

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 18th of February 2020 in Conference Room A at City Hall, 145 Taunton Avenue, East Providence, RI 02914 at 3:00 p.m.

Trustees:

Chief 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
Ricardo D. Mourato, Councilman, City Council Representative - present
Roberto L. DaSilva, Mayor – present, arrived at 3:08
Malcolm Moore, Director of Finance, Administrator - present

Other Attendees:

Michael J. Marcello, City Solicitor

A motion was made to call the meeting to order 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						√	

Open Session Called to Order at 3:03 p.m. by Trustee Nebus

Presentation by Wainwright Investments LLC

Michael Dwyer and Jeff Fabrizio were here from the pension investment counsel firm to review the December 2019 Quarterly Performance Report. The pension fund stood at \$139.0 million. The year to date return was up 18.21%. It was a fantastic year with strong domestic equity, international equity and even the bond market. With the current asset allocation and manager choices everything is lined up no rebalancing is necessary for the account. Malcolm will have to draw cash for invoice payments in the near future. Capital calls for EnTrust and Clairton Lion have just started coming in and will be reflected on the performance report reviewed in May. Trustee Wyrostek asked how to measure the bench mark for EnTrust. Mr. Dwyer explained that they are a hybrid and there is no good fit so it's hard. That's also why he asked for an update from them today.

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

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

Conference call with EnTrust Global for a portfolio update

Courtney explained that just this morning an e-mail was sent regarding the ownership of the company. Mike Mason has sold and Franklin Templeton is in. It is now a privately held company and this is a very positive move. Paul Rosenberg explained the strategy and structure. In 2008 it was a very traditional fund a fund but several managers approached them with new ideas born out of the financial crisis. The ideas were not traditional because they would take a few years to play out and a traditional fund has quarterly liquidity so they had to come up with a way to make it work. These ideas need two to five years to play out and there are two things they look for with co-investments: lower fees and very active management. Michael Dwyer is going to work with EnTrust and Wells Fargo to better report the numbers.

A motion was made to accept the handout into record by Trustee DaSilva and 2nd by Trustee Wallace

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

Update / Discussion regarding the cancer law with the solicitor for an opinion of the impact of the RI Supreme Court Case Titled Corrine A. Lang as Executrix of the Estate of Kevin Lang v. Municipal Employees' Retirement System of Rhode Island.

Solicitor Michael Marcello explained that the old interpretation of the law, that any cancer diagnosis whether on the job or after retirement would not automatically be deemed job related for firefighters and converted to a disability pension, has now been challenged. It has to be proven that the cancer was job related. Fire Union President David Dafonseca confirmed that there is a bill in the session to challenge this finding and we should know better in May where it stands. He stated that the department will better document exposure. There is a new app to help with this. Solicitor Marcello advised the Board that if a retiree or current employee applies for a disability pension due to cancer the current law needs to be followed and the requester will have to prove the cancer is job related.

No motion or vote was made

Update / Discussion / Action regarding funding level status of the pension fund overall and how the two side breakdown. Is the fund in critical status and do letters need to be sent the members.

Trustee Moore handed out a worksheet with actuarial valuation as of October 31, 2018. Police is funded at 84.9% and Fire is funded at 32.6%. Trustee Neale asked if there were any preliminary figures for FY19 from Nyhart yet reflecting the new mortality rates. Trustee Moore say he is still providing information to Nyhart and he doesn't have a preliminary report yet. Trustee Nebus asked that when the letters do go out if the two different breakdowns could be listed.

No motion or vote was made

Discussion / Action regarding looking into hiring somebody to write the pension plan documents.

Trustee Moore would like to have a formal document. Trustee Nebus asked how much this would cost and if possibly the current interns from URI who are looking for something to do could handle this and have the Solicitor review it when they are done. Trustee Moore will reach out to Nyhart to see how much they would charge.

A motion was made to put out a RFP by Trustee DaSilva and 2nd by Trustee Wyrostek

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

Update / Discussion / Action regarding the wording/meaning of ordinances 11-235 Requirements for service retirement (arbitration), 11-242 Refund of contributions (form) and 11-252 Death of a retired participant (words). Review of the proposed additional language. Drafting an ordinance regarding converting a regular pension to a disability pension due to a cancer diagnosis so calculations can be codified.

Trustee Moore explained that these are left over ordinances that need clarification. 11-235 Does not need to be reworded, the Board agrees. Trustee Moore has concerns about 11-252 and the benefits that could be derived if a surviving spouse is much younger because the retiree remarries. This could have a detrimental effect on the pension. Trustee Wyrostek stated 11-252 as passed by the former council was not the intent of the Board and needs to be corrected. The Solicitor said the Board does not need to approve the form for HR, just let HR know to begin using it and put a time line on it. The retiree can requested the return of funds any time within the year but one year after separation the pension contributions will be automatically returned.

This item is tabled so the Solicitor can review

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 November 18, 2019
2. Capital Call for Clarion Partners Lion Industrial Trust
3. Capital Call for EnTrustPermal Special Opp Fund IV Ltd.
4. Capital Call for HarbourVest Dover Street X L.P.
5. Capital Call for Lexington Capital Partners IX, L.P.
6. COLA listing for December, January and February
7. Barings Invoice 4th Qtr.
8. IR+M Invoices 4th Qtr.
9. Invesco Invoices 4th Qtr.
10. RhumbLine Invoice 4th Qtr.
11. Wainwright Investment Counsel, LLC Invoice 4th Qtr.
12. Wells Fargo Fee Advise 4th Qtr.
13. Invesco Account Monthly Statements for October and November

14. Invesco Annual Account Statement for 2019
15. Principal U.S. Property Account 4th Qtr. Flash Report
16. Nyhart preliminary results FY19 Management Summary

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

VOTE	MAJOR NEBUS	JEFF WYROSTEK	JOHN NEALE	JOHN WALLACE	COUNCILMAN MOURATO	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 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 4:08 p.m. by Trustee DaSilva and 2nd by Trustee Moore

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

A motion was made to seal minutes and adjourn executive session at 4:30 p.m. by Trustee Mourato and 2nd by Trustee Neale

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

Reconvene in Open Session at 4:30 p.m.

Reading of the votes from Executive Session by Trustee Nebus:

There were no votes taken during executive

Adjournment

A motion was made to adjourn the meeting at 4:30 p.m. by Trustee Mourato and 2nd by Trustee Neale

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