



Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, September 12, 2012
9:00 a.m.
2nd Floor Conference Room, 50 Service Avenue

The Monthly Meeting of the Retirement Board was called to order by General Treasurer Raimondo at 9:08 a.m. Wednesday, September 12, 2012, in the 2nd Floor Conference Room, 50 Service Avenue, Warwick, RI.

Gary R. Alger, Esq., Chairman of the Elections Subcommittee gave a report on the meeting that took place prior to the Board meeting. Chairman Alger thanked the members of the subcommittee for their efforts namely: Daniel L. Beardsley, Frank R. Benell, Jr., Mark A. Dingley Esq. and Jean Rondeau. He said the committee met this morning to discuss and approve the certification of the ballot tabulation results from the September 5th count. Chairman Alger said the counting of ballots occurred on Wednesday September 5th at the Board of Elections (BOE) and Director Karpinski provided the committee with the official certified results from the BOE. He said a total of 2,302 ballots were counted and Ms. Claire M. Newell of Providence Rhode Island, an active state employee of the Department of Elementary and Secondary Education, was elected as the active State Employee representative to the Board.

There being no further questions or comments, consistent with Regulation No. 5, Article II, Section 10, Chairman Alger asked for a motion to certify the results of the Election based on the September 5, 2012 letter from the BOE and direct the Executive Director to publish the results.

A motion was made by Roger P. Boudreau and seconded by Frank R. Benell, Jr., to certify the results of the election for the vacant seat of the active State employee position on the Retirement Board. A roll call vote was taken, and the following members were present and voted Yea: General Treasurer Gina M. Raimondo; Gary R. Alger, Esq.; Daniel L. Beardsley; Frank R. Benell, Jr.; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; John P. Maguire; John J. Meehan; Thomas A. Mullaney and Jean Rondeau.

VOTED: To certify the results of the Election based on the September 5, 2012 letter from the BOE and direct the Executive Director to publish the results.

I. Roll Call of Members

The following members were present at roll call: General Treasurer Gina M. Raimondo; Gary R. Alger, Esq.; Daniel L. Beardsley; Frank R. Benell, Jr.; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; Richard A. Licht; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Claire M. Newell and Jean Rondeau.

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

II. Approval of Minutes

On a motion by John P. Maguire and seconded by Roger Boudreau, it was unanimously **VOTED: To approve the draft minutes of the July 11, 2012 meeting of the Employees' Retirement System of Rhode Island Board.**

III. Chairperson's Report

Treasurer Raimondo updated the Board on the disability audit. She told the Board there were a number of documentation inconsistencies regarding disabilities and the Retirement Board's internal auditors, Sullivan & Company had been engaged in May of 2011 to review the process and procedures. The Treasurer introduced Mr. Michael Hanna, CPA, of Sullivan & Company to present their recommendations.

Mr. Hanna said that the report reviewed 559 disability beneficiaries. The files were reviewed for evidence of compliance as it relates to income verification and statements of health regarding the disability. The most recent year completed as part of the audit was 2009, which was the best year on record, with 82% compliance as having all or some of the information required. Three years earlier in 2006, there was just 60% compliance. Though the results have improved going forward, Mr. Hanna observed a lack of formal policies and procedures resulting in a lack of consistency. As a result of those findings, Mr. Hanna said his firm worked with ERSRI personnel to develop a set of recommendations. Mr. Hanna then introduced Mr. Michael Ferri, CPA, a principal of Sullivan & Company to present the report.

Mr. Ferri's recommendation was the development of a formal policy and procedure and to assure diligence in collecting appropriate documentation to be cataloged in a member's file. Additionally, he said there must be a formal policy on collecting benefit payments when required information is not received and payments should have been suspended. Mr. Ferri said a draft disability manual has been developed and is in the process of completion. He also recommended a comparison with other states and large municipalities to evaluate best practices in an effort to make the process more efficient. Lastly, Mr. Ferri promoted a "hot line" for anyone who wanted to inform Treasury of potential disability abuse.

Treasurer Raimondo said that next month's meeting will include a discussion on the sharp increase in volume of disability. She said today's meeting was to inform the Board of what steps have been taken to administratively address the auditors' findings.

