

Rhode Island Public Transit Authority

Joint Pension Board

Minutes of the May 21, 2012 Meeting

Joint Pension Board Members Present: Jerome Williams, Acting Chair; Stephen Durkee; Thomas Cute; Christine Johnston; and Kevin Millea.

Also Present: Charles Odingbe, Chief Executive Officer; Todd Gleason (Outside Counsel); Lazaro Guzman from Prudential Securities; Maureen Ruzzano; Ellen Mandly and other members of the RIPTA staff and the general public.

Agenda Item 1: Approval of Minutes of April 23, 2012 Monthly Meeting

Acting Chair Jerome Williams called the meeting to order at 1:10 pm and asked if the members had an opportunity to review the minutes of the Joint Pension Board meeting held April 23, 2012 and the members indicated that they had.

A motion to approve the minutes as presented was made by Ms. Johnston and seconded by Mr. Cute. The minutes of the April 23, 2012 meeting were unanimously approved as presented.

Agenda Item 2: Convene as Pension Benefit Sub-Committee

o Consideration of Benefits' Requests – Division 618

o JPB Action: Francisco Martin – Active Employee – Age 65

Request for Late Pension effective 5/1/12 - \$746.61

Ms. Ruzzano discussed the details of the pension request by Mr. Martin saying he was employed with the Authority for a total of 9 years and 2 months and during his employment Mr. Martin was included in the hourly pension plan. Following Ms. Ruzzano's remarks Mr. Millea moved that Mr. Martin's pension request be approved as presented. Mr. Cote seconded the motion. The motion passed unanimously.

Agenda Item 3: Presentation by Lazaro Guzman of Prudential Securities

Lazaro Guzman Vice President of Investment Strategy from Prudential Retirement Services addressed the Committee and said he would begin by discussing the performance of the pension plans and would go over the hourly plan and salary plan separately. He said he would discuss the asset allocations and then recommend two changes. Mr. Guzman then pointed out the blue box on the top of page 2 of the Pension Plan Performance and Asset

Allocation Board report and read the net dollar weighted rates of return and opined that the economy is slowly, but steadily improving. He then discussed some of the benchmarks used by Prudential to evaluate the various funds.

Mr. Guzman then began discussing the Pension Plan Performance and Asset Allocation Board report in detail. He began by elaborating on the details of the performance of the salaried plan first and then did the same regarding the status of the hourly plan. He discussed issues such as the effects of economy in Greece and Spain and the state of the US economy generally on the investment vehicles.

Mr. Guzman reiterated that overall the plans are doing well but suggested that for the salaried plan the Committee add a small value fund and potentially split the assets currently in Small Growth / TimesSquare with one of the following Small Value funds: Kennedy Capital Fund or Victory Fund.

For the hourly plan, Mr. Guzman potentially replacing Small Growth / Boston Company , which is on the watch list, with Small Growth / TimesSquare to be more consistent with the salaried plan. He also suggested the addition of a small value fund and split the current assets in small growth with a small value fund. He discussed the foregoing recommendations by reading and referencing from the pages in the Board report.

Mr. Guzman answered questions from the Committee regarding guaranteed deposit on new money and old money, the right mix of asset allocations to get the plan to be fully funded, and said next time he presents he can develop recommendations to address getting the plan fully funded. Mr. Guzman then answered questions regarding the specific funding changes he is recommending today.

Following Mr. Guzman's presentation, Mr. Williams said he would like more time to consider the recommended changes and compare them to other funds. Ms. Johnston agreed with this suggestion.

The Committee was asked to send questions for Mr. Guzman to Ellen Mandly who would forward the questions and respond back to the Committee members.

Agenda Item 4: Adjournment

Mr. Williams asked if there was further business and hearing none asked for a motion. A motion to adjourn the meeting was made by Mr. Durkee. The motion was seconded by Ms. Johnston and passed unanimously. The meeting was adjourned.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary