

**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 Monday, the 30th of August 2021 in Council Chambers at 3:00 p.m.

Trustees:

Chief William Nebus, Chairman, Police Representative - absent
 Lt. Jeffrey Wyrostek, Vice Chairman, Fire Representative - present
 John C. Neale, Retiree Representative - present
 John F. Wallace, Civilian Representative - present
 Ricardo D. Mourato, Councilman, City Council Representative - present
 Roberto L. DaSilva, Mayor – absent
 Malcolm Moore, Director of Finance, Administrator - present

Other Attendees:

Michael J. Marcello, City Solicitor
 Michael Dwyer, Wainwright Investment Counsel, LLC
 Kim Brown, Pension Clerk

Open Session Called to Order at 3:01 p.m. by Trustee Wyrostek

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN MOURATO	MAYOR DaSILVA	MALCOLM MOORE
Aye		√	√	√	√		√
Nay							
Abstain							
Absent	√					√	

Presentation by Wainwright Investments LLC

Michael Dwyer gave a current overview of the markets. Mr. Dwyer stated that the Feds will begin tapering bond purchases but won't raise rates for a while. As projected there was explosive earnings and growth in the second quarter. Indexes are up – S&P 500 year to date is up 15.25%.

The pension fund continues to trend up in the second quarter of 2021. The balance at June 30, 2021 was \$159M, increasing to \$161M as of today's meeting.

Entrust Special Opportunity continues to outperforming and we are in it for the long haul. The reversal of the drop in the market means private equity is doing great. The Board is able to put more money into Entrust Global Recovery Fund is going to allow new investors; there are two large investors who are interested. Mr. Dwyer suggests that this might be something to consider at the November 15th meeting, if for some reason it happens sooner than the next meeting maybe a special meeting should be called.

Trustee Moore stated that there was a capital call recently, there is a capital call coming up and he also needs funds to make monthly pension payments. Mr. Dwyer stated that Domestic Equity, specifically Vanguard Small Cap and Rhumblin Mid Cap are still the best places to draw from as they are both over the target weight.

Trustee Neale stated that in the Global Recovery fund DD is listed at a loss, are the Chinese going to start playing a more significant part in these types of funds or portfolios? Mr. Dwyer will look into this, it's a good question to ask Global. Trustee Neale also asked, now that the stock market is doing so well, is there any way to correlate the percentage gained in the market to the unfunded liability. Mr. Dwyer stated that all the gains are in this period and the dynamics are constantly changing it would be hard to pin it down but he would have Jeff try to run something. Trustee Moore stated that the actuary has a smoothing effect over five years just for this

purpose. Trustee Wyrostek stated that changing the mortality tables didn't help. Also, regarding the portfolio risk, if the dow corrected 20% our portfolio wouldn't show the same percentage due to our diversity, correct? Mr. Dwyer stated that was correct. In 2008 the fund wasn't diversified enough but the restructure since then has fixed that and diversified that away to ride out the market. The market goes up on average 70% of the time, you will get pull backs but markets always recover. The portfolio has done very well, there will not be a high correlation to the S&P but it will be a somewhat of a correlation.

A motion was made to allow Trustee Moore work with the Financial Advisor to move money for bills as needed by Trustee Wyrostek and 2nd by Trustee Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN MOURATO	MAYOR DaSILVA	MALCOLM MOORE
Aye		√	√	√	√		√
Nay							
Abstain							
Absent	√					√	