Mr. Maguire queried recommendations on the use of Social Security Administration (SSA) and Internal Revenue Service records to determine earned income. Mr. Hanna said such information is a means to collect relevant information needed for determining appropriate levels of disability benefits as members may be hesitant to disclose full federal tax returns; he said the entire tax return may contain information not relevant to the determination of earned income for disability purposes. Mr. Hanna reiterated that there would be a \$15 fee incurred by ERSRI to obtain such information upon authorization by the member. Mr. Maguire asked Attorney Robinson if there would be a legal issue or any prohibitions to request such information. Attorney Robinson said he would research the matter and report back to the Board.

Mr. Boudreau asked Treasurer Raimondo about the hiring of the compliance officer. The Treasurer said the position has been in the budget and expects to have it filled within the next 30 days.

Treasurer Raimondo acknowledged and thanked the staff especially Melissa Malone, Esq. and Legal Counsel Gayle Mambro-Martin Esq., as well as Director Karpinski for all their efforts in compiling the information and recommendations which were all adopted.

Treasurer Raimondo then apprised the Board that the State Investment Commission made a decision last month to change the system's custodial bank. She said the Commission did not renew the contract with State Street Bank. The Commission instead hired BNY Mellon as the system's custodial bank. Treasurer Raimondo said the system will save close to \$1 million dollars in fees over a 3-year period. The Treasurer thanked the investment staff for their efforts on conversion from State Street to BNY Mellon.

IV. Executive Director's Report

Director Karpinski apprised the Board that they are in possession of the Certification from the Board of Elections, two Pension Application Reports (7/31/2012 and 8/31/2012), addressed envelopes from Attorney Vincent P. Santaniello regarding Linda Phillips, and two Disability Subcommittee reports (8/3/12 and 9/7/12).

Director Karpinski advised the Board members that TIAA-CREF will be opening a new location in Providence and further information will be sent to the Board to attend the grand opening.

Director Karpinski then apprised the Board that the municipal audit is in progress. ERSRI's internal auditors, Sullivan & Company will begin with the Town of Johnston, the City of North Providence and the Town of Barrington. He reiterated that their task is to verify that all employers are making contributions on the correct compensation and identify any post-retirement issues. Mr. Beardsley asked Director Karpinski if Sullivan & Company will be verifying employment in public safety departments to be sure that members are enrolled in the correct system. Director Karpinski said they are aware of the applicable statutes and will perform reviews.

Mr. Licht asked if a line can be added for the rolling year-to-year similar to the month-to-month on the Pension Application Processing Report. Director Karpinski said he would review the report and make modifications.

Director Karpinski said he will be scheduling several subcommittee meetings. The Audit Subcommittee will meet with the Auditors to review the prior year findings and get an update on the current audit. The Rules and Regulations Subcommittee needs to convene to consider a draft regulation concerning indemnification of Retirement Board members, and a regulation regarding administration of the Access to Public Records Act. The Legislative Subcommittee needs to convene to address an item regarding the SRA-Plus option addressed previously by Mr. Boudreau. The Trustee Education Subcommittee will meet to consider a draft curriculum and recommended speakers that internal Legal Counsel Mambro-Martin has drafted.

Director Karpinski also mentioned that the Board had a hard copy of Regulation No. 6 in their possession; it was also emailed on the August 23rd. He said Chairman Maguire will present it to the Board for consideration.

Director Karpinski then discussed the matter of *Linda Phillips v. Retirement Board of the Employees' Retirement System of Rhode Island*. He said the Board affirmed the Hearing Officer's recommendation in this case, and issued a final administrative decision denying Ms. Phillips' appeal on May 9, 2012. Ms. Phillips thereafter filed suit against ERSRI in the Providence County Superior Court on June 5, 2012. He said the case is now pending in Superior Court. In the meantime, Ms. Phillips has filed a motion for reconsideration with the Retirement System, wherein she has indicated that she is seeking further review by the Retirement Board based primarily on the Rhode Island Supreme Court's May 17, 2012 Order denying Certiorari in the matter of *Sullivan v. Retirement Board of the Employees' Retirement System of the State of Rhode Island*.

