



**Employees' Retirement Board of Rhode Island  
Monthly Meeting Minutes  
Wednesday, May 14, 2008**

**9:00 a.m.**

**8<sup>th</sup> Floor Conference Room, 40 Fountain Street**

The Monthly Meeting of the Retirement Board was called to order at 9:05 a.m., Wednesday, May 14, 2008 in the 8<sup>th</sup> Floor Conference Room, 40 Fountain Street, Providence, RI.

**I. Roll Call of Members**

The following members were present at roll call: Gary R. Alger; Daniel L. Beardsley; Frank R. Benell Jr.; Rosemary Booth-Gallogly; Roger P. Boudreau; Michael R. Boyce; General Treasurer Frank T. Caprio; William B. Finelli; M. Carl Heintzelman; John P. Maguire; John J. Meehan; Louis M. Prata; Susan K. Rodriguez and James P. Yancy.

Also in attendance: Frank J. Karpinski, ERSRI Executive Director and Attorney Michael P. Robinson, Board Counsel.

Recognizing a quorum, Treasurer Caprio called the meeting to order.

**II. Approval of Minutes**

On a motion by William B. Finelli and seconded by Frank R. Benell, Jr., it was unanimously

**VOTED: To approve the minutes of the April 9, 2008 meeting of the Employees' Retirement System of Rhode Island Board.**

**III. Chairman's Report**

Treasurer Caprio apprised the Board that the Retirement System and its staff are successfully handling the unprecedented number of individuals who are presently inquiring about retirement benefits. Also, the Treasurer said that his office has adopted weekly luncheon meetings with different departments within the Retirement System to stay apprised of any issues through the September 30 date when most of the retirements should be completed as a result of Article IV of the supplemental budget.

**IV. Executive Director's Report**

Director Karpinski informed the Board that the actuary, Gabriel, Roeder, Smith and Company (GRS), will attend the June meeting to present the valuations for State Employees, Teachers, State Police and Judges. The Director said GRS will present the Municipal valuation in July. The Teacher Survivor Benefit fund is a biannual valuation and will be presented in October.

The Director updated the Board on issues that had occurred since the last meeting, specifically with regard to Article IV. Director Karpinski told the Board that he would coordinate discussions with the actuary and members of the Budget Office to discuss the number of known or potential layoffs. The Director told the Board that if fewer members contribute there could be an impact on the amortization of the unfunded liability. He said all else being equal, if the number of layoffs are significant, the contribution rate would require an upward adjustment since a dollar certain amount must be available to cover the unfunded liability.

Director Karpinski apprised the Board of a second issue regarding IT costs for the implementation of healthcare changes namely, who would cover the costs? The Director asked the Board to consider the cost questions and he would present the costs as soon as they are known.

The Director informed the Board that the company which prepared the management cost study, CEM will make a presentation of their final report at the June Board meeting. After that meeting the Director asked that the Board reconvene for discussion and decision regarding recommendations and implementation.

Director Karpinski told the Board that in conjunction with the Treasurer's initiative to develop a Call Center, a new phone system called IP Office was presently being implemented. The Director explained that IP Office will provide a reporting system that will allow ERSRI to determine the total number of telephone calls received and other important metrics to assist management in enhancing customer service. The Director further explained how ERSRI's telephone number will eventually change to (401) 457-3900. Right now, Director Karpinski told the Board that the new number is transparent to the outside caller. He said there is an auto attendant but, there are only a few options on the menu. The caller will hear one option and then a live person, not additional menu layers. The Director also informed the Board that in conjunction with the new telephone system, the management staff has been working to improve the website in terms of format and design.

Director Karpinski then updated the Board on the Procurement Subcommittee which had met at 8:30 in the morning. The Director told the Board that the Subcommittee met to ratify a new one year extension (as provided for in the original contract) for GRS. The Director said the Subcommittee recommended a one year extension of the contract and told the Board provided they have no other issues, he would recommend approval. He provided a handout on the proposed actuarial fees for FY 2009. There being no other concerns from the Board, on a motion by Gary R. Alger and seconded by William B. Finelli and it was unanimously

**VOTED: To accept the recommendation of the Procurement Subcommittee to renew the actuarial contract for Gabriel, Roeder, Smith and Company for Fiscal Year 2009 as outlined in the March 25, 2008 proposal.**

The Director then addressed the statistics on appointments by presenting a handout of graphs representing current appointment volume. Director Karpinski noted that 1,500 individuals will come through the system between December 2007 and September 30, he said this is about double to that of 2007. Also, the Director explained that numerous members had come through the system after the Providence Journal article was published. The Director commented that the article reported one woman who had to

wait for an hour prior to obtaining an appointment when, in truth, the woman was a “walk-in” versus one who has an appointment.

