Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, December 17, 2014
10:00 a.m.
2nd Floor Conference Room, 50 Service Avenue

The Monthly Meeting of the Retirement Board was called to order at 10:04 a.m. Wednesday, December 17, 2014, in the 2nd Floor Conference Room, 50 Service Avenue, Warwick, 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, Esq.; Daniel L. Beardsley; Michael R. Boyce; Steven T. Hartford; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Claire M. Newell; Louis M. Prata and Jean Rondeau.

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

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

Mark A. Carruolo arrived at 10:09 a.m.

II. Approval of Minutes

On a motion by Jean Rondeau and seconded by Gary R. Alger, Esq., it was unanimously

VOTED: To approve the draft minutes of the November 12, 2014 meeting of the Retirement Board of the Employees' Retirement System of Rhode Island.

III. Chairperson's Report

Treasurer Raimondo requested Deputy Treasurer Mark Dingley, Esq., to provide the Board with an update on the pension reform litigation. Attorney Dingley said the latest update was that the Judge granted a jury trial request. He also said that yesterday a number of municipalities had moved to be excluded from the litigation and have authority to engage in settlement discussions. Attorney Dingley told the Board that the Judge denied the motion. Attorney Dingley said the Judge stated that either they may proceed with the litigation and follow the lead of the State allowing them to have the ability to engage in settlement discussions or bow out of the litigation.

Mr. Beardsley asked about the decision surfacing yesterday and noted some communities were labeled as "passive defendants" where they would not proceed on a regular basis but be involved in any mediated settlement talks. Attorney Dingley said the Judge had rejected such a position as they must either be active defendants throughout or join a group who chooses not to be engaged in the litigation and follow whatever results are litigated.

Treasurer Raimondo apprised the Board that assets under management were over the $8 billion mark reaching $8.1 billion as of March 31, 2014. She said the 1-year performance is 12.3%, the 3-year performance is 10.7% and the 5-year performance is 9.3%. The Treasurer noted that the standard deviation, a measure of risk, is 7.5% which is substantially lower than a few years ago.

Treasurer Raimondo expressed her gratitude of thanks working with the Board and respected all their professionalism and dedication working together on sometimes very delicate, intense issues. Executive Director Karpinski thanked Treasurer Raimondo for her leadership as Chair, and the Treasurer acknowledged the Director and his dedication and hard work with the Board.

IV. Executive Director's Report

Director Karpinski apprised the Board that they were in possession of the Pension Application Report, the Disability Subcommittee Report and a schedule for the 2015 Retirement Board and Disability Subcommittee monthly meetings noting that the November 2015 board meeting date is Veterans Day and will need to be moved. The Director said members also have a Gabriel, Roeder, Smith and Company's (GRS) presentation of the Actuarial Valuations as of June 30, 2014.

The Director apprised the Board that today's presentation of the FY2014 actuarial valuations will need a motion to approve if the Board is in agreement with the rates. He also noted that for calendar 2015, a COLA of 2.73% will be provided on an adjusted base amount of $25,168. The 2.73% will first be paid in February for those who retired in January. Director Karpinski said there are 58 MERS plans versus 56 from last year who are 80% or more funded who will be provided COLA's based on their plan provisions. He also noted that the COLA on the Teacher Survivor Benefit Plan (TSB) is 1.73% to be paid in January.

Director Karpinski noted in the valuation that the provision in the statute under Rhode Island General Law §36-10.2 (e) provides that if the contribution rate is lower than the previous year, 20% of that difference must be appropriated, by the Governor, to the pension fund. He said it would roughly be $300,000 on the State share for Teachers based on the FY 2017 covered payroll.

Director Karpinski updated the Board on the "*Report of Contributions*" delinquency report in the Board book. He noted that the Town of Bristol and Bristol Fire Department are now current; and as is standard practice, those remaining delinquent will be addressed using the normal collection of funds procedure. The Director did note that on the Defined Contribution (DC) Plan for the Cranston Police and Cranston Fire, a meeting is to be arranged with them to address payment of some contributions. The Director noted that he spoke with Cranston's Finance Director who said the City is currently concluding its annual audit and will schedule a meeting in the beginning of January to resolve this matter. Mr. Maguire asked Director Karpinski how delinquent are the Cranston Police and Fire? The Director said there are some periods since July 2012 outstanding. Mr. Maguire questioned their delinquency situation in forwarding the monies to ERSRI and Director Karpinski confirmed that they are making their regular Defined Benefit and DC contributions however; they do not include both longevity and holiday.

The Director apprised the Board about the *Cyber Liability and Privacy Insurance* and said he has yet to receive revised premium costs from a London based carrier. He said there have been efforts by the State Risk's Manager and Insurance Agent where the

State appears to be considering procuring such liability insurance which may have some impact on ERSRI.

Lastly, the Director said ERSRI is scheduled to go live with the new payroll system for the January 2015 payroll. He noted for members to view their retirement check information on-line, a member would continue to log into www.ersri.org as a retiree and then to view 2015 and future information, be directed to create a new log-in to view prospective payment information. Director Karpinski noted that the COMPASS Newsletter will be mailed soon explaining the old to new system process to ERSRI affected members.

