

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

A regular quarterly meeting of the Fire and Police Retirement System Board of Trustees was held on Tuesday, the 20<sup>th</sup> of August 2024 in Conference Room A at City Hall, 145 Taunton Avenue, East Providence, RI 02914 at 9:00 a.m.

**Trustees:**

- Lt. Adam L. Christina, Chairman, Fire Representative - present
- Det.Cpl. Patrick Kelley, Vice Chairman, Police Representative – present
- James Bellamy, Retiree Representative - present
- John F. Wallace, Civilian Representative - present
- Frank Fogarty, Councilman, City Council Representative – absent
- Roberto L. DaSilva, Mayor – present
- Malcolm Moore, Director of Finance, Administrator – present

**Other Attendees:**

- Michael J. Marcello, City Solicitor
- Bernadette Fraiss, City HR Benefits and Payroll Administrator
- Michael Dwyer, Wainwright investment Council LLC

**Open Session Called to Order at 9:11 a.m. by Chairman Christina**

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

**Vote to go into Executive Session**

*The Fire and Police Retirement System of the City of East Providence met in closed Executive Session pursuant to RI General Laws § 42-46-5 (a)(1) for a discussion related to the physical or mental health of a person or persons related to a request for a disability pension – notice given.*

Roll call vote to go into and call Executive Session to order at 9:12 am

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

**Reconvene in Open Session at 9:24 am**

**Reading of the votes from Executive Session**

Trustee Moore stated that there was one unanimous vote by all members present to send Retired Fire Chief Brassill a letter. The Solicitor and Chair will draft and have the clerk send out upon her return.

**Review of 2<sup>nd</sup> Quarter 2024 Performance Report and Funding Recommendations by Wainwright Investment Counsel, LLC**

Michael Dwyer was here from Wainwright Investment Counsel. Second quarter 2024 was very good also. The Russell 2000 in this quarter is up 4.75%. Mike likes the look of this, hoping that a broader advance will put a bull market in full swing. The smaller caps are starting to do better. The fund total as of June is \$159,192,061, up 4.22%. As of today it's just over \$164 million. One issue of concern is that with more people retiring, what is going out is getting wider than what is coming in. The Chair did state that members are also passing and there are new hires. Mike stated that based on the current out take approximately \$4 million more is needed for expenses each year so it is important to grow the fund with good investments. Trustee DaSilva stated year after year the City has to make increased contributions and that is not tenable. This year the city had to budget an additional \$1.6 million for the FY25 budget, at what point will this pension fund be self-sustainable? Trustee Moore stated that the last actuarial report he saw was that the fund would be fully funded in 2044. Mike reminded the Board that the FY23 actuarial report would not be good, the fund was in a low point. It didn't pick up until the new fiscal year. Trustee DaSilva stated that the City can only increase the tax rates by 4% and between the school and the pension fund there is nothing left for anything else. The Chair stated that the current Board is paying for the sins of the past administration. Mike explained that the City didn't make contributions for several years around 2009 because the fund was close to being whole due to the Google funds. Trustee Moore thinks the fund is funded at approximately 56%. The Vice Chair stated that maybe the City could do better with hiring. Currently the police are down twenty employees. He stated that possible revisiting the compulsory retirement age might be a good idea. Currently we are at 62 and he would like to see it moved to 65. Trustee DaSilva wondered why there was an age limit and if it could be eliminated totally. The Vice Chair would like to get Frank Fogarty involved to change the ordinance. The Solicitor reminded the Board that the Unions might need to be involved also due to contract language. Trustee DaSilva stated that this is not because of any one person. There are members who are capable of working that are being forced out that put a drain on the pension system. The Chair does have concerns about some members on the line. There are two sides to everything.

Mike continued with the quarterly report. He's disappointed with Barings, they are under performing. He and Jeff suggest booting Barings and using RhumbLine's index fund for now. There is a sizable amount of money – 15 million – and at least if it's in an index fund we will get the index return. Real Estate is very weak. The fund did very well the first three years the Board had them but interest rates are currently hurting the returns. The fund has plenty of cash available for capital calls and expenses. Renaissance is having a great year.

