (11^{th}) and sixteenth (16^{th}) years of the Term, Rent shall increase by ten percent (10%) above the Rent from the immediately preceding year. In addition, in the event that Lessee licenses or subleases space on the Antenna Tower pursuant to Section 19 of this Lease, Rent shall increase by Two Hundred Dollars ($200) per month for each licensee or sublessee that locates on the Antenna Tower.

6. **Termination**

Except as otherwise provided herein, this Lease may be terminated, without penalty or further liability as follows:

(a) by either party, upon written notice to the other party, upon a default of any covenant or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of the default; or

(b) by Lessee, upon written notice to Lessor, if Lessee is unable to obtain or maintain (or decides in its sole discretion that it is unlikely to obtain or maintain without undue cost or time), any license, permit or other Governmental Approval necessary to the construction and/or operation of the Equipment on the Premises; or

(c) by Lessee, upon written notice to Lessor, if the Leased Premises or Equipment are destroyed or damaged and rendered unsuitable for normal use; or

(d) by Lessee, upon written notice to Lessor, if Lessee determines that any of the Equipment cannot be used without interference from, or causing any undue interference to, other occupants of the Property or if due to changed circumstances Lessee determines that the use of the Leased Premises is no longer suitable for Lessee's network operations; or

(e) by Lessee, upon written notice to Lessor, in its sole discretion at any time on or before the first anniversary of the Commencement Date; or

(f) by Lessee, upon written notice to Lessor, if the whole or any substantial part of the Leased Premises shall be taken by any public authority under the power of eminent domain so as to interfere with Lessee's use and occupancy of the Leased Premises. The then current Term of this Lease shall cease on the date that the title to the Leased Premises vests in the authority exercising the power of eminent domain, and any Rent paid in advance of such date shall be refunded to Lessee.

7. **Approvals**

Lessor hereby agrees to cooperate with Lessee in obtaining any approvals required by Lessee for its use of the Leased Premises. Lessee shall be responsible for any cost or expense associated with obtaining any approval or permit associated with its use of the Leased Premises.

8. **Compliance with Law**

Lessee shall install and operate the Equipment and use the Leased Premises in a manner which shall comply with all federal, state and local regulations governing the installation and operation thereof.

9. **Interference**

Lessee shall operate its Equipment in such a manner which shall not cause technical interference to Lessor or other lessees with tenancies which predate the execution of this Lease. If any interference is encountered by Lessee as a result of equipment installed at the Property after the execution date of this Lease ("Third Party Interference"), Lessor shall eliminate or cause such Third Party Interference to be eliminated in a timely manner, not to exceed seventy-two (72) hours, without cost or obligation to Lessee. If such interference cannot be eliminated within such time, Lessor will require the interfering party to cease use of its equipment excepting for those short periods of intermittent testing time necessary to identify and eliminate the interference. Should the Third Party Interference as described in this Section 9 continue beyond such seventy-two (72) hour period, Lessee shall have the option to terminate this Lease, without penalty, and all obligations of Lessee to Lessor hereunder shall be rendered null and void. Lessor and Lessee mutually acknowledge and agree that they will consult on the location of any future lessee's equipment.

10. **Inspections** Lessee, at its sole cost and expense, may, prior to the Commencement Date, conduct such surveys, tests and inspections as Lessee considers reasonably necessary or desirable in connection with the intended use of the Leased Premises.

11. **Access** Lessor shall provide to Lessee, Lessee's employees, agents, independent contractors and subcontractors access over the Property and Leased Premises twenty-four (24) hours a day, seven (7) days a week, at no charge to Lessee. Lessor shall be permitted access to the Leased Premises for emergencies without prior notice to Lessee, so long as Lessee is notified as soon thereafter as reasonably practicable; and in all cases Lessee's Equipment remains secure and Lessee's radio transmissions are not adversely affected.

12. **Maintenance** Lessee shall perform all repairs necessary to keep its Equipment located on or about the Leased Premises in good condition, reasonable wear and tear and damage from the elements excepted.

13. **Utilities** Rent payable under this Lease shall be exclusive of electricity. Lessee shall have the right to arrange for its own electric and telephone service and shall pay directly for such service to the local utility provider. Lessor agrees to provide any cooperation reasonably requested by Lessee to facilitate electrical and telephone installation required by the Lessee.