Mr. Maguire asked Director Karpinski if the ERSRI computer system has had any security issues recently and if there is a third party who monitors such security? The Director said ERSRI does have a third party review the system and regularly performs security audits; he noted one was just completed. He also noted the State Information Technology agency (DoIt) has certain programs and procedures ERSRI utilizes to also monitor activity. The Director again stressed the need for Cyber Liability and Privacy Insurance in the event any issues arise.

- **Presentation and Approval of the Actuarial Valuations as of June 30, 2014 by Gabriel, Roeder, Smith and Company (GRS)**

The Director then introduced Mr. Joseph P. Newton, FSA, of GRS to present the Employees' Retirement System (State Employees and Teachers), the Municipal Employees' Retirement System (General Employees, local Police and Fire), State Police and Judges Valuations as of June 30, 2014.

Mr. Newton said he would provide a recap of experience study, the valuation results using the new assumptions, new projections, recent national trends and events and top risks to ERSRI. He explained the valuation is an annual update of the measure the System's liabilities and contribution rates. The main reason is to accept the contribution rates for the employers along with disclosing accounting information for reporting GASB No. 67 and the CAFR. Mr. Newton said the valuation is prepared as of June 30, 2014 using member data provided by ERSRI Staff, audited financial data, current benefit and contribution provisions and actuarial assumptions and methods previously approved by the Retirement Board.

Mr. Newton summarized the findings from the experience study performed in June of 2014. He noted that the future economic growth in general was likely to continue to be suppressed compared to historical levels, current inflation and investment return assumptions are within a reasonable range, future salary increases are likely to continue to be lower than historical levels due to the low inflation environment. As for most of the other assumptions, he said that they continue to be appropriate noting that retirees continue to live longer, but the current assumption reflects that.

Mr. Newton then discussed the new assumptions and the impact on the projected contribution requirements. He said that the new assumption set produces very similar contribution rates over the short term and long term; however, because of the lower anticipated payroll growth, the recommended assumption set is expected to produce lower contribution dollar amounts over the intermediate to longer term. As an example, he said the contribution rate applied to a lower payroll produces a lower contribution dollar amount in the following example for Teachers in FY2024:

	Projected FY2024 Payroll	Projected FY2024 Contribution Rate	Projected FY2024 Contribution
Old Assumptions	$1,331 M	23.35%	$311 M
Recommended Assumptions	$1,260 M	23.14%	$292 M

Mr. Maguire asked Mr. Newton in the future if the employees' contributions for the new hires fully pay for the normal cost. Mr. Newton said no that they will not fully cover the normal cost, but noted a large portion of it will since currently the employees are paying 3.75% where the normal cost will be 6-7% range projecting out to year 2024.

Mr. Newton then provided the 2014 Actuarial Results for State Employees and Teachers Combined comparing last year's results of June 30, 2013 to June 30, 2104 and provided the following table:

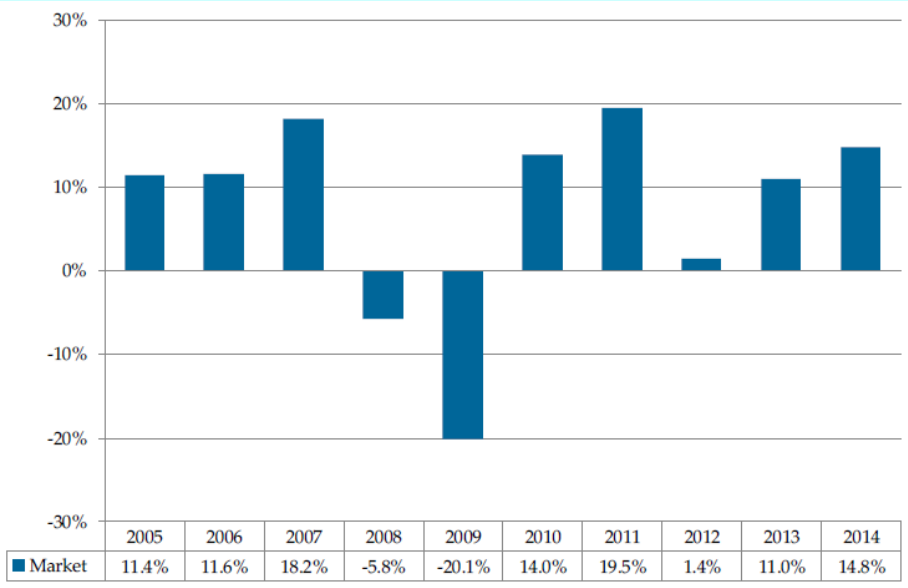
	June 30, 2013	June 30, 2013 New Assumptions	June 30, 2014	Projection of 2014 from Last Year (New Assumptions)
	(1)	(2)	(3)	
1. Actuarial accrued liability				
a. Actives & Inactives	$ 3,293,713,750	$ 3,171,528,229	$ 3,236,821,350	
b. Annuitants	7,359,836,879	7,359,836,879	7,306,123,128	
2. Total actuarial accrued liability (1a +1b)	$ 10,653,550,629	$ 10,531,365,108	$ 10,542,944,478	$ 10,611,633,292
3. Actuarial value of assets	6,108,844,751	6,108,844,751	6,191,278,137	6,152,065,728
4. UAAL (2 - 3)	$ 4,544,705,878	$ 4,422,520,357	$ 4,351,666,341	$ 4,459,567,564
5. Funded ratio (3 / 2)	57.3%	58.0%	58.7%	58.0%
6. UAAL/Payroll	277.5%	271.7%	262.5%	265.7%
Weighted Average Contribution Rate for Applicable Fiscal Year				
7. Full retirement rate				
a. Normal cost	4.64%	4.19%	4.10%	3.87%
b. Prior service	18.52%	19.34%	19.06%	19.34%
c. Full retirement rate	23.16%	23.53%	23.16%	23.21%
8. Projected FY Payroll	$ 1,763,020,486	$ 1,730,192,361	$ 1,762,209,883	$ 1,783,868,103
9. Estimated Contributions	$ 413,102,233	$ 407,139,332	$ 408,172,792	$ 421,925,135

