



Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, November 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 9:00 a.m., Wednesday, November 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: Chief of Staff Mark A. Dingley Esq., designee for General Treasurer Frank T. Caprio; Vice Chair William B. Finelli; Gary R. Alger; Daniel L. Beardsley; Michael R. Boyce; M. Carl Heintzelman; John P. Maguire; John J. Meehan; Wayne T. Hannon, designee for Thomas A. Mullaney; Louis M. Prata; Linda C. Riendeau; Susan Knorr Rodriguez and Jean Rondeau. Frank R. Benell, Jr. and Roger P. Boudreau were not able to attend the meeting.

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

Recognizing a quorum, Vice Chair William B. Finelli called the meeting to order

II. Approval of Minutes

On a motion by Gary R. Alger and seconded by John P. Maguire, it was unanimously

VOTED: To approve the draft minutes of the October 13, 2010 meeting of the Employees' Retirement System of Rhode Island Board.

III. Chairman's Report

None this month

IV. Executive Director's Report

Director Karpinski noted that Board members were in possession the Pension Application report as well as a revised copy of the Retiree Detail report from October. He mentioned that an issue concerning Michael Ayer would be addressed during the legal counsel report. He said Board members were emailed a .PDF file of the information and hard copies were available at the Board meeting. Director Karpinski mentioned that Board members may wish to consider discussing the matter in Executive Session and it could be done during the legal counsel report.

Director Karpinski continued on to notify the Board of the need to consider the actuary's contract, which will expire in July of 2011. He said the actuary is under contract to complete the June 30, 2010 valuation as well as the experience study.

The structure of the contract allows the Board to re-approve or modify the contract on a year to year basis. Director Karpinski encouraged the Board members to begin to consider their options for the actuary's contract in the coming year, which include going to RFP, which would require a 6 month window for response, review by the procurement committee, and the presentation of results to the Board members or consider an extension as permitted by the current contract. He recommended that an actuarial audit be done if GRS is to be re-hired. Director Karpinski mentioned that he would place the actuary's contract on an agenda in the near future for consideration.

The Director assured the Board that no decision needed to be reached at this month's meeting, although Board members should take the matter into consideration.

The Director called for any questions or comments, of which there were none, and concluded his report.

V. **Administrative Decisions**

Richard Iverson vs. ERSRI – Request by the Town of Scituate for Reconsideration of the Board's September 8, 2010 Decision to Permit Mr. Iverson to Receive Service Credit.

Vice Chairman Finelli told the Board that included in Board Members' Books, was the Hearing Officer's written decision, along with exhibits and supporting information in the matter of *Richard Iverson vs. ERSRI* including information from the Town of Scituate after the matter was originally heard by the full Retirement Board at the September 8, 2010 meeting. The Retirement Board voted at the October 13, 2010 meeting to reopen the matter and to afford the Town of Scituate an opportunity to address the Board on its request that the Board reconsider its actions taken on September 8th, 2010.

The Vice Chairman 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.

Attorney Robinson then gave a synopsis of the matter, noting that the Board had previously affirmed the Hearing Officer's decision to allow Mr. Iverson to receive approximately 10 years of service credit for time served on the Scituate Town Council. He referred to a letter dated October 6, 2010 from Attorney David M. D'Agostino, who represents the Scituate Town Council. Attorney D'Agostino requested that the Board reconsider its earlier decision, and was present to be heard by the full Board. Director Karpinski apprised the Board that while ERSRI had contacted Mr. Iverson by mail and via telephone on 4 separate occasions prior to the hearing, he was not present.

There being a stenographer present, Attorney D'Agostino presented the Town of Scituate's position.

At the conclusion of the hearing a motion was made by Daniel L. Beardsley and seconded by Jean Rondeau to rescind the Board's vote to uphold the Hearing Officer's decision in the matter of *Richard Iverson vs. ERSRI*.

A roll call was taken. The following members voted Yea: Chief of Staff Mark A. Dingley Esq., designee for General Treasurer Frank T. Caprio; Gary R. Alger; Daniel L.

Beardsley; M. Carl Heintzelman; Wayne T. Hannon, designee for Thomas A. Mullaney; Susan Knorr Rodriguez and Jean Rondeau. The following members voted Nay: Michael R. Boyce; Vice Chair William B. Finelli; John P. Maguire; John J. Meehan; Louis M. Prata and Linda C. Riendeau.

There being 13 votes cast, 7 voted in the affirmative and 6 nay, consistent with Rhode General Laws §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 is present, it was then

Voted: To rescind the Board's vote to uphold the Hearing Officer's decision in the matter of *Richard Iverson vs. ERSRI*

Then, another motion was made by Daniel L. Beardsley and seconded by Gary R. Alger to send the matter back to the Hearing Officer for consideration of whether or not to reopen the administrative hearing in order to allow the employer and the employee to participate. A roll call was taken. The following members voted Yea: Vice Chair William B. Finelli; Chief of Staff Mark A. Dingley Esq., designee for General Treasurer Frank T. Caprio; Gary R. Alger; Daniel L. Beardsley; Michael R. Boyce; M. Carl Heintzelman; John J. Meehan; Wayne T. Hannon, designee for Thomas A. Mullaney; Susan Knorr Rodriguez and Jean Rondeau. The following members voted Nay: John P. Maguire; Louis M. Prata and Linda C. Riendeau.

