



Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, February 10, 2010
9:00 a.m.
8th Floor Conference Room, 40 Fountain Street

The Monthly Meeting of the Retirement Board was called to order at 9:10 a.m., Wednesday, February 10, 2010 in the 8th Floor Conference Room, 40 Fountain Street, Providence, RI.

I. Roll Call of Members

The following members were present at roll call: General Treasurer Frank T. Caprio; William B. Finelli; Gary A. Alger; Rosemary Booth-Gallogly; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; John P. Maguire; and John J. Meehan.

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 Mr. Heintzelman and seconded by Mr. Boudreau, it was unanimously **VOTED: To approve the draft minutes of the January 13, 2010 meeting of the Employees' Retirement System of Rhode Island Board.**

III. Chairman's Report

The Treasurer noted that the changes to ERSRI's website, including the online calculator, will be completed soon. He added that a newsletter was emailed to retirees this week regarding the changes in the withholding tax table and it also contained a detailed explanation of the 1099-R Form. The Treasurer said that going forward newsletters will be sent more frequently, as the Board suggested.

Treasurer Caprio said the staff has done an exceptional job meeting all current goals within the Strategic Plan. He mentioned that the number of new retirees has begun to decline in the last few months, which will allow staff time to focus on the future benchmarks within the Strategic Plan.

IV. Executive Director's Report

Director Karpinski referred to the Treasurer's comments regarding the content of the newsletter and added that it was sent to 6,299 retirees and it was also posted on ERSRI's website.

Director Karpinski apprised the Board of several changes that will be made to the format of the website; he said it will include separate tabs for retirees and active members. The Director said retirees will be able to access and print copies of monthly direct deposit receipts and check receipts for pension benefits from 2002 to current date online. Additionally, Director Karpinski said videos, presentations of benefits and other instructional information will be posted online sometime in the future.

The Director commented that next month Hewlett Packard (HP) will have the final analysis of a proposed cost for the ANCHOR system upgrade. Additionally, he said the annual contract has been executed with Gabriel, Roeder, Smith and Company (GRS) for actuarial services and HP for IT system maintenance with no increase in fees from the prior year.

The Director stated that he will be sending draft changes to the Rules and Regulations Committee in regard to Regulation #1, #4, and #9 of the General Rules. He also said he will be providing a new draft regulation regarding the definition of Police and Fire members.

Ms. Booth-Gallogly asked if there has been recent communication with retirees in regard to the effect that "Making Work Pay" credit will have on their tax withholding. The Director responded that the newsletter just recently sent included information regarding the "Making Work Pay" credit and potential tax consequences.

Mr. Finelli referred to the letter Director Karpinski sent to Governor Carcieri regarding supplemental contributions to ERSRI regarding §36-10-2 (e) and (f). He asked if there has been any communication regarding the required appropriation from the savings generated in fiscal year 2009. Ms. Booth-Gallogly explained that Article 16, of the FY 2010 Supplemental Budget, has a provision that is pending approval in the General Assembly which overrides this requirement for fiscal years when pension reform results in savings. She said that if the law is not changed an appropriation will be issued.

V. Administrative Decisions

Administrative Appeal – Jane Robinson vs. ERSRI

Included in Board Members' Books was the Hearing Officer's written decision, along with exhibits and supporting information in the matter of *Jane Robinson vs. ERSRI*. The Treasurer asked if consistent with Regulation Number 4, Rules of Practice and Procedure for Hearings, there were any written briefs, legal memoranda, or exceptions to the decision of the Hearing Officer which must have been submitted to the Executive Director not later than 10 days prior to the hearing. Director Karpinski apprised the Board that there were no additional documents submitted.

Treasurer Caprio then said that pursuant to ERSRI's regulations, each party to the proceeding has the right to appear and to make oral arguments before the Retirement Board. He apprised the appellant that it is not an opportunity to present new factual material to the Board and pursuant to ERSRI's regulations and Rhode Island case law, the Board owes deference to the Hearing Officer on factual determinations and

questions of credibility, and cannot overturn the Hearing Officer on determinations of fact or credibility unless such determinations are found to be clearly wrong.

Treasurer Caprio asked the appellant's Attorney, James Reilly, if Ms. Robinson would be making any presentation or oral argument before the Board. Attorney Reilly replied Ms. Robinson would not.