He outlined the sources of impact resulting in positive experience to the Plan comprised of investments that outperformed 7.50% assumption on market and smoothed basis. Mr. Newton said liabilities grew slower than expected, mostly due to lower than anticipated salary increases (positive, although much less than prior years), and contributions in dollars are expected to be smaller in the future than projected from last year (negative, although much less than prior years).

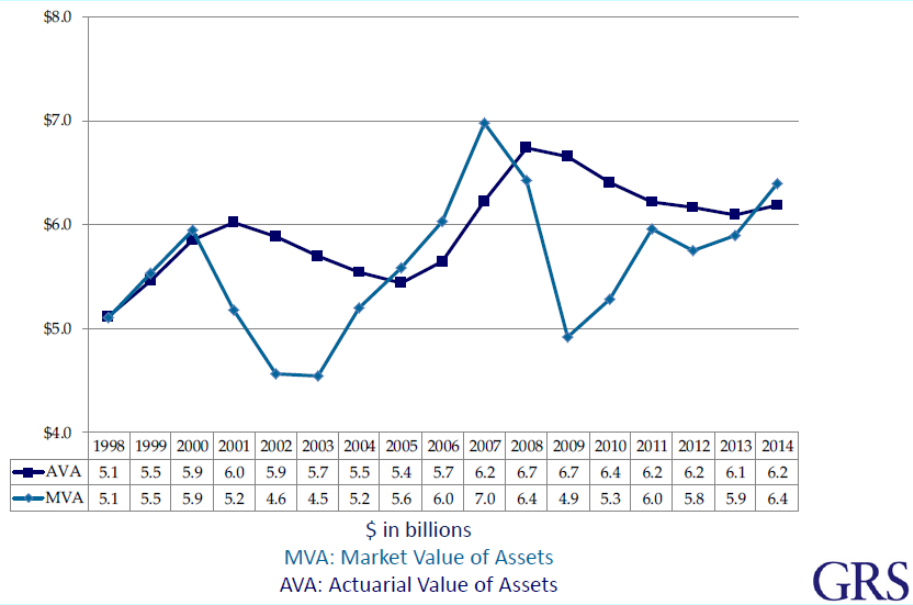
Mr. Newton then apprised the Board of the 2014 actuarial valuation key changes and issues. He noted the FY2017 employer contribution rates and projected dollar amounts are lower than anticipated. In fact, he said contribution rates for Teachers are lower than the FY2016 values. The rate for State Employees is lower than the new assumption rates from the 2013 valuation. He noted the 2014 investment performance was above expectations with a 14.77% return on market value of assets versus the expected 7.50%. He noted the offset of all of prior investment losses and then added to deferred gains, so there is gain on actuarial assets for FY2014. Mr. Newton said there was an 8.23% return on a 5-year smoothed basis. This return produced a 2015 investment related COLA of 2.73%.

Treasurer Raimondo asked Mr. Newton what was the first year the COLA's paid for the Teachers and State Employees for the 5-year cycle, and he said 2018 calendar year for eligibility. Director Karpinski said that it is based on the assumption that there is a return that warrants a COLA, if so then it would be based on the 2017 valuation to be paid in calendar year 2018.

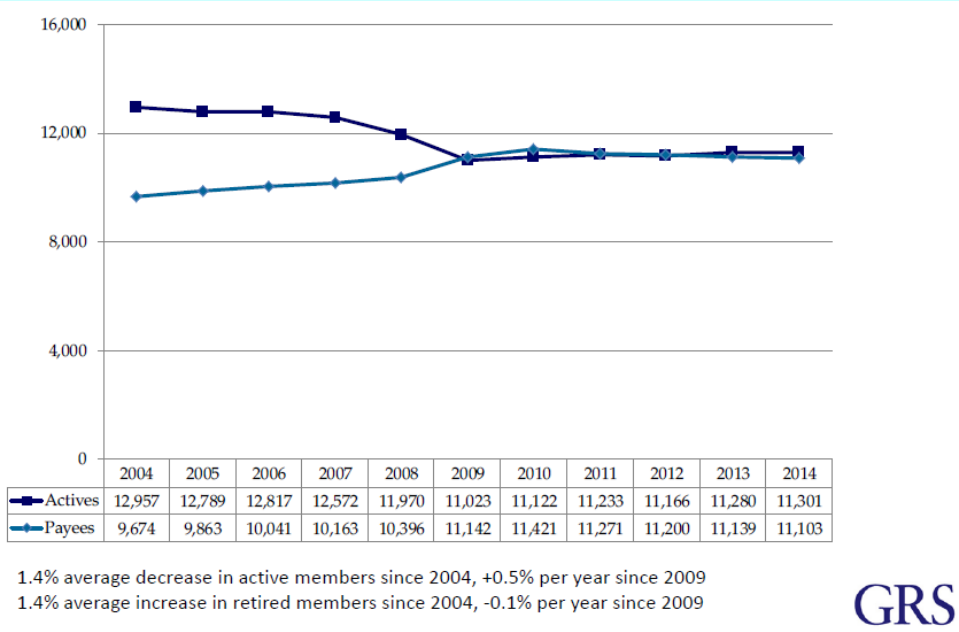
Mr. Newton provided the following graph of market value of assets over the last 10 years with a 6.88% average compound return on of all expenses (net).



