



Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, March 9, 2011
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, March 9, 2011, on 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 Gina M. Raimondo; Vice Chair William B. Finelli; Gary R. Alger; Daniel L. Beardsley; Frank R. Benell, Jr.; Michael R. Boyce; M. Carl Heintzelman; John J. Meehan; Thomas A. Mullaney; Louis M. Prata, Linda C. Riendeau, and Jean Rondeau.

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

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

Richard A. Licht arrived at 9:10 a.m. Treasurer Raimondo welcomed Mr. Licht and apprised the Board that he would be sitting on the Retirement Board replacing his designee, Susan Knorr Rodriguez.

II. Approval of Minutes

On a motion by Frank R. Benell, Jr., and seconded by Thomas A. Mullaney, it was unanimously

VOTED: To approve the draft minutes of the February 9, 2011 meeting of the Employees' Retirement System of Rhode Island Board.

III. Chairperson's Report

Treasurer Raimondo said she was pleased with the productive one-on-one meetings with all the Board members and hopes to continue the ongoing dialogue. She mentioned that one consistent theme from Board members was a need for increased education on their fiduciary duties. The Treasurer said she will seek to convene the Education Subcommittee of the Board and put in place an educational program over the next year.

To immediately kick-off the education, Treasurer Raimondo apprised the Board that immediately following the Board meeting, a partner from the Law firm of Hinckley, Allen and Snyder, will conduct a training session on *Fiduciary Responsibility and Liability*.

Secondly, as a result of the one-on-one meetings, Treasurer Raimondo observed a desire from Board members to become more familiar with members of the State Investment

Commission (SIC). The Treasurer felt it was important to maintain the link between both Boards and invited the members of the SIC to the training session.

Given the recent media attention surrounding the pension fund in light of the Governor's budget presentation, there have been numerous requests from the press. Treasurer Raimondo offered her office as a resource as well as assistance from Director Karpinski to Board Members.

The Treasurer apprised the Board that she is conducting a review of the Treasurer's Office. She said that one very important section of the review is the State's bond disclosure practices. Treasurer Raimondo told the Board that she is working with both in-house and outside counsel to enhance the disclosures. In particular, she told the Board she has been advised that it would be prudent to have more current actuarial valuations included in the disclosures. As a result, the Treasurer said she has been in communication with the system actuary, Gabriel, Roeder, Smith and Company (GRS) and confirmed that they will have the experience study and valuation completed by May of this year which will allow the next bond offering, which will likely be in the May time frame, to have the June 30, 2010 valuation information for disclosure. Consequently, Treasurer Raimondo advised the Board that GRS will be presenting the experience study, as of the period ending June 30, 2010, at the April Board meeting and the valuation at the May Board meeting. She stressed the importance of having the current information in the bond disclosures and how important it is for the State to access the bond market at this time.

IV. Executive Director's Report

Director Karpinski first also welcomed Director Richard A. Licht to the Board.

He then reminded the Board that the February 28, 2011 pension payment was the last payment to provide hardcopy direct deposit stubs. All future "stubs" will only be provided to retirees who request hardcopies; stubs are available on-line. Director Karpinski apprised the Board that as of March 8th there were 24, 767 members who receive direct deposits; 4,828 had requested hardcopies. The Director said the ERSRI website has FAQ's to assist members to create on-line accounts.

The Director told Board members that February had a high volume of phone calls due to questions on 1099R's, taxes, COLA "A" application and website login help. He said the volume is expected to continue into the next month as retirees continue to establish accounts and 1099R questions begin to wind down.

Director Karpinski said a communication will be sent to cities, towns and school departments regarding post-retirement employment and the obligation to supply ERSRI with required information. Letters will be sent that are tailored to schools and municipalities discussing the maximum number of hours allowed to work in a given year.

Lastly, Director Karpinski reminded the Board that they were in possession of the Disability Report and the Pension Application Report.

V. Administrative Decisions

None this Month.

VI. Approval of the February Pensions as Presented by ERSRI

On a motion by Michael R. Boyce and seconded by Gary R. Alger, it was unanimously.

VOTED: To approve the February pensions as presented.

VII. Legal Counsel Report

Attorney Michael Robinson updated the Board regarding the *Barry Holland vs. ERSRI* matter. He said that Judge William Carnes affirmed the Board's action in upholding the offset of certain workers' compensation monies from disability pension benefits, and indicated that Mr. Holland is now seeking issuance of a writ of certiorari from the Rhode Island Supreme Court. He apprised the Board that ERSRI intends to oppose Mr. Holland's petition.

Attorney Robinson then updated the Board with respect to a recent decision from the Rhode Island Supreme Court interpreting the City of Providence's accidental disability ordinance, which is similar to ERSRI's.

VIII. Committee Reports

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 March 4, 2011:

Name	Membership Group	Type	Action
1. Constance Calcione	State	Accidental	Deny
2. Olga Ortiz	State	Accidental	Postpone
3. Curtis Pollard	State	Accidental	Postpone
4. Juvita Darosa	State	Ordinary	Deny
5. Raymond Denisewich	Municipal	Ordinary	Approve
6. William Cummings	State	Ordinary	Approve
7. Rhonda L. Varrica	State	Ordinary	Postponed
8. Jean Larsen	Teacher	Ordinary	Approve

On a motion by William B. Finelli and seconded by Daniel L. Beardsley, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, March 4, 2011 on items 2 and 5.

John J. Meehan recused himself from the vote on numbers 2 and 5.

On a motion by Daniel L. Beardsley and seconded by Gary L. Alger, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of March, 4, 2011 on items 1, 3, 4, 6, 7, and 8.

IX. New Business

None this month.

X. Adjournment

There being no other business to come before the Board, on a motion by Gary A. Alger and seconded by Richard A. Licht the meeting adjourned at 9:20 a.m.

Respectfully submitted,

Frank J. Karpinski

Executive Director