A motion was made to accept the performance report into record by Trustee Neale and 2nd by Trustee Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN MOURATO	MAYOR DaSILVA	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. Pension meeting journal for May 10, 2021
2. COLA listing for June, July and August 2021
3. Barings Invoice 1st and 2nd Qtr.
4. Invesco Invoice 2nd Qtr.
5. Nyhart Invoices April, May, June and July 2021
6. RhumbLine Invoice 2nd Qtr.
7. Wainwright Investment Counsel, LLC 1st and 2nd Qtr.
8. Wells Fargo Fee Advise 2nd Qtr.
9. Trade Authorization for Vanguard Ftse All World
10. Capital Call for Entrust Global Recover Fund LP
11. Capital Call for Dover Street X L.P.
12. Capital Call for Lexington Capital Partners IX, L.P.
13. Capital Call for Entrust Global Recovery Fund LP
14. Invesco Monthly Account Statement for April, May, June and July 2021
15. Invesco Fund Supplement received 8/17/2021
16. Principal U.S. Property 1st Qtr. 2021 Performance Report
17. EnTrust Global Recovery Fund LP 2nd Qtr. 2021 Report
18. Siguler Guff Unaudited Capital Account Statement FY21
19. Nyhart October 31, 2020 Actuarial Valuation

A motion was made to accept all items on the consent calendar by Trustee Neale and 2nd by Trustee Wallace

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN MOURATO	MAYOR DaSILVA	MALCOLM MOORE
Aye		√	√	√	√		√
Nay							
Abstain							
Absent	√					√	

Discussion/Vote regarding editing the wording of Ordinance 11-253.

Trustee Wyrostek handed out the two changes he thinks are needed to correct the intent of the Board when the ordinance was put forth in 2018. There are grammatical errors. This wasn't put forth because of any particular person. The first change would be the addition of "the spouse" before "shall be" in the first sentence. The second change would be the addition of "at the time of retirement." at the end of 1). This is because a retiree may remarry a much younger spouse. City Solicitor Michael Marcello said the first addition is not a problem but the second one is a little troubling. His concern is if a retiree gets divorced and remarries and there is a QDRO with the first wife. How much is left and who is entitled to what. Trustee Moore stated the reason this needs to be added is to keep the plan healthy the Board needs to close the loop holes. Trustee Moore did talk to the actuary a couple of years ago and received guidance. Trustee Neale asked what the State of RI does, the Solicitor is not sure. Trustee Mourato asked for the minutes of the meeting where 11-253 was passed. He would like to see the discussions so he could gather the intent; this is a big change in the second part. He is interested in why the ordinance passed the way it is written, there must be a reason why. This does not have to be decided today. There must be a reason why this is added. Trustee Moore stated that he wrote it and his intent was to take care of you and yours at the time of retirement. Trustee Wyrostek stated that this was a new ordinance and the Board came up with this it just wasn't passed correctly. The purpose of this was because how much of a ding can the pension fund take if an eighty year old marries a twenty year old.

A motion was made to table this to the next meeting by Trustee Wyrostek and 2nd by Trustee Mourato

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN MOURATO	MAYOR DaSILVA	MALCOLM MOORE
Aye		√	√	√	√		√
Nay							
Abstain							
Absent	√					√	

Discussion/Vote regarding fire cancer ruling regarding date diagnosed verses date of petition to the Pension Board.

Trustee Wyrostek stated this is something the Board needs the Solicitors opinion on for record keeping. What do we go by, the date they are diagnosed or the day they petition the board. Can somebody come forward ten or twenty years later and ask for a retroactive conversion? Solicitor Marcello stated that any type of cancer counts now, the conversion is automatic and does not come back to the Board for a decision. The real question is what if somebody is in a nursing home and doesn't notify us, what date do we take. This is a real problem. The way the statute is written is very poor. This could be a real problem for us the way it's written. This is a huge issue and the Solicitor has meet with Joe Andreoli, president of the RI Association of Firefighters regarding this. Under this statute if you have any kind of cancer and are a firefighter you qualify. Every man if they live long enough will develop prostate cancer. What happens if the cancer is removed or after treatment is in remission, you are cancer free, do you go back to a regular pension?

No vote taken – discussion only.

Adjournment

A motion was made to adjourn the meeting at 3:53 p.m. by Trustee Mourato and 2nd by Trustee Moore

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN MOURATO	MAYOR DaSILVA	MALCOLM MOORE
Aye		√	√	√	√		√
Nay							
Abstain							
Absent	√					√	