Mr. Newton provided the asset values (for State Employees and Teachers) graph below referencing back to 1998 which was the year the Board adopted the smoothing mechanism.

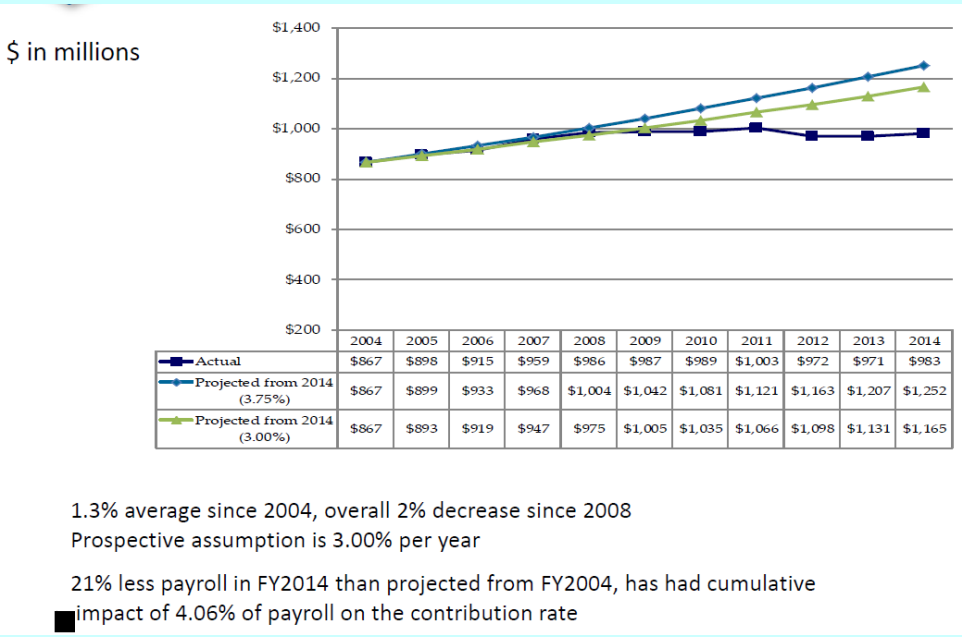


Mr. Newton then referenced the membership of State Employees on the following chart and noted how the gap narrowed during the 2008 period which referenced the retiree medical change forcing many active employees to retire that year.



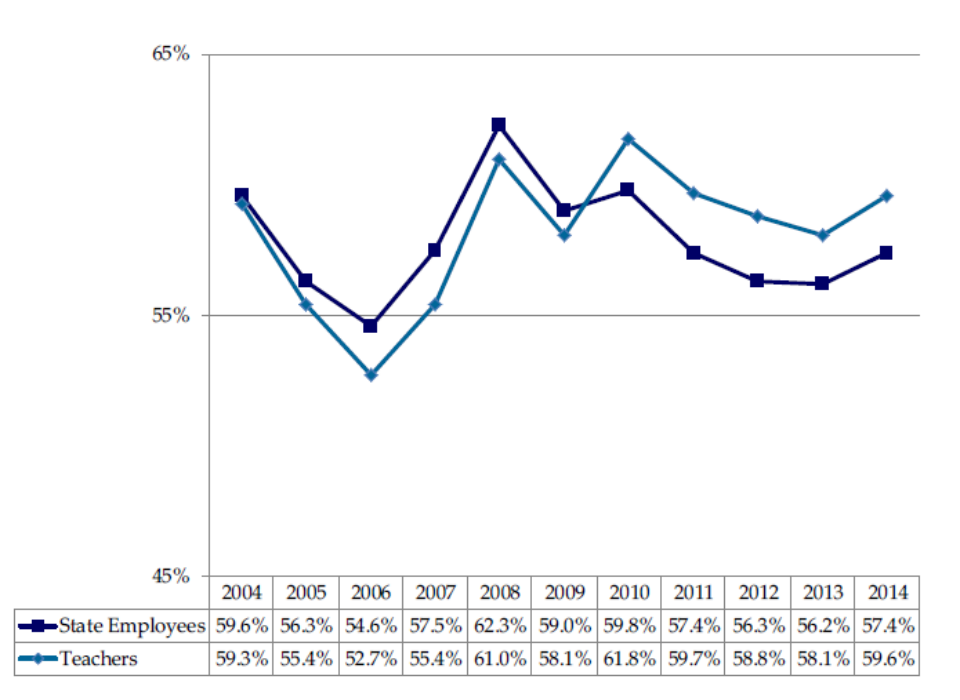
Mr. Newton noted that there has been a decrease in the membership of Teachers which resulted in slower payroll growth. Thus the contribution rate needed increases although slight increases.

