

**CITY OF EAST PROVIDENCE
FIRE AND POLICE RETIREMENT SYSTEM
JOURNAL**

A quarterly meeting of the Fire and Police Retirement System Board of Trustees was held on Monday, the 19th of November 2018 in Conference Room A at City Hall, 145 Taunton Avenue, East Providence, RI 02914.

Trustees:

- Major William Nebus, Chairman, Police Representative - present
- Lt. Jeffrey Wyrostek, Vice Chairman, Fire Representative - present
- John C. Neale, Retiree Representative – present
- John F. Wallace, Civilian Representative - present
- Brian Faria, Councilman, City Council Representative – absent
- Christopher Parella, Acting City Manager – present
- Malcolm Moore, Director of Finance, Administrator - present

Other Attendees:

- Greg Dias, City Solicitor

Open Session Called to Order at 9:15 by Trustee Nebus

Presentation by Wainwright Investments LLC

Michael Dwyer and Jeff Fabrizio were here from the pension investment counsel firm to review the September 2018 Performance Report. Our five year average return on investments is 7.64, compared to the states fund which is 6.8. EnTrust has started calling funds and has good numbers for the seven month period we’ve been involved with them. Renaissance is doing great, it was a very wise investment. They presented a Real Estate Investment Finalist Comparison for the five Core/Income and Value Added companies that came in for the special meeting last month. Trustee Nebus asked about the liquidity and how managers cover investments during a real estate crisis. To rebalance the fund it is suggested that funds be taken from Vanguard Total Stock, RhumbLine S&P and Vanguard Small Cap all over performing equity managers and from underperforming Duff & Phelps. A five minute break was taken and Lexington and HarbourVest were brought in to give presentations. Wainwright suggests an update to the investment policy strategies regarding the amounts of exposure in certain categories and will bring that to the next meeting in February.

A motion was made to rebalance and invest 5 million into TA Realty Associate, 5 million into Principal U.S. Property and 4 million into Clarion Lion by taking 3 million from Vanguard Total Stock, 2 million from RhumbLine S&P, 3 million from Vanguard Small Cap and liquidating Duff & Phelps by: Wyrostek 2nd Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

A motion was made to accept the handouts from Wainwright into record by: Neale 2nd Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

A motion was made to accept the handouts from Lexington and HarbourVest into record and verbally commit to both with amounts to be determined at the next meeting after a cash flow review and IPS update by: Neale 2nd Wyrostek

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

A motion was made to move item #9 on the agenda up to now, Discussion of current collective bargaining unit regarding pension calculations, questions/history. Dave Dafonseca and Gabe Gomes will be addressing the Board by: Moore 2nd Parella

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

Gabe Gomes was not present. Dave Dafonseca stated that Mr. Gomes didn't get his retirement calculation amounts in a timely fashion and might not have retired if he had known this. Dave cannot represent him in a union capacity because Mr. Gomes has already retired. The coding thru payroll and in the contracts do not have a rescue rate. During the next contract review for 2022 there should be new language to address this. This issue will never happen again because a full year has gone by since the signing of the contract with the new language. Mr. Gomes retired in January with only three months at the new rate so the non-contribution amount for nine months would amount to about the same as what the city owed him for the reduced pension over the last 10 months. Contractually the City cannot ask Mr. Gomes for a buyback amount to bring his pension whole because it might violate the contract.

A motion was made to increase Gabe Gomes up to lieutenant pension starting with the December payment no reto / no donation by: Wyrostek 2nd Neale

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

A motion was made to move executive session to last by: Wyrostek 2nd Neale

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

To Approve the Consent Calendar

All items under “Consent Calendar” are considered to be of a routine and noncontroversial nature by the Board and will be enacted by one motion. There will be no separate discussion on these items unless a Board member so requests, in which event, the item will be removed from the “Consent Calendar” and will be considered in its normal sequence on the docket.