Director Karpinski told the Board that there is no mechanism in the Retirement System's regulations that would require the Board to reconsider a matter once it has reached a final administrative determination. Director Karpinski indicated that as the Rhode Island Supreme Court declined to grant Certiorari in *Sullivan*, and therefore did not reach the merits of the case, and as Ms. Phillips had a full opportunity to argue the merits of the Superior Court decision in the *Sullivan* matter at the administrative level, there is no new legal authority or factual information that could impact the outcome of the Retirement Board's final administrative decision, and accordingly he denied the request for reconsideration administratively.

Attorney Robinson indicated that based upon the Executive Director's administrative response to Ms. Phillips' request for reconsideration, the Board would need to vote affirmatively to put the matter on the October agenda if it wished to consider the request for reconsideration. The Board then discussed the Executive Director's administrative position, and whether or not the matter should be brought back before the Board with regard to Ms. Phillips' request for reconsideration.

Mr. Boudreau then made a motion to reconsider the *Linda Phillips v. Retirement Board of the Employees' Retirement System of Rhode Island* matter and place the item on the next agenda. The motion was seconded by Michael Boyce. A roll call was taken, the following members voted Yea: Roger P. Boudreau; Michael R. Boyce; Richard A. Licht; John P. Maguire; John J. Meehan, and Claire M. Newell. The following members voted Nay: General Treasurer Gina M. Raimondo; Gary R. Alger, Esq.; Daniel L. Beardsley; Frank R. Benell, Jr.; M. Carl Heintzelman; Thomas A. Mullaney and Jean Rondeau. There being 13 votes cast, 6 voted in the affirmative, and 7 nay, consistent with Rhode Island General Laws §36-8-6, *Votes of the Board – Record of Proceedings*, there not being a majority vote of the members present and voting at which a quorum is present, the motion failed.

V. Administrative Decisions

There was a request from Attorney Gregory J. Acciardo, to have his case heard first for his matter of *Linda J. Acciardo vs. ERSRI*. On a motion by Richard A. Licht and seconded by Roger P. Boudreau, it was unanimously

VOTED: To move out of order on the agenda the second disability appeal to be heard first at the request of the appellant's lawyer.

Administrative Appeal –Linda J. Acciardo vs. ERSRI

Attorney Robinson provided a synopsis of the *Linda J. Acciardo vs. ERSRI* matter. The appellant's attorney, Gregory J. Acciardo, Esq., was present on behalf of his client. There being a stenographer present, Attorney Robinson provided an overview and history of the matter. At the conclusion of his presentation, Attorney Robinson recommended to the Board, per the recent decision of the Superior Court, that the matter be remanded back to the Hearing Officer for further consideration. Attorney Acciardo had no objection on behalf of his client to this recommendation.

On a motion by Richard A. Licht and seconded by Jean Rondeau, it was unanimously

VOTED: To remand the matter of *Linda J. Acciardo vs. ERSRI* back to the Hearing Officer for further findings of fact and conclusions of law, consistent with the recent Superior Court decision.

Administrative Appeal –David M. Palumbo vs. ERSRI

Attorney Robinson provided a synopsis of the *David M. Palumbo vs. ERSRI* matter. There being a stenographer present, Attorney Robinson provided an overview and history of the matter. At the conclusion of his presentation, Attorney Robinson recommended to the Board, per the recent decision of the Superior Court, that the matter be remanded back to the Hearing Officer for further consideration. Attorney Robinson also indicated that he had previously been in contact with the appellant's Attorney, Robyn K. Factor, and that she had represented that she had no objection on behalf of her client to this procedure.

On a motion by Richard A. Licht and seconded by Roger Boudreau, it was unanimously

VOTED: To remand the matter of *David M. Palumbo vs. ERSRI* back to the Hearing Officer for further findings of fact and conclusions of law, consistent with the recent Superior Court decision.

Administrative Appeal –Janice P. Cataldo, Kathy A. Nadeau and Donna L. Costantino vs. ERSRI

Included in Board Members' Books was the Hearing Officer's written decision, along with exhibits and supporting information in the matter of *Janice P. Cataldo, Kathy A. Nadeau and Donna L. Costantino vs. ERSRI*. Attorney Robinson 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 had been no additional documents submitted pursuant to Regulation No. 4.

Attorney Robinson 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. Consistent with the Board's long standing policy, he apprised the appellant that this is not an opportunity to present new factual material to the board, and that

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.