Mr. Newton provided the actual versus expected payroll for Teachers using the following graph:



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actual	$867	$898	$915	$959	$986	$987	$989	$1,003	$972	$971	$983
Projected from 2014 (3.75%)	$867	$899	$933	$968	$1,004	$1,042	$1,081	$1,121	$1,163	$1,207	$1,252
Projected from 2014 (3.00%)	$867	$893	$919	$947	$975	$1,005	$1,035	$1,066	$1,098	$1,131	$1,165

Mr. Newton then discussed the funded ratios and said due to earlier benefit changes, there has not been any natural increase in the funded ratio of ERSRI due to experience and/or funding within the last 10 years. He said this is the first time since the late 1990's that the funded ratio has gone up without any external factors, which was expected.

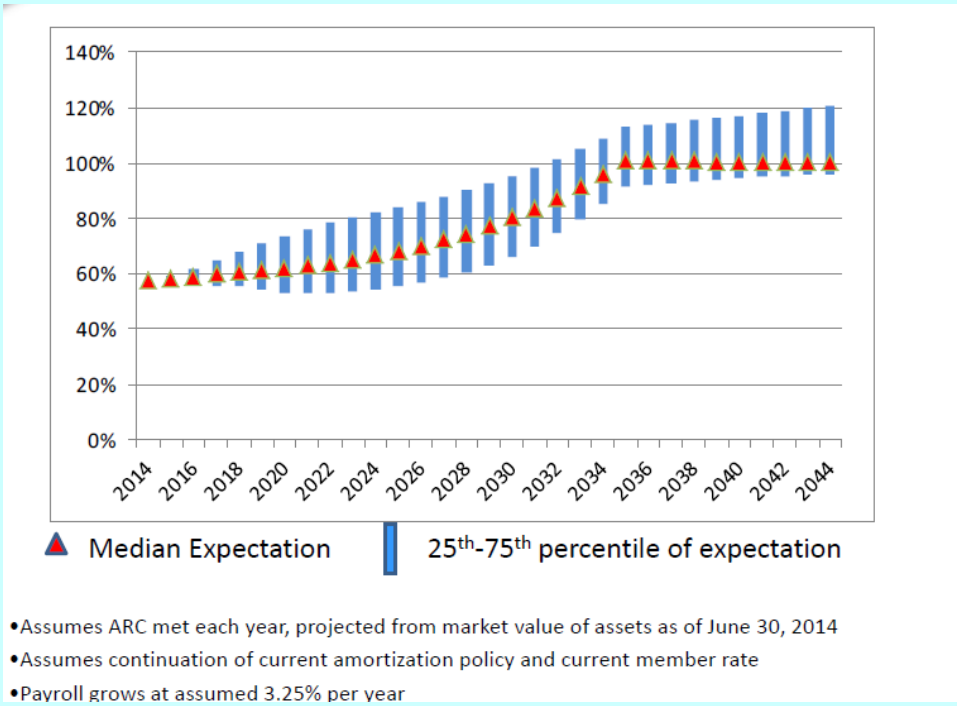


	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
State Employees	59.6%	56.3%	54.6%	57.5%	62.3%	59.0%	59.8%	57.4%	56.3%	56.2%	57.4%
Teachers	59.3%	55.4%	52.7%	55.4%	61.0%	58.1%	61.8%	59.7%	58.8%	58.1%	59.6%

Mr. Newton provided the projected funded ratios for State Employees and said objectives are being met and noting that the projections of 79% for 6/30/2030 and 84% for 6/30/31 which is the range to be at 80% funded.

Mr. Newton continued his discussion of projected funded ratios of State Employees with percentile expectations noting that the red line is the expectations for getting 7.5% every

year and being certain that the payroll grows at assumed 3.25% per year. He noted that though the red bar is comparable to last year's valuation, the bottom portion of the bar is significantly improved on the downside due to being a good year of a 14% return.



Mr. Newton then discussed the employer contribution rates for State Employees who went up 12 basis points, but Teachers had a decrease in the rate from 23.13% to 22.76% creating the 20% contribution back to the plan. He provided the following graph for employer contribution rates for State Employees:

Item	2013	Projected 2014	Projected 2014 (NA)	Actual 2014	Projected 2015
Total Normal Cost %	9.06%	8.79%	8.69%	8.66%	8.36
Member Contribution	(4.25%)	(4.25%)	(4.25%)	(4.24%)	(4.24%)
Employer Normal Cost%	4.81%	4.54%	4.44%	4.42%	4.12%
Amortization rate	18.84%	19.08%	19.54%	19.36%	19.00%
Total Employer Contribution	23.65%	23.62%	23.98%	23.78%	23.12%
FY ending June 30,	2016	2017	2017	2017	2018
Payroll Projected 2 Years	$718.3	$741.1	$726.7	$719.8	$739.0
Projected Contribution	$169.9	$175.0	$174.3	$171.2	$170.9

Above dollar amounts in millions
2015 Projections assume all assumptions exactly met and 7.5% return on market assets
2015 amortization rate lower due to recognition of FY2014 investment gains