A motion was made to accept handouts into record by Trustee DaSilva and 2<sup>nd</sup> by Trustee Wallace

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

A motion was made to move out of Barings and go to a RhumbLine index fund, holding out 1 million for capital calls or monthly payments by Trustee DaSilva and 2<sup>nd</sup> by Trustee Bellamy

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

## To Approve the Consent Calendar

*All items under “Consent Calendar” are considered to be of 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 it’s normal sequence on the docket.*

1. Pension meeting journals for May 21<sup>st</sup> and July 16<sup>th</sup> 2024
2. COLA listing for June, July and August 2024
3. Barings Invoice 2<sup>nd</sup> Qtr.
4. IR+M Invoices 2<sup>nd</sup> Qtr.
5. Principal Custody Solutions Fee Advise 2<sup>nd</sup> Qtr.
6. RhumbLine Invoice 2<sup>nd</sup> Qtr.
7. Wainwright Investment Counsel, LLC 2<sup>nd</sup> Qtr.
8. Ice Miller Invoices (2) split 50% with City
9. Principal U.S. Property Account 2<sup>nd</sup> Quarter Highlights
10. Principal U.S. Property Account 1<sup>st</sup> Quarter 2024 performance report
11. Siguler Guff Distressed Real Estate Schedule K-1
12. Disbursement – Capital Call, ETG Co-Invest Opportunities Fund LP
13. Disbursement – Capital Call, ETG Co-Invest Opportunities Fund LP
14. Disbursement – Capital Call, Dover Street X L.P.
15. Trade Authorization - RhumbLine
16. Trade Authorization – Vanguard FTSE
17. Nyhart Funding Certification, FY23 Valuation, GASB 67 & 68 Report
18. IceMiller correspondence / questions with replies from Nyhart
19. APRA request from Fin-News – Kim replied
20. APRA request from Pregon – Kim replied
21. APRA request from Pregon – Kim replied
22. Correspondence regarding virtual meetings
23. Correspondence regarding ADHOC request
24. Correspondence regarding recusal forms
25. Correspondence for return of contributions from two former members

A motion was made to accept the consent calendar items by Trustee DaSilva and 2<sup>nd</sup> by Trustee Wallace

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

**Request to return contributions to former employees who left employment with the City.**

Trustee Moore stated that the Board had received a request from Stephen Kelleher to return \$11,473.36 in pension contributions, he was a police officer sworn in 8/21/00 and left employment on 4/3/04 and Benjamin Godek to return \$16,981.61 in pension contributions, he was a fire fighter sworn in 2/10/21 and left employment on 9/29/23. Trustee DaSilva confirmed that only their contributions were returned and did not include any interest. Trustee Moore confirmed that no interest would be paid and only the funds they contributed would be returned.

A motion was made to return the contributions to both by Trustee DaSilva and 2<sup>nd</sup> by Trustee Bellamy

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

**Discussion / Action / Vote regarding the request for a cost of living increase by Shirley Burgess**

The Chair asked if there was anything in the folder regarding this. Trustee Moore said there was. John Neale, former Board member for the retirees, stated that the clerk had reached out to him for past history. Some retirees prior to 1984 and all beneficiaries do not receive the 3% COLA. To the best of his recollection, prior adjustments were made three times. The Association would pass a resolution asking for an ADHOC cola that would be presented to the City Council who would then vote. They were all one-time affairs. An actuarial report was requested and depending on how the fund was doing it may or may not have been feasible. The Solicitor asked for confirmation that an ADHOC is outside of the normal process, he was informed that it was. Trustee DaSilva empathizes, but what is to stop someone who is friendly with the Council for asking for more. The Solicitor is not even sure if the prior ADHOC's that were done were legal. The Solicitor stated that you live and die by the contract and ordinances that were in force when you retired and that's where we are. You would have to do it for everyone, not just one person. Trustee Moore stated that previously it was done for group that hadn't had an increase in over ten years. Trustee DaSilva again stated that he has empathy but the Board cannot change the rules for one person. He doesn't think we should be changing things like this. This policy was put in place at the time for a reason and to protect the pension. Trustee Wallace stated that rules are rules, it was the way it was laid out and that's the way it should be, no exception. The Solicitor stated that the Board is responsible for administering the plan with the rules they have before them. The Chair stated that the Board has to approve or deny the formal request. The Solicitor suggested that the Board send a letter stating that it's not within the pension documents therefore it's not authorized. The Chair will sign the letter.

