



OFFICIAL MINUTES OF:

Meeting of:	Personnel Committee
Date:	December 20, 2004
Time:	10:15 a.m.

MEMBERS PRESENT

Vincent J. Mesoletta, Chairman
Paul Pinault
John MacQueen
Angelo Rotella, Vice Chairman
Michael Salvatore

MEMBERS ABSENT

Laurie Montanaro, Personnel Chair
Bruce Campbell

STAFF AND GUESTS PRESENT

Ray Marshall, NBC
Karen Giebink, NBC
Joanne Maceroni, NBC
Thomas Uva, NBC
Diane Buerger, NBC
Rich Bernier, NBC
Commissioner Rick Burroughs

Jamie Samons, NBC
Jean-Marie Grossi, NBC
Bill Cox, NBC
Rich Bernier, NBC
Laurie Horridge, NBC
Thomas Massaro, PUC

1. Call to Order

Due to the fact that Personnel Committee Chairwoman Montanaro was not present, Chairman Mesoletta chaired the December 20, 2004 Personnel Committee Meeting. Recognizing a quorum, Chairman Mesoletta called the December 20, 2004 Personnel Committee meeting to order at 10:39 a.m.

2. Approval of Minutes – November 17, 2004

Chairman Mesoletta asked if all Committee members had an opportunity to review the minutes of the November 17, 2004 Personnel Committee meeting. Commissioner Salvatore motioned to approve the minutes of the November 17, 2004 Personnel Committee meeting as written. Commissioner MacQueen seconded the motion, and the vote taken by the Committee was unanimous. The motion carries.

3. Items for Action:

A. *Review and Approval of Resolution 2004:37, Revision of the Narragansett Bay Commission Non-Union Defined Benefit Plan*

Mr. Pinault stated that since the last meeting of the Personnel Committee on November 17, a series of letters have gone back and forth between the NBC and the Public Utilities Commission (PUC). The NBC Chairman sent a letter to the PUC immediately following the November 17, 2004 Board Meeting explaining what the Board did and why the Board did it. The letter also noted that we would be willing to meet with them to discuss their comments and questions on our Plan and to hopefully resolve them. Shortly thereafter, the PUC sent another letter, which was strongly worded, and it started a series of letters going back and forth, all of which have been forwarded to the NBC Board the week of December 6. Since that time, the PUC has opened a docket to investigate the proposed defined benefit portion of the retirement system for our non-union employees.

Mr. Pinault stated that NBC's legal counsel, Peter McGinn, sent a letter to the PUC noting that we would consider amending the Plan and postponing the implementation date from January 1, 2005 to February 1, 2005. Resolution 2004:37, which was mailed to the Board last week, does just that. In addition, over the last month, staff has worked on refining the Plan, and that was summarized in a memo dated December 15 from Karen Giebink and Dan Waugh from TLPS&C. Mr. Pinault noted that they simplified the Plan and made it easier to read.

Ms. Karen Giebink referred to a memo from NBC's legal counsel Dan Waugh dated December 15, 2004. She noted that a number of items in the Plan document have been finalized as follows:

1. Definition of Early Retirement – The Plan continues to offer an early retirement option of 62 years of age with 20 years of service. Retirement benefits would be the accrued benefit less 1/15 per year for each year prior to normal retirement age.
2. Sections 3.3 and 9.1(d) – Election to participate was modified to allow employees to discontinue participation in the Plan should the Plan be modified to 1) increase mandatory Employee contributions, or 2) decrease the rate of future benefit accruals unless no mandatory Employee contributions are required.
3. Section 5.4 (b) (3) – Eliminates the lump sum death benefit.
 - a. Provides a pre-retirement death benefit for terminated participants actuarially equivalent to 50% of the Participant's Accrued Benefit Amount, if greater.
 - b. Provides a pre-retirement death benefit for active participants actuarially equivalent to the Participant's Accrued Benefit, or his/her Accumulated Employee Contribution Amount, if greater.
4. Section 5.6 (b) – Allows for an employee to continue to work beyond their normal retirement age without requiring the employee to forgo receipt of their retirement benefits during that period. Benefits will be paid into an account held by the Trustee and will be distributed to the Employee on his/her Beneficiary in the form of an annuity upon the Employee's termination of service or death.
5. Section 3.2 – The break in service rules have been simplified.
6. Section 10.1 – Simplifies the termination provisions to provide that, except in connection with bankruptcy, receivership, and similar proceedings, the Plan may

not be terminated unless each Participant's "priority benefit" can be satisfied from Plan assets. A Participant's priority benefit is his;/her Accumulated Employee Contributions Amount plus interest credited at 10% per annum, less any amounts previously distributed to the Participant, or (if less) the Present Value of the Participant's Accrued Benefit.

7. The full definitions and administrative provisions applicable to private sector pension plans are not needed for the Commission's Plan. Because staff and consultants had additional time to work on the language, we were able to eliminate or streamline various definitions and administrative provisions.

Mr. Pinault stated that in summary, Resolution 2004:37 revises the implementation date from January 1, 2005 to February 1, 2005, and adopts this new modified plan, with the minor changes to the Plan that Karen Giebink just explained. This Resolution also postpones the reduction of NBC's contribution to the defined contribution plan from 10% to 5% until 2/1/05. He stated that our recommendation is that the Personnel Committee approve Resolution 2004:37.

With no questions or comments, Commissioner MacQueen motioned to approve Resolution 2004:37, Revision of the Narragansett Bay Commission Non-Union Defined Benefit Plan. Commissioner Rotella seconded the motion, and the vote taken by the Personnel Committee was unanimous. The motion carries.

4. Other Business

None.

5. Adjournment

With no further business to come before the Committee, Commissioner Rotella motioned to adjourn. Commissioner Salvadore seconded the motion, and the vote taken was unanimous. The meeting adjourned at 10:54a.m.

Respectfully submitted,



Paul Pinault, *Secretary*