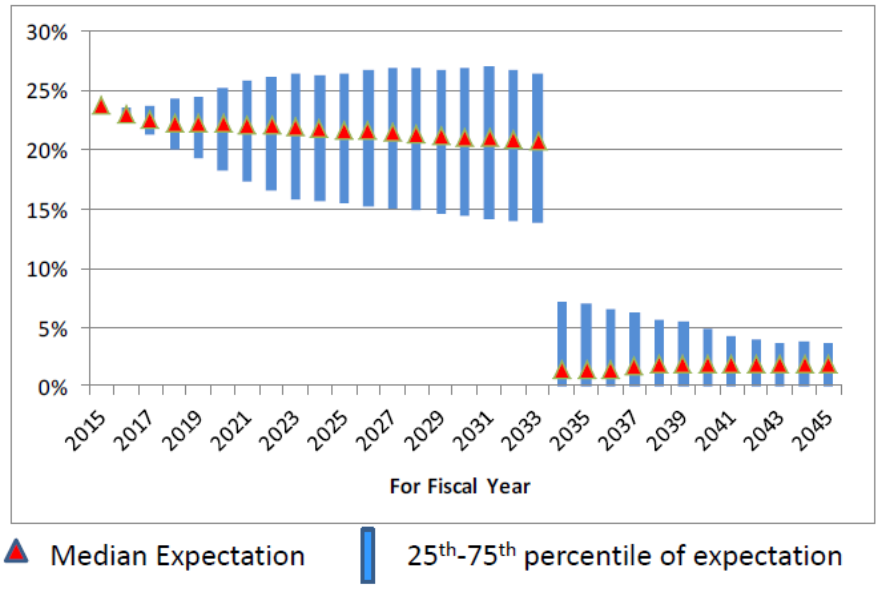
Mr. Newton then presented the following sensitivity analysis of projections for State Employees for next year:

	Market Return for 12 month period ending June 30, 2015						
	16%	12%	7.5%	4%	0%	-4%	-8%
UAAL	$1,756	$1,775	$1,797	$1,818	$1,837	$1,857	$1,876
Funded Ratio	59.1%	58.7%	58.2%	57.7%	57.2%	56.8%	56.3%
Employer Contribution Rate	22.64%	22.87%	23.12%	23.36%	23.58%	23.81%	24.03%
Estimated FY2018 Contribution	$167.3	$169.0	$170.9	$172.6	$174.3	$176.0	$177.6

Values as of June 30, 2014: UAAL of $1,817, Funded Ratio of 57.4%, ER Rate of 23.78%, estimated contribution of $171.2M

Assumes all other assumptions are exactly met

He then discussed the following Long-term projected employer contribution rates of State Employees



- Assumes ARC met each year, projected from market value of assets as of June 30, 2014
- Assumes continuation of current amortization policy and current member rate
- Payroll grows at assumed 3.25% per year

Mr. Newton next discussed employer contribution rates for Teachers and provided the following chart. He said even with the new assumptions the rates did not change as much and noted that if the funding policies and assumptions are met the rates will drop as time continues.

Item	Actual 2013	Projected 2014	Projected 2014 (NA)	Actual 2014	Projected 2015
Total Normal Cost %	8.37%	8.18%	7.77%	7.63%	7.42%
Member Contribution	(3.75%)	(3.75%)	(3.75%)	(3.75%)	(3.75%)
Employer Normal Cost %	4.62%	4.42%	4.02%	3.88%	3.67%
Amortization rate	18.52%	18.77%	19.25%	18.88%	18.36%
Total Contribution	23.14%	23.19%	23.27%	22.76%	22.03%
FY ending June 30,	2016	2017	2017	2017	2018
Payroll Projected 2 Years	$1,044.7	$1,079.6	$1,052.3	$1,042.4	$1,071.8
Projected Contribution	$241.7	$250.4	$244.9	$237.3	$236.1

Above dollar amounts in millions
2015 Projections assume all assumptions exactly met and 7.5% return on market assets
2015 amortization rate lower due to recognition of FY2014 investment gains

Mr. Newton concluded his discussion on the ERS plan and said in summary that projected 2017 employer contributions are slightly lower to prior projections; he noted the funded ratio and path are meeting expectations. He said the contribution rates are expected to have peaked at current levels and begin a process of drifting lower over the next couple of decades. He also said based on current assumptions, asset levels, contribution and amortization policies, benefit adjustments are projected to be suspended until calendar year 2031 and possibly earlier in year 2030.

Mr. Newton then briefly discussed the State Police and Judicial plans. For State Police, he noted that the driving force was a 10% increase in membership in which the employer rate decreased from 16.57% to 13.43%. He said even though the plan is better funded, there is more investment risk but the plan has more dollars to work with. Regarding the Judicial plan, Mr. Newton said the employer rate decreased from 26.80% to 21.30% but noted because the Judges' plan is small, their retirement patterns can significantly affect the rate's volatility.

Mr. Newton then began his presentation of the MERS plan. He noted there were no new units, no closed units, no merged units and no new COLA elections. He said for MERS, the unfunded actuarial accrued liability (UAAL) for all units combined is $253 million, compared to $277 million last year and the aggregate funded ratio (actuarial assets divided by actuarial accrued liability) for all units combined increased from 82.1% to 84.1%. Mr. Newton noted that 32 units have funded ratios over 100% versus 26 last year and 70 units have funded ratios over 80% versus 66 last year.