A motion was made to send a letter to Shirley Burgess by Trustee Kelley and 2<sup>nd</sup> by Trustee Wallace

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		

**Discussion / Action / Vote with the selection of Ice Miller LLP what ae the next steps**

The Solicitor stated that a link was sent to all Board members of the meeting Ice Miller had where there was no quorum to go over their suggestions. The Solicitor thinks they did a very good job through what was given them. Ice Miller has a drafted policy document for what has to be done to comply with State and Federal law. They had a few questions that are being answered. The Solicitor learned that if a police or fire employee gets divorced there is no such thing as a QDRO. The Chair corrected, QDRO's are not required. The Solicitor agreed, as it's not stated the plan does not have to do them. Under the current law, unless your plan states it there are no QDRO's. Again the Chair stated that the Board is not required to do them. Pensions are an asset and would be considered as such during the divorce settlement. It would not be the Board that would be responsible to set up the QDRO. The Chair stated that this is similar to the ADHOC's – they are not part of the pension plan and the Board chooses not to administer them. The Solicitor has asked Ice Miller to give the Board some language regarding ... “we did them, but from this date forward we won't”. After the questions are answered and the draft revised the next step will be to submit it to the IRS. Next Ice Miller will start working on providing some administrative duties that should be done and forms that are necessary. The Solicitor thinks that Ice Miller is doing a very good job, they know what they are doing. The Chair agreed and was pleased they pointed out that QDRO's were not required; it will save some administrative time. Ice Miller will be working on drafting an application process and defining what is necessary for a disability. They will be working on taking out the gray and getting the policies tighter, the Chair realizes there will always be some gray. The Solicitor reminded the Board about the cancer, heart and now PTSD legislation and the requests for disability pensions that refer to these. Trustee DaSilva stated that it's great when they go to the state legislator and lobby for these benefits but the expansion of benefits hurts the bottom line and the pension in the long run. There will be people who abuse it. The Chair stated that the key to the future is narrowing the definition of permanent and disabled and applying it. The Solicitor stated that the Board needs rules and formal steps to follow for all requests. That's what needs to be worked on. Trustee Wallace asked what will happen if the Board can't get any doctors to provide IME's. The Solicitor stated that it is coming to that point and it is very difficult to find doctors willing to do one for PTSD and if one can be found they are very expensive. The Chair stated that everyone who works for police and fire leaves the job with some level of emotional distress, if they didn't they were bad at their job. The long and short of it is that they knew that when they signed on, permanently disabling, he just don't know. A retiree asked about pensions being paid out to deceased members in Arizona. He stated that members there have to fill out and return a form annually. Currently, Principal Custody Solutions runs a decedent report monthly comparing the social security numbers of the members being paid with the Social Security. The clerk reviews the report monthly. Trustee DaSilva stated that collecting a letter annually would be more work for a program that already is in place. He is more concerned with a member getting remarried to a much younger person, dyeing and then the beneficiary gets the pension for life, that's what needs to be fixed. Trustee Moore stated that they had tried to fix it to, you and yours at the time you retire several times. No vote was taken. The Solicitor will reach out to Ice Miller with the answers. An item will be added to the next agenda if a special meeting isn't scheduled before the November regular meeting.

**Adjournment**

A motion was made to adjourn the meeting at 10:46 am by Trustee Kelley and 2<sup>nd</sup> by Trustee Wallace

VOTE	ADAM CHRISTINA	PATRICK KELLEY	JAMES BELLAMY	JOHN WALLACE	COUNCILMAN FOGARTY	MAYOR DaSILVA	MALCOLM MOORE
Aye	√	√	√	√		√	√
Nay							
Abstain							
Absent					√		