Attorney Robinson then asked the appellant's Attorney, Carly Beauvais Iafrate, if her clients will be present today or if she is appearing on their behalf and Attorney Iafrate affirmed she would present on their behalf. Attorney Robinson then provided a synopsis of the matter. There being a stenographer present, the parties presented their cases.

At the conclusion of the hearing a motion was made by Roger P. Boudreau and seconded by Richard A. Licht to overturn the decision of the Hearing Officer and permit *Janice P. Cataldo, Kathy A. Nadeau and Donna L. Costantino* the opportunity to purchase service credit. A roll call was taken, and the following members voted Yea: General Treasurer Gina M. Raimondo; Daniel L. Beardsley; Frank R. Benell, Jr.; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; Richard A. Licht; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Claire M. Newell and Jean Rondeau. The following members voted Nay: Gary R. Alger, Esq. There being 13 votes cast, 12 voted in the affirmative, and 1 nay, consistent with Rhode Island 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 overturn the decision of the Hearing Officer and permit Janice P. Cataldo, Kathy A. Nadeau and Donna L. Costantino the opportunity to purchase leave service credits.

Richard A. Licht asked if new business could be taken out of order as he wanted to address a matter to the Board and needed to leave the meeting shortly. On a motion by Gary R. Alger, Esq., and seconded by Jean Rondeau, it was unanimously voted that new business be taken out of order on the agenda.

VI. New Business

Mr. Licht asked that a matter be placed on an upcoming agenda regarding State Police service credit, and contributions thereon, with respect to time spent at the Rhode Island State Police Training Academy (RISPTA). Mr. Licht said historically the State Police have not made contributions for time spent at the RISPTA and received credit for their time. Mr. Licht said that current contributing State Police have been charged for their time at the academy by the Retirement System, and in his negotiations with the State Police in settling their contract, Mr. Licht agreed to petition the Retirement Board for a determination with regard to whether or not State Police may have the option to contribute on the RISPTA time since not all Troopers may use this time for retirement.

Mr. Licht said he would like to bring this matter before the Board in October or November, and to allow the State Police to make a presentation along with their attorney. Attorney Robinson stressed that the hearing officer's review process exists for when cases are contested or there is a dispute of fact or law. He said the Board employs hearing officers to independently look at such matters. Mr. Licht asked whether there has been an attempt to collect on the bills sent to members. Bills were sent to all those who attended the training academy with 70 responses. Mr. Licht reiterated that some members have and others have not used the credit. Director Karpinski explained the

reason why a hearing officer is hired and the process ERSRI goes through as matters such as the one Mr. Licht is discussing may present a wide range of complicated issues.

On a motion by Roger P. Boudreau and seconded by Michael R. Boyce, it was unanimously

VOTED: To place the matter of State Police service credit, and contributions thereon, with respect to time spent at the State Police Training Academy, on an upcoming agenda of the Retirement Board.

Mr. Licht then left the meeting at 10:50 am.

Disability Appeal – Peter S. Ferraro vs. ERSRI

Included in the board books, under separate cover, were the Findings of Fact as concluded by the Disability Subcommittee, transcripts from the appeal to the Disability Subcommittee, medical and supporting information for the matter of *Peter S. Ferraro vs. ERSRI*. Attorney Robinson asked if consistent with Regulation Number 9, *Rules pertaining to the application to receive an Ordinary or Accidental Disability Pension*, there were any written briefs, legal memoranda, or exceptions to the conclusions and recommendation of the Disability Subcommittee which must have been submitted to the Executive Director not later than 10 days prior to the hearing. Attorney Robinson made note that a statement of appeal from Attorney Lynch was provided. Director Karpinski apprised the Board that there was additional information provided from the appellant's attorney and the Board had been provided with a copy.

Attorney Robinson 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. Consistent with the Board's long standing policy, he apprised the appellant that this is not an opportunity to present new factual material or evidence to the Board. He said the Board affords deference to the conclusions of its Disability Subcommittee on factual determinations and questions of credibility and will not overturn those determinations and assessments unless they are found to be clearly wrong. Attorney Robinson apprised the Board that Mr. Ferraro was being represented by Attorney Michael P. Lynch.