Mr. Newton provided the following summary of general MERS results in the aggregate. He noted the individual salary increases offset by the overall payroll growth. Overall, he said there were positive results when looking at the lower contribution rates of the overall groups. However, he noted that the volatility at the individual unit level can be significant. Specifically, he said 8 units had an increase of 1% or more, 42 had a decrease of 1% or more; 0 units had an increase of 2% or more, 10 had a decrease of 2% or more; 0 units had an increase of 3% or more, 6 had a decrease of 3% or more. Mr. Newton told the Board that the smaller the unit, the more an individual member's behavior will influence results.

	MERS General	MERS P&F	Total
FY2016 Employer Rate	12.74%	16.73%	13.88%
Change due to:			
Assumption Change	0.02%	0.07%	0.03%
Asset Performance	(0.15%)	(0.43%)	(0.23%)
Actual COLA (2.73% for 2015)	0.09%	0.08%	0.09%
Individual salary increases	(0.28%)	(0.25%)	(0.27%)
Overall payroll growth	0.18%	0.09%	0.18%
Noneconomic liability growth	(0.54%)	(0.14%)	(0.45%)
Total Change	(0.68%)	(0.58%)	(0.65%)
FY2017 Employer Rate	12.06%	16.15%	13.23%

Mr. Newton then discussed some recent industry events. He said there is a potential for new actuarial standards that appear to be focused to public pension plans. Regarding the Governmental Accounting Standards Board (GASB), he noted that all of the ERSRI Plans passed the single discount rate test and thus could use the plan investment return assumption of 7.50% with the exception of RIJRFT (formerly non-contributing Judges) which is unfunded and he will use 4.29%. Mr. Newton said we will hear more as employers prepare to comply with new accounting standards next fiscal year. He also discussed a number of funding policy white papers and recent guidance from actuarial and accounting communities. Lastly, he noted some recently published mortality tables but said they were for use in the private sectors.

Mr. Beardsley queried how communication of the disclosure of the unfunded liability on the employer's balance sheet under GASB No. 68 will be provided? Director Karpinski said in conjunction with State Auditor General Dennis E. Hoyle, the communication and implementation will begin in early spring. He said they are discussing the process of whether to present by region or an employer by employer presentation.

Mr. Newton then began a discussion of top risks he sees regarding the ERSRI plans. While he noted that ERSRI currently has a strong funding policy and an executable plan, he appraised the Board of GRS's opinion of risks to consider. He first discussed the litigation of RIRSA and the delay in knowing the outcome; he said if the plaintiffs win, the System is currently being dramatically underfunded. The next item to consider is payroll growth over the next 10-15 years, which if is low, will put upward pressure on contribution rates. Two items which have been presented and discussed in the past is continued improvement in longevity and investment performance, both of these factors also will put upward pressure on contribution rates. Lastly, he cited industry changes to actuarial standards, accounting standards, disclosure requirements, etc. which can affect funding.

Mr. Newton then reviewed an item discussed at the at the Board retreat in March. He said the Board discussed an alternative to change the collection procedures of contributions so that the normal cost is still collected as a percentage of salary, but the amortization payment is collected as a fixed dollar amount. He told the Board that the amount would be approved by the Board when the valuation is approved; for example for Teachers, instead of a contribution rate of 22.76%, the ARC would be the normal cost of 3.88% plus a dollar amortization payment of $197.7 million. Mr. Newton said the

contributions would need to be collected throughout the year (monthly or quarterly). He provided the table below to help demonstrate the scenario. He said if the experience was normal, then some years would be higher and some years lower and it would all balance out however, if the pattern is consistently lower, then it could lead to the System not collecting enough in contributions.

	Projected	Actual	Actual
FY2013 Actual Payroll	$935 M	$935 M	$935 M
Annual Payroll Growth	3.00%	0.00%	2.00%
FY2016 Payroll	$1,022 M	$935 M	$922 M
Amortization Rate	19.18%	19.18%	19.18%
Amortization Payment	$196.0 M	$179.3 M	$190.3 M
Shortfall		$16.6 M	$5.6 M

However, Mr. Newton did note that the new assumptions assume less payroll growth, so risk and possible impact is now smaller as discussed previously.

Mr. Hartford asked to what extent do new employees' contributions contribute to the prior liability and Mr. Newton said zero. He said from the new employee's contributions plus 3.88% is going to provide benefits to the new employee. The other 19% being paid goes toward the current unfunded liability.

Mr. Newton questioned if collecting such contributions in the method described is an administrative decision by the Board or if it takes legislation. Director Karpinski said that consistent with RIGL, the Board certifies the contribution rate but as to how to collect contributions, no language in the statute prescribes a method and the Board may have such latitude as it has a duty to collect.

Mr. Newton's wrap up noted no changes anticipated between now and the next valuation. He said as always, payroll growth and investment performance will be largest source of unanticipated changes and FY14 is first year of implementing new accounting rules under GASB No. 67 and FY15 will be first year for employers to show NPL on their balance sheets i.e. under GASB No.68.

Mr. Newton then concluded his presentation and thanked the Board for their attention. Treasurer Raimondo thanked Mr. Newton for his presentation and the Board for their efforts. On a motion by Daniel L. Beardsley and seconded by Jean Rondeau, it was unanimously

VOTED: To approve the ERS, MERS, SPRBT and JRBT actuarial valuations as presented by Gabriel, Roeder, Smith and Company for the period ending June 30, 2014.

V. Administrative Decisions

None this month

VI. Approval of the November Pensions as Presented by ERSRI

On a motion by John P. Maguire and seconded by Thomas A. Mullaney, it was unanimously

VOTED: To approve the November pensions as presented.

