

ADMINISTRATIVE SERVICES AGREEMENT

This agreement is entered into this 10th day of September, 19 97, by and between the ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM ("LOPFI") and the CITY of Jonesboro for the benefit of its Fire Pension and Relief Fund ("Relief Fund").

WHEREAS, the City of Jonesboro currently has and administers a Fire Pension and Relief Fund; and

WHEREAS, LOPFI is an agency created by statute (A.C.A. 24-10-101, et. seq.) for the purpose of providing a statewide retirement system with pooled administration; and

WHEREAS, pursuant to A.C.A. 24-10-302 (d) (1), an employer who has in effect for all or part of its employees a plan similar in purpose to this system (LOPFI), then by agreement, that employer may provide for administration of the fund by LOPFI; and

WHEREAS, the Board of Trustees of the Fire Pension Fund of the City of Jonesboro and the Mayor and City Council of Jonesboro desire to enter into an agreement with LOPFI to administer its Relief Fund.

Now,

therefore, and in consideration of the mutual obligations hereinafter enumerated the parties agree as follows:

1. This agreement is made pursuant to the authority of Act 364 of 1981, as amended, and Act 655 of 1983 of the General Assembly of the State of Arkansas.
2. This agreement shall not be effective until sixty (60) days from the date affixed hereto, provided, however, at any time during the sixty (60) day period the LOPFI Board of Trustees may reject this agreement.
3. This agreement is for the administration of the Relief Fund and the Relief Fund benefit structure is not changed as a result of this agreement.
4. The actuaries for LOPFI have computed a rate to be paid by the City of Jonesboro which will support the benefit level currently being paid by the City of Jonesboro and which will provide eligible annuitants and their beneficiaries with the benefits described in Act 397 of 1983. The City of Jonesboro and LOPFI agree that, so long as the City of Jonesboro continues to pay at the level established by the actuaries, LOPFI will continue to pay the current benefit levels.

5. No benefits other than the statutorily mandated benefits will be payable by LOPFI until the parties agree that the Fund is actuarially sound and is financially capable of paying discretionary benefits or any other benefits that become payable only upon a determination of actuarial soundness. Provided, that the benefits provided by Act 1197 of 1993 shall be paid pursuant to this agreement.

6. The annual fee to be paid to LOPFI for administration of the Relief Fund shall not exceed one half (1/2) of one percent (1%) of the annual payroll of active Relief Fund members and one percent (1%) of the average annual Relief Fund assets. The fiscal year shall be from January 1 through December 31.

7. Benefits and employee refunds shall be paid on the first business day of each month.

8. LOPFI covenants and agrees to provide the following services:

a. an annual financial disclosure report;

b. the investment of Relief Fund assets and the award of annual interest to the employer reserve at the end of each fiscal year in an amount that is consistent with the interest awarded to other LOPFI employer accounts.

c. the processing of retirement applications including determination of eligibility, calculation of service credit and benefit payment amounts, and payment of benefits to eligible beneficiaries;

d. satisfaction of federal withholding requirements;

e. disability determinations, provided that the appropriate materials for the determinations thereof are submitted by the employer. All determinations will be made according to LOPFI standards and procedures;

f. an annual actuarial valuation;

g. refund of member contributions to eligible terminating members;

h. all bookkeeping and records management; and

i. annual report including a statement of revenues and expenditures for the year, reserve accounts, assets, and an investment summary.

9. The Relief Fund and the City of Jonesboro covenant and agree as follows:

a. upon execution of this agreement all assets and records of the Relief Fund shall be transferred to LOPFI. In the sole discretion of LOPFI, certain investments may be allowed to mature to avoid penalties;

b. all employer and employee contributions shall be remitted by the tenth (10) day of each month following the month in which services were rendered. Remittance shall be made to the LOPFI offices in the manner and amounts prescribed by LOPFI;

c. the Relief Fund and the City of Jonesboro shall execute any and all documents required by LOPFI to aid in the administration of the Relief Fund.

d. all current active members and beneficiaries of the plan have been reviewed and classified as eligible pursuant to the standards prevailing at the time of the determination of eligibility. The parties agree that LOPFI is bound by any determination of eligibility or ineligibility made by the Board of Trustees of the Relief Fund. The Relief Fund and the City of Jonesboro agree to indemnify and hold harmless the Board of LOPFI for any determinations made by the Board of Trustees of the Relief Fund in that regard.

e. the City of Jonesboro and the Board of Trustees of the Relief Fund have fully disclosed to LOPFI all pending claims, actions, suits and threatened liabilities to the fund.

10. After the sixtieth (60) day following the execution of this document, unless rejected by the LOPFI Board of Trustees, this agreement shall be permanent.

11. Jonesboro Fire Pension and Relief Fund Board of Trustees' Resolution No. 0015 dated July 14, 1997, and Ordinance No. 3004 dated September 2, 1997, of the City of Jonesboro, are incorporated by reference herein as though set forth word for word.

12. This document may be executed in counterparts, each of which when so executed and delivered shall constitute an original, all of which together shall constitute one and the same agreement.

This agreement executed in duplicate originals this day of September 10,
19 97.

ARKANSAS LOCAL POLICE AND FIRE RETIREMENT
SYSTEM BOARD OF TRUSTEES

BY: _____

ATTEST: _____

CITY OF JONESBORO, ARKANSAS