The Director stated group counseling sessions are another mechanism which has just been implemented in an effort to facilitate some of the volume. He said it is the first option offered to members. The Director explained that a group, comprised of 10 or more members will have estimates prepared by the counselors who will provide an MS PowerPoint® presentation of available benefits. Subsequent to the session, the final step consists of the member submitting information for termination. The Director commented that there was a very positive response to the first group counseling session.

Director Karpinski then provided the Board with the Pension Application Processing Report for the month of April. The report, the Director explained, is another method of gauging the volume of applications. The Director stated that although applications have presently stabilized, he questions whether the System has experienced the height of application volume or whether another tsunami may ensue.

Daniel L. Beardsley stated that there may be an increase in municipal employees filing retirement applications should Senate bill 3050 become law although as of yet, no hearing had been scheduled. Treasurer Caprio commented that the pre-publicity on that bill focused on those in public safety. Mr. Beardsley responded by saying that the bill also addresses municipal employees and those cities and towns with private self-administered benefit plans.

Director Karpinski additionally stated the issue from an administrative perspective, and said depending upon what the legislation specifically intends, the primary consideration is whether the benefit structure changes enough to promote retirements. The Director used the example of Article 7, Schedule B, from the 2005 legislative session wherein the eligibility changed and the benefits were reduced; however, the measure did promote any additional retirements.

## **V. Administrative Decisions**

### **Administrative Appeals**

#### *M. Jean Tisser vs. ERSRI*

Included in Board Members’ books were the decision, exhibits and supporting information for the matter of *M. Jean Tisser vs. ERSRI*. Attorney Robinson provided a synopsis of the matter. He apprised the Board that Mr. Tisser, Jean Tisser’s husband, was taking the plaintiff’s place since the plaintiff’s death. Mr. Tisser was accompanied by Mr. James Parisi, Field Representative for the Rhode Island Federation of Teachers and Health Professionals. There being a stenographer present, the parties presented their cases.

At the conclusion of the hearing, a motion was made by Rosemary Booth-Gallogly and seconded by Frank R. Benell Jr. and Gary R. Alger to uphold the decision of the hearing officer denying the request of Mr. Tisser to obtain an ordinary disability pension for his wife, M. Jean Tisser. A roll call was taken. The following members voted Yea: Gary R. Alger; Daniel L. Beardsley; Frank R. Benell, Jr.; Rosemary Booth-Gallogly; General Treasurer Frank T. Caprio and Susan K. Rodriguez. The following members voted Nay:

Roger P. Boudreau; Michael R. Boyce; William B. Finelli; John J. Meehan; Louis M. Prata and James P. Yancy.

John P. Maguire and M. Carl Heintzelman recused themselves from the matter.

There being 12 votes to cast, 6 voted in the affirmative and 6 nay, consistent with Rhode Island General Laws section 36-8-6, Votes of the Board –Record of Proceedings, there being a quorum present, the motion failed, a majority vote was not secured.

Then a motion was made by Michael R. Boyce and seconded by William B. Finelli and it was unanimously

**VOTED: To table the matter of *M. Jean Tisser vs. ERSRI* until a vote could be taken by the full Board.**

*Richard G. Labrecque vs. ERSRI*

Attorney Robinson provided a synopsis of the *Richard G. Labrecque vs. ERSRI* matter. He apprised the Board that Mr. Labrecque was being represented by Attorney Robert C. Iuliano. Attorney Iuliano apprised the Board that he serves as the city solicitor for Woonsocket. There being a stenographer present, the parties presented their cases.

At the conclusion of the hearing, a motion was made by Michael R. Boyce and seconded by Roger P. Boudreau to overturn the decision of the hearing officer. A roll call was taken. The following members voted Yea: Roger P. Boudreau; Michael R. Boyce; General Treasurer Frank T. Caprio; William B. Finelli; M. Carl Heintzelman; John P. Maguire; John J. Meehan; Louis M. Prata and James P. Yancy. The following members voted Nay: Gary R. Alger; Daniel L. Beardsley; Frank R. Benell, Jr.; Rosemary Booth-Gallogly and Susan K. Rodriguez.

There being 14 votes to cast 9 voted in the affirmative and 5 nay, consistent with Rhode Island General Laws section 36-8-6, Votes of the Board –Record of Proceedings, there being a majority vote of the members present and voting at which a quorum was present, it was

**VOTED: To overturn the decision of the hearing officer in the matter of *Richard G. Labrecque v. ERSRI* and grant the pension as a police and fire benefit.**

**Disability Appeals**

*Lillian Rivera vs. ERSRI*

Attorney Robinson provided a synopsis of the *Lillian Rivera vs. ERSRI* matter. He then apprised the Board that Ms. Rivera was being represented by Attorney Catherine Sammartino. There being a stenographer present, the parties presented their cases.