VII. Legal Counsel Report

Attorney Robinson updated the Board on the Ethics Commission opinion regarding voting on the budget which included legal defense costs for the RIRSA litigation. Attorney Robinson said he was at the Ethics Commission hearing when the matter was being considered, and indicated that the Ethics Commission staff and members were complimentary of the Board with regard to their prudence both in recognizing the issue and being proactive in seeking guidance from the Commission.

Attorney Robinson then suggested that a motion would be in order if the Board wished to convene in Executive Session to discuss potential litigation in the matters identified on the agenda, namely, *State of Rhode Island vs. Fred Randall Case No. P2-2012-2058A and United States of America vs. Gerald Silva CR No. 13-043 S*, pursuant to Rhode Island General Laws section §42-46-5 (a)(2).

Consistent with Rhode Island General Laws section §42-46-5 (a)(2), a motion was made by John P. Maguire and seconded by Claire M. Newell to convene the Board in Executive Session to discuss the identified litigation matters on the agenda.

A roll call vote was taken to enter into Executive Session, the following members were present and voted Yea: General Treasurer Gina M. Raimondo; Vice Chair William B. Finelli; Gary R. Alger, Esq.; Daniel L. Beardsley; Michael R. Boyce; Mark A. Carruolo; Steven T. Hartford; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Claire M. Newell; Louis M. Prata 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 in the matters of *the State of Rhode Island vs. Fred Randall Case No. P2-2012-2058A and United States of America vs. Gerald Silva CRNo. 13-043 S.*

[Executive Session]

The Board thereafter convened in executive session.

[Return to Open Session]

Upon returning to open session, Board Counsel Michael P. Robinson noted for the record that four votes had been taken in executive session. He noted the Board authorized Board Counsel Michael P. Robinson Esq., to proceed with an action in the *State of Rhode Island vs. Fred Randall* matter under RIGL §36-10.1-1, *et seq*., of the Public Employee Pension Revocation and Reduction Act (PEPRRA).

A motion was then made by Jean Rondeau and seconded by Thomas A. Mullaney, and it was unanimously

VOTED: To authorize Attorney Robinson to proceed with an action in the *State of Rhode Island vs. Fred Randall* matter under RIGL §36-10.1-1, *et seq*., of the Public Employee Pension Revocation and Reduction Act (PEPRRA).

Claire M. Newell recused on this matter.

Attorney Robinson noted the Board instructed Board Counsel Michael P. Robinson Esq., not to proceed with a PEPRRA action with regard to the matter of United *States of America vs. Gerald Silva*.

A motion was then made by John P. Maguire and seconded by Michael R. Boyce, and it was unanimously

VOTED: To instruct Board Counsel Michael P. Robinson Esq., not to proceed with a PEPRRA action in the matter of *United States of America vs. Gerald Silva*.

On a motion by John P. Maguire and seconded by Michael R. Boyce, it was unanimously

VOTED: To seal the minutes of executive session pursuant to R.I.G.L. §42-46-5(a)(2) as the discussion involved attorney client communications regarding legal strategy involving the matters discussed.

A motion was made by Jean Rondeau and seconded by John P. Maguire, to exit executive session and return to open session, and it was unanimously

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

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 Friday, December 5, 2014:

Name	Membership Group	Type	Action
1. Jane Calo	State	Ordinary	Postpone
2. Margaret Provoyeur	Teacher	Accidental	Deny (Reaffirmed)
3. Karen Furtado	State	Accidental	Deny (Reaffirmed)
4. Norman Breton	Municipal	Ordinary	Deny
5. Keith Printer	Municipal	Accidental	Deny (reaffirmed)
6. Stephen Alfonso	State	Accidental	Postpone
7. Kathleen Murphy	State	Accidental	Approve at 50%

Name	Membership Group	Type	Action
8. Albert Turcotte	State	Accidental	Postpone
9. Ronald Broady	State	Ordinary	Approve
10. Andrew Butler	Municipal	Accidental	Deny
11. Elisabeth Stephenson	State	Accidental	Deny
12. Jennifer Coccia	Municipal	Accidental	Postpone
13. Nicholas Guilmette	Municipal	Accidental	Postpone
14. Nancy Finn	State	Accidental	Postpone
15. Ann Silva	State	Ordinary	Approve
16. Carol-Ann Johnson	State	Ordinary	Approve
17. Tina LeMay	Teacher	Ordinary	Approve
18. Anna Smith	State	Ordinary	Postpone

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, December 5, 2014 on items 1, 6, 7, 8, 9, 11, 14, 15, 16 and 18.

Claire M. Newell recused herself from the vote on numbers 1, 6, 7, 8, 9, 11, 14, 15, 16 and 18.

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, December 5, 2014 on item 2.

John P. Maguire recused himself from the vote on number 2.

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

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, December 5, 2014 on item 3.

William B. Finelli recused himself from the vote on number 3

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, December 5, 2014 on items 4, 5, 10, 12, 13 and 17.

Treasurer Raimondo acknowledged Treasurer-Elect Seth Magaziner who was sitting in the Board room and wished him best of luck as Treasurer and the new Chair of the Retirement Board.

IX. 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 11:40 a.m.

Respectfully submitted,

Frank J. Karpinski

Executive Director