14. **Title and Quiet Possession**

Lessor represents and warrants (a) that it is the owner of the Property; (b) that it has the right to enter into this Lease; (c) that the person signing this Lease has the authority to sign; and (d) that Lessee is entitled to access to the Property at all times and to the quiet possession of the Leased Premises throughout the Initial Term and each Renewal Term so long as Lessee is not in default of any term of this Lease beyond expiration of a reasonable cure period.

15. **Insurance** Lessee shall carry during the Lease term, at its own cost and expense, the following insurance: (a) "All Risk" property insurance for its property's replacement cost; and (b) comprehensive general liability insurance with a combined single limit of $1,000,000 for bodily injury and property damage. Lessee shall provide a certificate of insurance to Lessor within thirty (30) days of written request. Lessee's insurance policy shall provide that termination or cancellation will not occur without at least fifteen (15) days' prior written notice to Lessor.

16. **Construction Drawings**

Prior to installation of any Equipment on the Property, Lessee shall submit to

Lessor construction drawings (the "Construction Drawings") which shall detail the plans and specifications for Lessee's Equipment installation. Lessor shall approve the Construction Drawings within seven (7) days from submission or provide specific reasons for disapproval. In the event that Lessor does not approve or provide reasons for disapproval of the Construction Drawings within seven (7) days, then the Construction Drawings shall be deemed approved.

17. **Non-Disturbance** In the event the Property is encumbered by a mortgage as of the date of this Lease, the Lessor shall request that the holder of each such mortgage execute a non-disturbance agreement, to be prepared by Lessee, and cooperate with Lessee toward such end to the extent that such cooperation does not cause Lessor additional financial liability or expense. Lessor shall disclose to Lessee the existence of any lien, encumbrance, or mortgage encumbering the Property which is the subject of this Lease.

18. **Successors** This Lease and the terms and conditions contained herein shall run with the Property and inure to the benefit of and be binding upon Lessor and Lessee and each of their respective heirs, executors, administrators, successors and permitted assigns. Lessee shall be permitted to record this Lease or a Memorandum of Lease which Lessor agrees to execute and acknowledge.

19. **Assignment** (a) Lessor agrees that Lessee may assign this Lease and all rights granted to Lessee hereunder to (i) any business entity which is licensed by the FCC to conduct wireless communications services, (ii) an affiliate ("Affiliate"), (iii) any entity which is merged or consolidated with Lessee or purchases a majority or controlling percentage ("Controlling Percentage") in the ownership or assets of Lessee or with which Lessee effectuates a change in control ("Change in Control"), or (iv) any lender, as security pursuant to the terms of any loan made to Lessee by such lender (collectively, the "Permitted Parties"). As used herein, "Affiliate" shall mean an entity which controls, is controlled by or which is under common control with Lessee. Upon notification to Lessor by Lessee of any such assignment, Lessee shall not be relieved of any future performance, liabilities and obligations under this Lease, except as provided below. Any Permitted Parties shall be bound in writing by the terms and provisions of this Lease and Lessee shall not be released from any of its obligations hereunder, unless such Permitted Parties shall assume the Lease in writing. Any further assignments by the Permitted Parties shall be subject to the terms and conditions of this Section 19. Except as otherwise set forth hereunder, Lessee shall not assign, transfer or sublicense this Lease in whole or part to any person, entity or organization without the prior written consent of Lessor, which consent shall not be unreasonably withheld or delayed.

(b) "Change in Control" shall mean any dissolution, merger, consolidation or reorganization of Lessee, or the aggregate sale or other transfer of a controlling percentage of the capital stock of Lessee, or the sale during the Term of this Lease in the aggregate of fifty percent (50%) or more of the value of the assets of Lessee. The phrase "Controlling Percentage" shall mean the ownership of, and the right to vote stock possessing fifty percent (50%) or more of the total combined voting power of all classes of Lessee's capital stock issued, outstanding and entitled to vote for the election of directors.

