

CITY OF EAST PROVIDENCE

POLICE AND FIRE RETIREMENT SYSTEM

JOURNAL

A special meeting of the Fire and Police Retirement System Board of Trustees was held on Tuesday, the 30th of March 2021 in Council Chambers at 3:00 pm along with audio only Zoom conference call for those that didn't want to attend in person.

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 - absent
Roberto L. DaSilva, Mayor – present at 3:13pm
Malcolm Moore, Director of Finance, Administrator - present

Open Session Called to Order at 3:09 p.m. by Trustee Nebus

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					√	√	

Discussion/Vote regarding report from Nyhart that summarizes the change to the pension using the new mortality tables.

Elizabeth Wiley, Actuarial Consultant, Nyhart, part of FuturePlan by Ascensus, had explained the proposed change at the previous meeting. Mortality tables are updated every 10 years. The latest release by the Society of Actuaries was the RP14 table, which was based on 2006 data. To account for yearly changes, the adopted the Mortality Improvement Scale. They now use Generational Mortality to improve year over year. In the past year, they came out with PUB 2010 tables. These tables have one for public pensions. The tables show that public employee have longer life expectancy than before. The impact of this change would increase the pension liability up between 2% - 6%. The pension board could adopt the change for the 2010 valuation or wait until next year when the city will have to do an experience study. Ms. Wiley explained that per Rhode Island General Law, every three years the pension board has to do an experience study which compares the existing assumptions to actuals and makes recommendation based on the data. One of those recommendations would be to adopt the public pension mortality table.

Mr. Mourato wanted to know when the last time the pension board made changes. Ms. Wiley stated that the last changes were done in the 2016 valuation. The board wanted to know the impact before making any decision. Ms. Wiley did not have that information but could include that in the study.

The table Nyhart prepared was presented today and explained by Trustee Moore. Trustee Nebus wanted to make sure that it wasn't for all municipal employees because that would make a big difference. He wanted to

know if it made sense to hire a second company to get a second opinion. Trustee Mayor DaSilva is concerned with the impact the changes will make, causing a tax increase. Trustee Nebus asked what the percentages are between fire and police. It was noted that the Pension Board should have the union contracts run by the Board because of the large impact they make on the pension fund. Trustee Neale was wondering if any of the Federal money could be freed up for a one time only contribution. Trustee Wyrostek stated that we are paying Nyhart money for their expertise and we shouldn't doubt them and it would be best to follow the experts. Trustee Wallace wondered why there was such a difference between the two actuaries and it was explained that the prior company was antiquated. Trustee Moore stated that the City will be in a better place in two years with freed up funds that just are not available because of the new school right now. He will redo the numbers and the Board can look at it again in May. Trustee Wyrostek suggested that the funding could be redone every three years or so.

To be tabled to the next meeting.

Adjournment

A motion was made to adjourn the meeting at 3:57 p.m. 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					√		

Below is a summary of projected 10/31/2020 results using the assumptions consistent with the prior valuation report and then a sensitivity analysis showing the projected impact of adopting the Pub-2010 mortality tables.

Note that the projected 10/31/2020 results shown below are for comparison purposes only. Liabilities are based on participant data as of 10/31/2019 rolled forward to 10/31/2020. Asset information as of 10/31/2020 is reflected. Final valuation results will change after we finish reconciling the 10/31/2020 participant data for use in the final valuation report. All other assumptions are consistent with the 10/31/2019 valuation dated May 4, 2020.

	10/31/2019 Final Results	Projected Baseline 10/31/2020 Results (Current Mortality Assumption)	Projected 10/31/2020 Results Using Pub-2010 Mortality Tables	Impact
Accrued Liability (Rolled forward from 10/31/2019 Data)	239,751,997	246,733,053	258,927,029	4.94%
Actuarial Value of Assets	136,158,048	140,040,679	140,040,679	
Unfunded Accrued Liability	103,593,949	106,692,374	118,886,350	11.43%
Funded Percentage	56.8%	56.8%	54.1%	-2.7%
Normal Cost	2,016,234	2,087,966	2,347,649	12.44%
Amortization of UAAL	6,322,942	6,705,926	7,542,576	12.48%
Calculated Contribution	8,339,176	9,124,977	10,255,360	12.39%
Valuation Payroll	15,219,499	15,790,230	15,790,230	
Calculated Contribution as % of payroll	54.8%	55.7%	62.6%	6.9%
Projected Payroll	15,790,230	16,382,364	16,382,364	
Actuarial Recommended Contribution for PYE 10/31/2022 {PYE 10/31/2021 for 10/31/2019 Results}	8,653,046	9,124,977	10,255,360	12.39%