1. Minutes from 9/17/18 and 10/3/18 meetings
2. COLA listings for September, October and November
3. Barings Invoice 3rd Qtr.
4. IR+M Invoice 3rd Qtr. and redemption form
5. OFI Global Invoice 3rd Qtr.
6. Wainwright Investment Counsel, LLC Invoice 3rd Qtr.
7. RhumbLine Invoices 3rd Qtr.
8. Wells Fargo Advice 3rd Qtr.
9. City of East Providence Invoice – clerk stipend
10. ENTRUST capital call
11. Siguler Guff September notice
12. SEI Trust Monthly Statements August, September & October

A motion was made to accept all items on the consent calendar into record: By Neale 2nd Wyrostek

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

Request from Jessica Gehrke to have pension contributions released.

A motion was made to approve her request to disperse her funds by: Neale 2nd Parella

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

Request from Stephen J. Domenicone to buy back pension contributions from 2009-2019

A discussion regarding is it a legal requirement to take Mr. Domenicone back vs. is it fair because we are not in war times took place. Legal, HR and the City’s Finance Director have all researched this. Solicitor Dias was present during this discussion and asked for HR to come down. The federal government says he is allowed to be reinstated per Acting HR Director Mr. David. The former HR director had e-mails in his file stating that he can come back. Trustee Moore has to calculate what needs to be reimbursed and repayment can be paid over three times the amount of service time but not to exceed more than five years. The question now is, is it based on his contributions only or the City’s too and is interest to be added because there is nothing in our ordinances that address this. Trustee Neale stated in the frequently asked question sections on-line it states that employees pay their share only.

A motion was made to have the finance administrator to come up with a factual figure and provide it to Mr. Domenicone by: Neale 2nd Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

Update by the Finance Director regarding how much the City has contributed to the pension since the previous meeting.

Trustee Moore explained that the City’s fiscal year ends six months different than when the actuary report is produced. The Actuary has provided a fixed number for 2019 and that has been divided by twenty-six equal payments being made biweekly. 100% of ACR will be contributed on a timely basis now. When the updates were done with the new mortality rates we were way behind but the contributions were brought up to date. FY 18 has been funded in full and going forward it’s set on a fixed number.

Discussion / Action of Retiree’s Concerns regarding the ARC, Buyback Policy’s, Consideration of an ordinance to restrict/prohibit contract impacts on the pension fund and Monthly pension checks received in a timely manner.

Trustee Neale stated that he is all set on ARC and buyback policy after his search this weekend. He is wondering how the Board feels about an ordinance be drawn up for the Board to have language run by them that is being negotiated in a contract that would affect the pension. This would be a good safe guard so please think about it. Trustee Neale stated that several retirees had passed on concerns about their checks being delivered late. He asked Trustee Moore to check to see if anything could be done about that. Trustee Moore will check with Wells Fargo on their policies.

Discussion / Action regarding Ordinance Sec. 11-245 terms of the Board.

Trustee Moore read the Ordinance and talked about the terms. Trustee Parella asked if a person could be reappointed and everybody agreed they could. Trustee Wyrostek is up for reelection now and is running unopposed. Solicitor Dias stated that if you are expired you stay in place until somebody is appointed that term doesn't get extended. The fire term ended 10/31/18 – the police term ended 10/31/17 – the Board as a whole will have Kim check on the rest of the term dates.

Discussion / Action setting 2019 quarterly meeting dates.

A motion was made to set the quarterly calendar for next year as Feb 11, May 20, Aug 12 and Nov 18 by: Neale 2nd Wyrostek

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

Vote to go into Executive Session

The Fire and Police Retirement System of the City of East Providence will meet in Executive Session pursuant to RI General Laws § 42-46-5 (a)(1), § 45-21-2-9 and § 42-46-5 (a)(2)

A motion to go into and call Executive Session to order was made at 11:45 a.m.: By Neale 2nd Parella

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

A motion was made to seal minutes and adjourn executive session at 11:55 a.m. by: Neale 2nd Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

Reconvene in Open Session at 11:56 a.m. by Trustee Nebus

Reading of the votes from Executive Session

There were no votes taken in executive session but there was a motion made to seal the minutes and all members present voted in favor unanimously.

Adjournment

A motion was made to adjourn at 11:58 a.m. by: Moore 2nd Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN FARIA	CHIEF PARELLA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		