Attorney Robinson then provided a synopsis of the *Peter S. Ferraro vs. ERSRI* matter and the appellant was sworn in. 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 John P. Maguire to overturn the decision of Disability Subcommittee and award Mr. Ferraro a disability benefit. A roll call was taken. The following members voted Yea: Gary R. Alger, Esq.; Roger P. Boudreau; Michael R. Boyce; John P. Maguire; John J. Meehan, and Claire M. Newell. The following members voted Nay: General Treasurer Gina M. Raimondo; Daniel L. Beardsley; Frank R. Benell, Jr.; M. Carl Heintzelman; Thomas A. Mullaney and Jean Rondeau.

There being 12 votes cast, 6 voted in the affirmative, and 6 nay, consistent with Rhode Island General Laws §36-8-6, *Votes of the Board -- Record of Proceedings*, there not being a majority vote of the members present and voting at which a quorum is present, the motion failed on a tie vote. Attorney Robinson apprised the Board that consistent with Regulation No. 4, in the event of a tie vote the matter is required to be postponed

and placed on the next agenda for a new vote, which will be October 10, 2012. Attorney Lynch stated that he and his client would be in attendance.

VII. Approval of the July and August Pensions as Presented by ERSRI

On a motion by John P. Maguire and seconded by Roger P. Boudreau, it was unanimously

VOTED: To approve the July and August pensions as presented.

Mr. Maguire had a question of Mr. John J. O'Brien, Jr., listed in the July pension report indicating a yearly gross pension of \$168,375.60 as a State Employee as well as in the August pension report indicating the same yearly gross pension amount of \$168,375.60. Director Karpinski clarified that his total annual pension between the two positions was \$168,375.60.

VIII. Approval of the Draft Sealed Executive Session Minutes

IX. Legal Counsel Report

Consistent with Rhode Island General Laws section §42-46-5 (a)(2), the Board sought to convene in Executive Session to discuss and approve sealed draft executive session minutes, and in connection with the legal counsel report, to discuss potential litigation regarding a potential pension revocation action against Kelly A. McDonald, and potential resolution of litigation involving Joseph S. Burchfield. A motion was made by Roger P. Boudreau and seconded by John P. Maguire and a roll call vote was taken; the following members were present and voted Yea: General Treasurer Gina M. Raimondo; Gary R. Alger, Esq.; Daniel L. Beardsley; Frank R. Benell, Jr.; Roger P. Boudreau; Michael R. Boyce; M. Carl Heintzelman; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Claire M. Newell and Jean Rondeau. It was unanimously

VOTED: To convene in Executive Session to discuss and approve sealed draft executive session minutes and to discuss potential litigation regarding a potential pension revocation action against Kelly A. McDonald, and potential resolution of litigation involving Joseph S. Burchfield, consistent with Rhode Island General Laws section §42-46-5 (a)(2).

[Executive Session]

The Board thereafter convened in executive session.

[Return to Open Session]

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

A motion was made by Gary R. Alger, Esq., and seconded by Roger P. Boudreau to unseal the draft sealed executive session minutes of July 11, 2012. It was then unanimously

VOTED: To unseal the Draft Sealed Executive Session Minutes of July 11, 2012.

A motion was made by Gary R. Alger, Esq., and seconded by Roger P. Boudreau to approve the draft sealed executive session minutes of July 11, 2012. It was then unanimously

VOTED: To approve the Draft Sealed Executive Session Minutes of July 11, 2012.

A motion was made by Gary R. Alger, Esq., and seconded by Roger P. Boudreau to reseal the draft sealed executive session minutes of July 11, 2012 pursuant to Rhode Island General Laws §42-46-5(a)(2). It was then unanimously

VOTED: To reseal the Draft Sealed Executive Session Minutes of July 11, 2012.

In connection with the Legal Counsel Report, a motion was made by Roger P. Boudreau and seconded by Gary R. Alger, Esq., to authorize the commencement of an action against Kelly A. McDonald pursuant to the Public Employee Pension Revocation and Reduction Act. It was then unanimously

VOTED: To authorize the commencement of an action against Kelly A. McDonald pursuant to R.I.G.L. §36-10.1-1, et seq., the Public Employee Pension Revocation and Reduction Act.