(c) Lessee at its sole discretion shall have the right without any need to obtain the consent of Lessor to license or sublease all or a portion of the Leased Premises and/or antenna mounting space on the Antenna Tower to others whose business includes the provision of wireless communication services. Lessee's licensee(s) and sublessee(s) shall be entitled to modify the Antenna Tower and to erect additional improvements on the Leased Premises by said licensee(s) and sublessee(s) and shall have rights of ingress and egress to the Leased Premises and the right to install utilities on the Leased Premises as if said licensee or sublessee were the Lessee under this Lease. In connection with this right, such new users will be required to secure any governmental approvals required to locate on the Antenna Tower and shall have a structural analysis performed by a licensed engineer showing that the Antenna Tower can accommodate such user's equipment. Lessee shall be entitled to all revenues from the sublease or license of space on the Antenna Tower.

20. **Notices**

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered, mailed certified mail return receipt requested, or sent overnight carrier to the following addresses:

If to Lessor:

The City of Fayetteville, Arkansas
113 West Mountain
Fayetteville, AR 72701
Attention: Mayor

If to Lessee:

TeleCorp Realty, L.L.C.
1101 17th Street, N.W.
Suite 900
Washington, D.C. 20036
Attention: General Counsel

21. **Environmental Representations**

(a) Lessor represents and warrants that the Property and the Leased Premises are in compliance with all applicable environmental laws ("Environmental Laws"). "Environmental Laws" shall mean any and all applicable federal, state or local statutes, ordinances, bylaws, codes, rules, or regulations relating to or concerning any hazardous, toxic or dangerous waste, substance or material, including but not limited to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, and the National Environmental Protection Agency requirements.

(b) Lessor further warrants and represents that the Leased Premises, the easement and the improvements thereon are free of contaminants, oils, asbestos, PCB's, hazardous substances or wastes as defined by federal, state or local environmental laws, regulations or administrative orders or other materials the removal of which is required or the maintenance of which is prohibited, regulated or penalized by any federal, state or local government authority ("Hazardous Materials"). This Lease shall at the option of Lessee terminate, be void and be of no further force or effect if Hazardous Materials are discovered to exist on the Leased Premises through no fault of Lessee after Lessee takes possession of the Leased Premises and Lessee shall be entitled to a refund of all the consideration given Lessor under this Lease.

22. **Environmental Indemnification**

(a) Lessor, its heirs, grantees, successors, and assigns shall indemnify, defend, reimburse and hold harmless Lessee from and against any and all environmental damages arising from the presence of Hazardous Materials upon, about or beneath the Leased Premises or migrating to or from the Leased Premises or arising in any manner whatsoever out of the violation of any environmental requirements pertaining to the Leased Premises and any activities thereon, which conditions exist or existed prior to or at the time of the execution of this Lease or which may occur at any time in the future through no fault of Lessee. The Lessor's indemnification pursuant to this Section 22(a) shall survive the termination or earlier expiration of this Lease.

(b) Notwithstanding the obligation of Lessor to indemnify Lessee pursuant to this Lease, Lessor shall, upon demand of Lessee, and at Lessor's sole cost and expense, promptly take all actions to remediate the Leased Premises which are required by any federal, state or local governmental agency or political subdivision or which are reasonably necessary to mitigate environmental damages or to allow full economic use of the Leased Premises, which remediation is necessitated from the presence upon, about or beneath the Leased Premises of a Hazardous Material. Such actions shall include but not be limited to the investigation of the environmental condition of the Leased Premises, the preparation of any feasibility studies, reports or remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or actions necessary to restore the Leased Premises to the condition existing prior to the introduction of Hazardous Material upon, about or beneath the Leased Premises notwithstanding any lesser standard of remediation allowable under applicable law or governmental policies.

23. Damages Lessor waives liability for any consequential or incidental damages incurred by Lessor which are due to theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or other order of governmental body or authority. ~~or for any consequential or incidental damages due to any reason~~.

24. Removal of Improvements

Upon termination of this Lease, whether by expiration, cancellation, forfeiture or otherwise, Lessee shall have the right to remove from the Leased Premises all aboveground improvements installed, placed or erected on the Leased Premises by Lessee, and the parties agree that an Antenna Tower or any part thereof may be removed without damage to the Leased Premises, and that such Antenna Tower shall be considered Lessee's personal property and shall not become a part of the realty. Lessee shall have ninety (90) days after termination of this Lease within which to dismantle and remove the Antenna Tower and other improvements. Cost of removal of improvements shall be borne by Lessee.

