



Employees' Retirement Board of Rhode Island
Monthly Meeting Minutes
Wednesday, February 11, 2015
9:00 a.m.
2nd Floor Conference Room, 50 Service Avenue

The Monthly Meeting of the Retirement Board was called to order at 9:09 a.m. Wednesday, February 11, 2015, in the 2nd Floor Conference Room, 50 Service Avenue, Warwick, RI.

I. Roll Call of Members

The following members were present at roll call: Treasurer Seth Magaziner; Vice Chair William B. Finelli; Gary R. Alger, Esq.; Daniel L. Beardsley; Michael R. Boyce; Mark A. Carruolo; 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, Chairman Magaziner called the meeting to order.

II. Approval of Minutes

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

VOTED: To approve the draft minutes of the January 14, 2015 meeting of the Retirement Board of the Employees' Retirement System of Rhode Island.

III. Chairperson's Report

Treasurer Magaziner reported that while the recent weather has been somewhat disruptive, he noted ERSRI was back with normal production. The Treasurer also thanked everyone in Treasury for helping him get up to speed as Treasurer and looked forward to working as a team.

Treasurer Magaziner apprised the Board that he was very pleased with the changeover of ERSRI's payroll system that is part of the overall computer system upgrade. He noted that it went very smoothly. He thanked Director Karpinski and his team for their efforts to ensure the smooth transition.

IV. Executive Director's Report

Director Karpinski apprised the Board that they were in possession of the Pension Application Report, the Disability Subcommittee Report, a contract extension letter from Gabriel, Roeder, Smith and Company (GRS) and a Cyber and Privacy Insurance presentation.

Director Karpinski also told the Board that he had 3 items for discussion and potential approval by the Board; namely, the Cyber and Privacy Insurance, where a motion would be appropriate to enter into executive session; a contract extension with GRS and a contract extension for the Quality Assurance /Oversight Project Management with LRWL Inc. Regarding the Cyber and Privacy Insurance, Attorney Robinson said that a motion to convene in executive session would be in order pursuant to RIGL §42-46-5(a)(3), as the discussion would relate to the consideration of procurement of cyber and privacy insurance and matters regarding security, including, but not limited to, the deployment of security personnel or devices.

A motion was made by Mark A. Carruolo and seconded by John P. Maguire to convene the Board in Executive Session pursuant to the Rhode Island General Laws section §42-46-5(a) (3) as the discussion would relate to the consideration of procurement of cyber and privacy insurance and matters regarding security including but not limited to the deployment of security personnel or devices. A roll call was taken, and the following members voted Yea: Treasurer Seth Magaziner; Vice Chair William B. Finelli; Gary R. Alger, Esq.; Daniel L. Beardsley; Michael R. Boyce; Mark Carruolo; 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 the Rhode Island General Laws section §42-46-5(a)(3) as the discussion would relate to the consideration of procurement of Cyber and Privacy Insurance and matters regarding security, including, but not limited, to the deployment of security personnel or devices.

[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 two votes that had been taken in Executive Session.

He said a motion was made by John P. Maguire and seconded by Claire Newell, and it was unanimously

VOTED: To seal the executive session minutes consistent with Rhode Island General Laws §42-46-4 and §42-46-5.

He said another motion was made by William A. Finelli and seconded by Thomas A. Mullaney to exit executive session and return to open session, and it was unanimously

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

After discussion by the Board, a motion was then made by Michael R. Boyce and seconded by John P. Maguire to move the *Consideration of Actuarial Services Contract Extension with Gabriel, Roeder, Smith and Company* and *Consideration of Oversight Project Management / Quality Assurance (OPM/QA) Support Contract Extension with LRWL Inc.* to the end of the agenda to accommodate the two administrative hearings, it was then unanimously

VOTED: To move the *Consideration of Actuarial Services Contract Extension with Gabriel, Roeder, Smith and Company* and *Consideration of Oversight Project Management / Quality Assurance (OPM/QA) Support Contract Extension with LRWL Inc.* to the end of the agenda.

V. Administrative Decisions

Administrative Appeal – Laurie A. Moriarty vs. ERSRI

Included in Board Members' Books was the Hearing Officer's written decision, along with exhibits and supporting information in the matter of *Laurie A. Moriarty 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 everything received by ERSRI is included in the packet.

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's attorney 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 asked Attorney James Kelleher if his client would be in attendance today; Attorney Kelleher said he would be solely representing Ms. Moriarty today. There being a stenographer present, Attorney Robinson then provided a synopsis of the matter.

At the conclusion of the presentation, a motion was made by Michael R. Boyce and seconded by William B. Finelli to uphold the decision of the Hearing Officer reversing the administrative decision offsetting specific compensation related to scarring and loss of use from Ms. Moriarty's pension benefit. A roll call was taken, and the following members voted Yea: Treasurer Seth Magaziner; Vice Chair William B. Finelli; Michael R. Boyce; John P. Maguire; John J. Meehan; Claire M. Newell and Louis M. Prata. The following members voted Nay: Gary R. Alger, Esq.; Daniel L. Beardsley; Mark A. Carruolo; Thomas A. Mullaney and Jean Rondeau.

There being 12 votes cast, 7 voted in the affirmative, and 5 voted in the negative consistent with Rhode Island General Laws §36-8-6, *Votes of the Board -- Record of Proceedings*, and there being a quorum present, it was then

VOTED: To uphold the decision of the Hearing Officer in the matter of *Laurie A. Moriarty vs. ERSRI* reversing the administrative decision offsetting specific compensation related to scarring and loss of use from Ms. Moriarty's pension benefit.