A motion was made by John P. Maguire and seconded by Roger P. Boudreau to authorize Attorney Robinson to pursue entering into a settlement agreement with respect to Joseph S. Burchfield regarding pending pension revocation litigation. It was unanimously

VOTED: To authorize Attorney Michael P. Robinson to pursue entering into a settlement agreement with respect to Joseph S. Burchfield regarding the pending pension revocation litigation, and to seek judicial approval of said agreement.

Finally, a motion was made by John P. Maguire and seconded by Roger P. Boudreau to exit executive session and return to open session. It was unanimously

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

Mr. Boudreau asked Treasurer Raimondo for a status on the pending lawsuits by various public employee unions. The Treasurer said there was little to report except that the system has filed a motion to dismiss and is waiting for a response for that motion.

Attorney Robinson indicated that there was nothing further to report in connection with the Legal Counsel Report.

X. 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 August 3, 2012:

Name	Membership Group	Type	Action
1. Antonio Leite	Municipal	Accidental	Postpone
2. David Bradley	Municipal	Accidental	Postpone
3. Stephen Limoges, Sr.	State	Accidental	Postpone
4. Douglas Munroe	State	Ordinary	Postpone
5. Linda Burgess	State	Accidental	Postpone
6. Barbara Morrocco	Teacher	Ordinary	Approve
7. Santo Di Gati, Jr.	Teacher	Ordinary	Deny
8. Emile Ziadeh	State	Ordinary	Approve

On a motion by Roger P. Boudreau and seconded by Frank R. Benell, Jr., it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, August 3, 2012 on item 6.

John P. Maguire recused himself from the vote on number 6.

On a motion by Roger P. Boudreau and seconded by Frank R. Benell, Jr., it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, August 3, 2012 on items 1, 2, 3, 4, 5, 7, and 8.

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 September 7, 2012:

Name	Membership Group	Type	Action
1. Benita Fernandez	State	Accidental	Deny
2. Thomas McKenna	Municipal	Accidental	Postpone
3. Deborah Rossi	Municipal	Ordinary	Approve
4. Susan Kalo	State	Ordinary	Approve
5. Gail Girolimon	Teacher	Ordinary	Approve
6. Deborah Cullerton	Teacher	Ordinary	Approve
7. Maria Asermely	Teacher	Ordinary	Approve

On a motion by Daniel L. Beardsley and seconded by Thomas A. Mullaney, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, September 7, 2012 on item 7.

John P. Maguire recused himself from the vote on item 7.

On a motion by Daniel L. Beardsley and seconded by Thomas A. Mullaney, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, September 7, 2012 on items 1, 2, 3, 4, 5, and 6.

Rules and Regulations Subcommittee—Chairman John P. Maguire said the Rules and Regulations Subcommittee met various times over 1½ years in the making of Regulation No. 6 which contains 14 different regulations regarding purchase of service credits. He thanked John J. Meehan, H. Carl Heintzelman, Thomas A. Mullaney, and Deputy Treasurer Mark A. Dingley, Esq. and all of the staff for the amount of time and effort in drafting the regulations. Chairman Maguire said the Subcommittee voted to adopt the regulations and recommends approval by the Board. On a motion by Roger P. Boudreau and seconded by Frank R. Benell, Jr., it was unanimously

VOTED: To accept the recommendation of the Rules and Regulations Subcommittee regarding proposed Regulation No.6 and to authorize the Executive Director to begin the formal promulgation process.

Prior to adjournment of the meeting, Mr. Boudreau asked when there will be a newsletter regarding the lawsuits that are pending on behalf of the members of the system. Treasurer Raimondo said the Fall COMPASS Newsletter will be forthcoming. However, Attorney Dingley questioned the ability of the system to produce such a communication since the system has been sued by the labor unions. He felt such communication may need to be provided by the labor unions. Mr. Boudreau pointed out that the labor unions only represent those retirees still affiliated with organized labor, which does constitute all retirees. Mr. Boudreau felt that non-union retirees may not have knowledge of the pending lawsuit and should be made aware of them. The Treasurer told Mr. Boudreau and the Board that the COMPASS Newsletter will state that the suit has been filed, is pending and is being diligently defended by the System.

XI. Adjournment

There being no other business to come before the Board, on a motion by Thomas A. Mullaney and seconded by Roger P. Boudreau, the meeting adjourned at 11:48 a.m.

Respectfully submitted,

Frank J. Karpinski

Executive Director