

THE CITY OF WARWICK  
STATE OF RHODE ISLAND

No..... Date.....

Approved.....Mayor

**AN ORDINANCE AMENDING SECTION 20-132 OF THE CITY OF WARWICK CODE OF ORDINANCES RELATIVE TO FIRE AND POLICE 1 EMPLOYER PENSION CONTRIBUTIONS AND CHAPTER 60 TO CREATE A FUNDING STRATEGY FOR OTHER POST-EMPLOYMENT BENEFITS**

*Be it ordained by the City of Warwick:*

Section I: Chapter 20-132 of the City of Warwick Code of Ordinances is hereby amended by as follows:

**Sec. 20-132. Employer contributions.**

(a) Effective July 1, 1995, the city's annual contribution to the fund on account of members and "members," as defined under section 52-31 of the Code of Ordinances, is the sum of the following three components:

- (1) Normal cost, net of employee contributions, as determined by the actuary;
- (2) An amount determined by the actuary which, with annual increases equal to the actuary's assumed rate of increase in base pay, will amortize the unfunded actuarial accrued liability as of July 1, 1995, over a 40-year period ending June 30, 2035; and
- (3) An amount determined by the actuary which, with annual increases equal to the actuary's assumed rate of increase in base pay, will amortize over 20 years the increase or decrease in the actuarial accrued liability after July 1, 1995, attributable to plan amendments, changes in actuarial assumptions, and actuarial experience gains and losses affecting members and "members," as defined under section 52-31 of the Code of Ordinances.

(b) The normal cost and actuarial accrued liability shall be determined using the entry age normal actuarial cost method and such actuarial assumptions as recommended by the actuary. Actuarial valuations will be performed by the actuary, in accordance with generally accepted actuarial principles, no less frequently than on an annual basis, with valuations performed as of July 1, 1995; July 1, 1997; etc. The results of the July 1, 1995, valuation will be used to determine the required contributions for the 1996-97 and 1997-98 fiscal years while the July 1, 1997, valuation will determine the required contributions for 1998-99 and 1999-2000, etc. Beginning with the June 30, 2013 actuarial valuation and annually

1 thereafter the required costs for the fiscal year following the year of each valuation will be  
2 indexed at the actuary's assumed rate of increase in base pay. The actuarial valuation shall  
3 be received by the board by the February 1 following the valuation date. Upon the request  
4 of the city council, the actuary shall appear and present the results of the annual actuarial  
5 valuation at a regular meeting of the city council.

6 (c) City contributions will be paid throughout the fiscal year in 24 equal installments, with each  
7 payroll period.

8 (d) For the 1995-96 fiscal year only, the city will contribute the amount determined by the July  
9 1, 1995, actuarial valuation without indexation.

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11 (e) Effective July 1, 2023, the City's annual contribution to the fund on account of members and  
12 "members," as defined under section 52-31 of the Code of Ordinances shall be as follows:

13 (1) With each valuation, the actuary shall compute the total liability of the plan and  
14 subdivide that liability into funded and non-funded accounts.

15 (2) No annual appropriations shall be required for the funded segment.

16 (3) The actuary shall determine the proportion of the expected annual benefit payments  
17 attributable to the non-funded segment and the city shall appropriate such funds plus  
18 the expected administrative expenses.

19 (4) The first valuation based upon this approach shall be the July 1, 2022 valuation which  
20 shall determine the contribution for the fiscal year 2023-2024. The process shall repeat  
21 each year thereafter in accordance with updated actuarial studies.

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24 Section II: Chapter 60 of the City of Warwick Code of Ordinances is hereby amended by adding  
25 thereto the following Article:

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27 **ARTICLE IV. OTHER POST EMPLOYMENT BENEFITS**

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29 **Sec. 60-500. Employer contributions.**

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31 (a) For fiscal year 2023-2024, and each year thereafter until the Other Post-Employment Benefits  
32 Unfunded Actuarial Accrued Liability is reduced to \$0.00, the city actuary shall:

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34 (1) Determine total employer pension contributions and OPEB claim payments in the prior  
35 year pursuant to the Warwick Ordinances Section 20-132 (Fire and Police 1), Section  
36 20-242 (Fire 2), Section 52-85 (Police 2), and Sections 60-251 to 60-253 (Municipal  
37 Employees), and OPEB claim payments from information supplied by the City of  
38 Warwick.

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40 (2) Calculate a 2.5% increase from the sum of subsection (1) of this section.

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42 (3) Determine total employer pension contribution appropriations and projected OPEB  
43 claim payments for the new year pursuant to Section 20-132 (Fire and Police 1), Section

1 20-242 (Fire 2), Section 52-85 (Police 2), and Sections 60-251 to 60-253 (Municipal  
2 Employees), and OPEB claim payments projected by the actuary.

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4 (4) Subtract the sum of subsection (3) of this section from the sum of subsection (1) of this  
5 section and subtract the result from subsection (2) of this section. The City shall  
6 appropriate the difference to the irrevocable “Other Post-Employment Benefit Trust”.  
7 If less than \$0.00, no contribution to the Other Post-Employment Benefit Trust is  
8 required.

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10 (b) Nothing shall prohibit the City from making additional appropriations in any year to the Trust  
11 from other sources without impacting future requirements under this section.

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14 Section III: This Ordinance shall take effect upon passage and publication as prescribed by law.

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17 SPONSORED BY: COUNCIL PRESIDENT MCALLISTER  
18 ON BEHALF OF MAYOR PICOZZI

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20 COMMITTEE: FINANCE