There being 13 votes cast, 10 voted in the affirmative and 3 nay, consistent with Rhode General Laws §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 is present, it was then

VOTED: To remand the matter to the Hearing Officer for consideration of whether or not to reopen the administrative hearing in order to allow the employer and the employee to participate in the matter of *Richard Iverson vs. ERSRI*.

Further discussion took place with respect to whether or not notice to employers would be appropriate in certain contested matters. The administration will review options and report back to the Board at a future meeting if changes are recommended.

VI. Approval of the October Pensions as Presented by ERSRI

On a motion by Linda C. Riendeau and seconded by Michael R. Boyce, it was unanimously

VOTED: To approve the October pensions as presented.

VII. Legal Counsel Report

Attorney Michael Robinson updated the Board with respect to a new Superior Court administrative appeal, and on a recent decision issued by the Court in a prior administrative appeal.

Attorney Robinson then notified the Board that the next matter for discussion would be a possible pension revocation matter involving a possible lawsuit to be brought by the Board, involving Michael Ayer, a recently convicted government employee.

Consistent with Rhode Island General Laws section §42-46-5 (a)(2) regarding potential litigation by the retirement system, a motion was made by John P. Maguire and seconded by Michael R. Boyce to convene the Board in an Executive Session to discuss the matter of a possible pension revocation action.

A roll call vote was taken to enter into Executive Session, the following members were present at the roll call and voted Yea: Chief of Staff Mark A. Dingley Esq., designee for General Treasurer Frank T. Caprio; Vice Chair William B. Finelli; Gary R. Alger; Daniel L. Beardsley; Michael R. Boyce; M. Carl Heintzelman; John P. Maguire; John J. Meehan; Wayne T. Hannon, designee for Thomas A. Mullaney; Louis M. Prata; Linda C. Riendeau; Susan Knorr Rodriguez and Jean Rondeau. It was unanimously

VOTED: To convene the Board in Executive Session pursuant to Rhode Island General Laws section 42-46-5 (a)(2) to discuss potential litigation involving a potential pension revocation action to be brought by the Board against Michael Ayer, a recently convicted state employee.

[Executive Session]

The Board thereafter convened in executive session.

[Return to Open Session]

Upon returning to open session, the Board noted for the record that the following votes had been taken in executive session:

A motion was made by Jean Rondeau and seconded by Daniel L. Beardsley to authorize Attorney Michael P. Robinson to initiate an action in Superior Court regarding the revocation or reduction of the pension of Michael Ayer.

A roll call vote was taken, the following members were present at the roll call and voted Yea: Chief of Staff Mark A. Dingley Esq., designee for General Treasurer Frank T. Caprio; Gary R. Alger; Daniel L. Beardsley; M. Carl Heintzelman; Wayne T. Hannon, designee for Thomas A. Mullaney; Susan Knorr Rodriguez and Jean Rondeau. The following members voted Nay: Vice Chair William B. Finelli; Michael R. Boyce; John P. Maguire; John J. Meehan; Louis M. Prata and Linda C. Riendeau.

VOTED: To authorize Attorney Michael P. Robinson to initiate an action in Superior Court regarding the revocation or reduction of the pension of Michael Ayer pursuant to R.I.G.L. §36-10.1-3.

A motion was made by John P. Maguire and seconded by Linda C. Riendeau to exit executive session and return to open session. It was then unanimously

VOTED: To exit executive session and return to open session.

VIII. Committee Report

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

Name	Membership Group	Type	Action
1. Philip DeBeaulieu	State	Accidental	Postpone
2. Rhonda Abbott Varrica	State	Accidental	Deny
3. Michael Almeida	State	Accidental	Approve
4. Stephen Limoges	State	Accidental	Postpone
5. Richard Fleming	State	Accidental	Approve
6. Brian Galligher	Municipal	Accidental	Approve
7. Jennifer Csizmesia	Municipal	Accidental	Approve
8. Kristen Orsini	State	Accidental	Postpone to December Sub-committee Meeting
9. James Leduc	State	Accidental	Case review
10. Jerry Prete	State	Accidental	Case review
11. Robert Bastien	State	Accidental	Case Review
12. The Neurology Foundation may be interested in being the exclusive provider of neurologic IME's to the State. Proposed PPO alternative was denied			

On a motion by Michael R. Boyce and seconded by Mark A. Dingley Esq., it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, November 5, 2010 on item 1, 2, 3, 4, 5, 6, 7 and 8.

Action was taken on items 9, 10, 11, and 12 and a vote was put forth to approve these actions. On a motion by Michael R. Boyce and seconded by Mark A. Dingley Esq., it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, November 5, 2010 on items 9, 10, 11, and 12.

John J. Meehan recused himself from the vote on numbers 9, 10 and 11.

IX. New Business

None this month

X. Adjournment

There being no other business to come before the Board, on a motion by Louis M. Prata and seconded by Gary R. Alger the meeting adjourned at 11:20 a.m.

Respectfully submitted,

Frank J. Karpinski

Executive Director