



CITY OF JONESBORO

Oldham Law Firm, PLLC
Attention: Chad R. Oldham
603 Southwest Drive
Jonesboro, AR 72401

Regarding: Meeting at LOPFI-PRB regarding Retired Firefighters' Pension Fund

Dear Counselor Oldham:

This letter is in response to your correspondence dated October 29, 2010. Today, Jim Eagan, Ben Barylske, and myself, met with David Clark, Executive Director of LOPFI concerning the above pension plan. I wanted to share with you several items discussed at the meeting, as follows:

- 1) In 1997, the City of Jonesboro transferred \$7.7 million to LOPFI which represented the total assets of the plan. However, at that time, the plan also had an unfunded liability of \$2.2 million.
- 2) When the funds were transferred, the plan benefits were increased from 50% of base pay, to 75% of base pay, thereby increasing the future obligations of the fund significantly. We learned many plans still maintain benefits at 50% of base pay.
- 3) Mr. Clark informed us that the millage levy collected is allocated for both the above fund and for active members covered by LOPFI.
- 4) LOPFI provided us with a copy of the allocation of contributions for 1997 through 2009. This information is attached for your benefit.
- 5) One major item we reviewed was the current level of unfunded liability which is \$11.1 million, which must be paid in full by 2037.
- 6) David Clark advised us that due to regulatory changes in 2003, no benefit increases can be funded with state insurance premium turnback, and must be paid with general fund revenues.

Should you have any questions regarding the above items, please do not hesitate to contact me.

Sincerely,

Harold Perrin, Mayor

JONESBORO FIRE DEPARTMENT

CONTRIBUTION BREAKDOWN 1997 - 2009

ALLOCATED TO :

YEAR	TOTAL CONTRIBUTIONS	LOCAL PLAN	LOPFI	SITT ALLOCATION RECEIVED
2009	\$ 1,444,130.00	\$ 591,521.00	\$ 852,609.00	\$ 775,021.40
2008	1,341,120.00	637,547.00	703,573.00	882,133.13
2007	1,383,912.00	751,208.00	632,704.00	956,897.77
2006	922,244.00	384,365.00	537,879.00	871,923.29
2005	697,947.00	351,127.00	346,820.00	651,497.14
2004	470,024.00	181,776.00	288,248.00	430,716.28
2003	290,443.00	124,300.00	166,143.00	277,907.73
2002	363,371.00	58,566.00	304,805.00	241,916.58
2001	428,320.00	149,836.00	278,484.00	NA
2000	536,420.00	44,336.00	492,084.00	NA
1999	456,119.00	-	456,119.00	NA
1998	497,127.00	94,592.00	402,535.00	NA
1997	222,575.00	19,261.00	203,314.00	NA
	\$ 9,053,752.00	\$ 3,388,435.00	\$ 5,665,317.00	

BENEFITS PAID TO LOCAL PLAN RETIREES

YEAR	TOTAL BENEFITS PAID	# OF RETIREES
2009	\$ 1,547,845.28	58
2008	\$ 1,510,322.84	58
2007	\$ 1,332,107.92	57
2006	\$ 1,222,212.42	58
2005	\$ 1,026,799.34	59
2004	\$ 975,768.36	58