At the conclusion of the discussion, a motion was made by William B. Finelli and seconded by Gary R. Alger to uphold the decision of the Disability Subcommittee denying Ms. Rivera's application for disability benefits. A roll call was taken and it was unanimously

**VOTED: To affirm the decision of the Disability Subcommittee denying Ms. Rivera's application for accidental disability benefits.**

John J. Meehan recused himself from the matter.

Michael E. Marcello vs. ERSRI

Attorney Robinson provided a synopsis of the *Michael E. Marcello vs. ERSRI* matter. He then apprised the Board that Mr. Marcello was being represented by Attorney Gary T. Gentile. Attorney Gentile asked the Board if their board books contained a copy of the transcripts from the previous Disability Subcommittee hearing. It was confirmed that members of the Board did not have such information in their packets. Attorney Gentile then asked the Board if the matter could be continued and a copy of the transcripts be provided for their review. A motion was made by William B. Finelli and seconded by Michael R. Boyce and it was unanimously

**VOTED: To continue the matter to the June 11, 2008 Board meeting.**

**VI. Approval of the April pensions as presented by ERSRI**

A motion was made by Michael R. Boyce and seconded by Gary R. Alger and it was unanimously

**VOTED: To approve the April pensions as presented.**

**VII. Legal Counsel Report**

Attorney Michael P. Robinson informed the Board of one new case that has been placed into litigation *Algy Ripanti vs. ERSRI*. The plaintiff is seeking to modify his pension payment options in connection with a divorce. Attorney Robinson explained that the case had not passed through the ordinary administrative hearing officer process and the parties had agreed to hold the Superior Court action in abeyance until the case could pass through the formal administrative process.

**VIII. Committee Report**

**Disability Subcommittee:** The Disability Subcommittee recommended the following actions on disability applications as a result of its May 9, 2008 meeting for approval by the full Board:

<b>Name</b>	<b>Membership Group</b>	<b>Type</b>	<b>Action</b>
1. William Porter	State	Accidental	Approve
2. Donald Deshaises	State	Accidental	Table
3. John McNulty	State	Accidental	Approve
4. Ann Krajewski	Teacher	Accidental	Deny
5. Alan Grace	State	Accidental	Approve
6. Karen Oliver	Teacher	Ordinary	Approve
7. Donna Ciafrei	State	Accidental	Deny
8. Theodore DeWolfe	State	Accidental	Deny

<b>Name</b>	<b>Membership Group</b>	<b>Type</b>	<b>Action</b>
9. Sylvia Sampson	State	Accidental	Table
10. Charles Swenson	State	Accidental	Approve
11. Lucille Desjardins	State	Ordinary	Approve
12. Anthony DiLorenzo	Teacher	Ordinary	Approve
13. David Meltzer	Teacher	Ordinary	Approve
14. Linda Smith	Teacher	Ordinary	Approve
15. Duc Powers	Municipal	Accidental	Deny
16. Brain Castro	State	Accidental	Table
17. Patricia Login	State	Accidental	Deny

On a motion by William B. Finelli and seconded by Gary R. Alger it was unanimously **VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, March 9, 2008 on items 3, 5 and 8.**

John J. Meehan recused himself from items 3, 5 and 8.

On a motion by William B. Finelli seconded and by Michael R. Boyce it was unanimously

**VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, March 9, 2008 on items 4 and 6.**

John P. Maguire recused himself from items 4 and 6.

On a motion by William B. Finelli and seconded by Michael R. Boyce it was unanimously

**VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, March 9, 2008 on items 1, 2, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18.**

On a motion by William B. Finelli and seconded by Roger P. Boudreau it was unanimously

**VOTED: To remand item 7 to the Disability Subcommittee for additional review.**

## **IX. New Business**

### **Matter of Alan Barth vs. ERSRI**

Attorney Robert Ferrieri appeared on behalf of Petitioner Alan Barth, seeking to re-open the administrative record in the matter of Superior Court C.A. No. 07-5740 *Alan Barth vs. ERSRI* to formally admit two exhibits.

A review of the subject exhibits indicated that some documents were in fact provided to and reviewed by the Board. However, there appeared to be some confusion on which exact documents were actually provided.

Attorney Robinson recommended the Board re-open the record to include the exhibits and consider remanding the matter back to the Disability Subcommittee for further review.

On a motion by Rosemary Booth Gallogly and seconded by Michael R. Boyce it was unanimously

**Voted: To remand the matter of *Alan Barth vs. ERSRI* to the Disability Subcommittee for review of the medical records provided by Mr. Barth's Attorneys.**

## **X. Adjournment**

There being no other business to come before the Board, on a motion by John P. Maguire and seconded by Michael R. Boyce the meeting adjourned at 12:42 p.m.

Respectfully submitted,

**Frank J. Karpinski**

Executive Director