Attorney Robinson then provided a synopsis of the *Jane Robinson* matter. He said the matter is here on appeal from the decision of Hearing Officer Marcaccio. The Hearing Officer in this matter affirmed the Retirement System's position to deny the appellant the ability to purchase service credit for a period of time following her resignation from active teaching. There being a stenographer present, the parties presented their cases.

At the conclusion of the hearing, a motion was made by Mr. Heintzelman and seconded by Mr. Boudreau to affirm the decision of the Hearing Officer. A roll call was taken. The following members voted Yea: Gary R. Alger; Rosemary Booth-Gallogly; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; John P. Maguire; and John J. Meehan. The following members voted nay: General Treasurer Frank T. Caprio and William B. Finelli.

There being 9 votes to cast, 7 voted in the affirmative and 2 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 affirm the decision of the Hearing Officer denying Jane Robinson the ability to purchase service credit for the period of time following her resignation from active teaching.

VI. Approval of the January Pensions as Presented by ERSRI

On a motion by Mr. Boyce and seconded by Mr. Boudreau, it was unanimously

VOTED: To approve the January pensions as presented.

VII. Legal Counsel Report

Attorney Robinson noted that there were two new matters to mention. He said that the matter of *Brian Sullivan vs. ERSRI* is now in Superior Court. Also, he stated the matter, *Sandra Tiernan vs. ERSRI*, was filed prematurely with Superior Court and will be held in abeyance pending the conclusion of the administrative proceedings.

VIII. Committee Report

Disability Subcommittee: The Disability Subcommittee recommended the following actions on disability applications as a result of the February 5, 2010 meeting for approval by the full Board.

Name	Membership Group	Type	Action
1. Paul Santos	Municipal	Accidental	Approve
2. Sherry Quigley	State	Accidental	Approve
3. Linda Acciaro	State	Accidental	Deny
4. Michelle Carlow	State	Accidental	Postpone
5. Kristyn Orsini	State	Accidental	Postpone
6. Paul Vollaro	Municipal	Accidental	Approve
7. Phillip DeBeaulieu	State	Accidental	Postpone
8. Edward Simone	Municipal	Accidental	Approve
9. John Houle	State	Accidental	Postpone
10. Angelo Riccitelli	Municipal	Accidental	Postpone
11. Ann Elliott	Municipal	Accidental	Approve
12. Kevin Furtado	Municipal	Accidental	Postpone
13. Rosaline Myers	State	Accidental	Approve
14. Elaine Horden-Gerling	State	Accidental	Approve
15. Ellen Gould	State	Ordinary	Approve
16. Andrea Silva	State	Ordinary	Approve
17. Candice Breen	Teacher	Ordinary	Approve
18. Janet Anderson	State	Ordinary	Approve
19. Nicholas Guilmette	State	Accidental	Postpone

On a motion by Mr. Finelli and seconded by Mr. Boyce, it was

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, February 5, 2010 on item 17.

Mr. Maguire recused himself from item 17.

On a motion by Mr. Finelli and seconded by Mr. Boyce, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Wednesday, February 5, 2010 on items 1 through 16 and items 18 and 19.

IX. New Business

Mr. Finelli asked the Treasurer if an article that was recently published in the Providence Journal Bulletin stating that ERSRI's portfolio had a return of approximately 18% for calendar year 2009 was accurate. The Treasurer affirmed that it was accurate.

Mr. Boudreau referred to three municipal retirees listed in the Post Retirement Report who had worked over the 75 day limit. He asked the Director what the reconciliation process was for these individuals, as well as retired teachers who exceed the 90 day limit. The Director explained that the member monthly pension is divided by 30 days to determine a daily rate. He said that rate is then multiplied by the number of days the member exceeds the statutory limit on post-retirement and then that amount is reduced from the members' next monthly pension benefit. Mr. Boudreau felt it would be prudent to reiterate the post-retirement rules in a newsletter prior to the start of the school year. Director Karpinski agreed and said he would add a post-retirement article explaining the provisions of post-retirement employment to the summer newsletter.

X. Adjournment

There being no other business to come before the Board, on a motion by Mr. Boudreau and seconded by Mr. Heintzelman, the meeting adjourned at 9:52 a.m.

Respectfully submitted,

Frank J. Karpinski

Executive Director