25. Property Taxes Lessee shall have no obligation to pay any real property taxes attributable to the Property which is the subject of the Lease during the term of the Lease.

Lessee shall be responsible for its pro rata share of the Property's personal property taxes attributable to the improvements constructed by Lessee on the Property.

26. Survey Period After the execution date of this Lease by the Lessor and prior to the Commencement Date, Lessee shall have access to the Leased Premises during business hours for the purpose of making necessary engineering surveys, inspections, and other reasonably necessary tests relating to Lessee's proposed use of the Leased Premises. Lessee shall fully restore to its prior condition any portion of the Leased Premises disturbed by Lessee and Lessee hereby indemnifies and holds Lessor harmless from and against any claim, loss, expense, fine, fee or liability incurred by Lessor as a result of Lessee's access, tests, studies or other activities pursuant to this Section 26.

27. **Emergency Stand-by Generator**

Lessee shall have the right to place, maintain and operate an emergency stand-by generator ("Generator") at the Leased Premises, provided the Generator shall be installed and operated in compliance with all applicable laws, ordinances and regulations.

28. **Entire Agreement** This Lease and the Exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties hereto and shall supersede all prior offers, negotiations and agreements.

29. **Governing Law** This Lease shall be governed by the laws of the State in which the Leased Premises are located, without regard to conflict of laws.

30. **Validity** If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.

31. **Miscellaneous** The submission of this Lease for examination and negotiation does not constitute an offer to lease, or a reservation or option, and this Lease shall become effective and binding only upon the execution and delivery hereof by both the Lessor and Lessee.

32. **Waivers to be in Writing**

No modification, amendment, waiver or release of any provision of this Lease or of any right, obligation, claim or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and duly executed by the party against whom the same is sought to be asserted.

IN WITNESS WHEREOF, the parties have executed, or have caused their properly authorized representatives to duly execute, this Lease on the date and year first written above.

Lessor: City of Fayetteville, Arkansas

By: ________________________________

Print Name: Fred Hanna

Title: ________________________ Mayor

Date: ________________________________

Lessee: TeleCorp Realty, L.L.C.

By: TeleCorp Communications, Inc.
Its: Managing Member

By: ________________________________

Print Name: ___________________________

Title: ________________________________

Date: ________________________________

Exhibit A
Legal Description of Lessor's Property

A part of the Southeast Quarter of the Southeast Quarter of Section 35, Township 17 North, Range 30 West, described as follows: Beginning at a point which is 594 feet east and 300 feet north of the southwest corner of said 40-acre tract, and running, thence East 101'; thence north 525; thence west 101; thence south 525 to the point of beginning; containing 1.22 acres, more or less.

Exhibit B
Description of Leased Premises

The Leased Premises shall consist of an area not to exceed 50' x 50' ground space along with easement rights for access to the Leased Premises by vehicle or foot from the nearest public way and for the installation of utility wires, poles, cables, conduits and pipes on the Property in the approximate locations as depicted below:

[This Exhibit will be replaced by a copy of the Construction Plan Drawings.]

Exhibit C
Equipment

1. The Antenna Tower shall contain antennas, microwave dishes, antenna mounts, related ancillary equipment, and associated wiring and cabling.

2. Building and/or stand-alone Equipment Cabinets housing communications equipment and supporting platform and appurtenances associated therewith.

(CITY OF THE FIRST CLASS)

State of)
)ss
County of)

On this ______ day of ______________, 199___, before me a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named _________________ and , being the person or persons authorized by said city of the first class to execute such instrument, stating their respective capacities in that behalf, to me personally well known, who stated that they were the _______________ and _______________ of the **City of Fayetteville, Arkansas** and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said city of the first class, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this ____day of , 199 .

____
NOTARY PUBLIC

My Commission Expires:

(SEAL)

(LLC)

State of)
)ss
County of)

On this _____ day of ______________, 199___, before me a Notary Public, duly commissioned, qualified and acting, within and for said County and State, appeared in person the within named ______________________ and __________________, being the person or persons authorized by said limited liability company to execute such instrument, stating their respective capacities in that behalf, to me personally well known, who stated that they were the ______________ and ______________ of **TeleCorp Realty, L.L.C.** a limited liability company, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said limited liability company, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this day of , 199 .

____
NOTARY PUBLIC

My Commission Expires:

____
(SEAL)