Administrative Appeal – Linda S. Resnick vs. ERSRI

Due to the relationship between Ms. Linda Resnick's attorney who is Board Counsel Michael P. Robinson's father i.e., Stephen Robinson, Esq., of Robinson & Clapham, Board Counsel Michael P. Robinson recused on this matter. Attorney Randall Souza, Esq., of Shechtman Halperin Savage, LLP, served as Board Counsel on the matter of *Linda S. Resnick vs. ERSRI*.

Included in Board Members' Books was the Hearing Officer's written decision, along with exhibits and supporting information in the matter of *Linda S. Resnick vs. ERSRI*.

Attorney Souza 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 everything received by ERSRI is included in the packet.

Attorney Souza 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's attorney 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.

There being a stenographer present, Attorney Souza then provided a synopsis of the matter.

At the conclusion of the presentation, a motion was made by William B. Finelli to allow retirees in the Municipal Employees' Retirement System (MERS) to work as a substitute teacher for 90 days. There being no second, the motion failed.

A motion was then made by Thomas A. Mullaney and seconded by John P. Maguire to affirm the decision of the Hearing Officer allowing Ms. Resnick to work 75 days post-retirement as a substitute teacher per calendar year. A roll call was taken and the following members voted Yea: Treasurer Seth Magaziner; Vice Chair William B. Finelli; Gary R. Alger, Esq.; Michael R. Boyce; Mark A. Carruolo; John P. Maguire; John J. Meehan; Thomas A. Mullaney; Claire M. Newell and Louis M. Prata. The following members voted Nay: Daniel L. Beardsley and Jean Rondeau.

There being 12 votes cast, 10 voted in the affirmative, and 2 voted in the negative consistent with Rhode Island General Laws §36-8-6, *Votes of the Board -- Record of Proceedings*, and there being a quorum present, it was then

VOTED: To affirm the decision of the Hearing Officer in the matter of Linda S. Resnick vs. ERSRI, allowing Ms. Resnick to work 75 days of post-retirement employment as a substitute teacher per calendar year.

VI. Approval of the February Pensions as Presented by ERSRI

On a motion by John P. Maguire and seconded by Claire M. Newell, it was unanimously

VOTED: To approve the February pensions as presented.

Continuation of Executive Director's Report

Consideration of Actuarial Services Contract Extension with Gabriel, Roeder, Smith and Company

Director Karpinski apprised the Board that they have a copy of the actuarial services contract extension from GRS for an additional year. The Director noted that the extension is under the same terms of the existing contract. He said the fee for valuations would be \$174,000 or a 3.5% increase from 2015 and the GASB No. 67 and 68 fees would be \$89,000 which constitutes both the employer and employee reporting.

He said the remaining cost of \$8,000 is for the seven noncontributing judges' valuation and associated GASB 67 and 68 efforts. The Director said if the Board was in agreement, a motion would be in order to accept the fee for a one-year contract extension.

On a motion by Mark A. Carruolo and seconded by Gary R. Alger, Esq., it was unanimously

VOTED: To accept the 1-year contract extension with Gabriel, Roeder, Smith and Company and accept the fees as presented.

Consideration of Oversight Project Management / Quality Assurance (OPM/QA) Support Contract Extension with LRWL Inc.

Director Karpinski said the Board has used Leon Wechsler and his firm LRWL Inc. to perform analysis for procurement of the new system. He said in the original RFP where LRWL Inc. was retained, there was a provision i.e., Option B, for Oversight Project Management / Quality Assurance Support. The Board approved Option B with LRWL Inc. along with the new system contract award to Morneau Shepell. Director Karpinski said that prior to final contract negotiation, the system implementation timeline based on Morneau Shepell's original proposal was 21-months. Upon final contract negotiation with Morneau Shepell, it was mutually agreed to add 9 months to the implementation schedule. However, the contract with LRWL Inc., for Option B, was approved for the original 21 months. Accordingly, Director Karpinski said if the Board is in agreement, he would like to extend/align the contract to coincide with the Morneau Shepell contract, he said the fees would be \$219,000.

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

VOTED: To extend the Oversight Project Management/Quality Assurance (OPM/QA) Support Contract Extension with LRWL Inc. up to 29 months.

Attorney Robinson noted that Chair Magaziner stepped out of the meeting room, and Vice Chair Finelli would chair the meeting in the interim.

As requested by the Board, Director Karpinski updated them on the travel of the matter involving Coventry Fire District Chief Paul Labbadia. The Director noted that after a request for information directed to Mr. Labbadia, his attorney forwarded correspondence from three prior members of the North Providence volunteer fire call system claiming knowledge of Mr. Labbadia during the time in question. Director Karpinski said, as with all information for service, ERSRI relies on the information provided by employers to be valid. If there is a subsequent conflict/question with information provided, ERSRI forwards the information back to the employer for their review and consideration. Accordingly, ERSRI has forwarded the pieces of correspondence to the Town of North Providence. Director Karpinski said once he has received verification back from the town, a final determination will be made by ERSRI as to the disposition of Mr. Labbadia's benefits.

Director Karpinski updated the Board on the “*Report of Contributions*” delinquency report in the Board book. He noted that 4 Bristol plans highlighted have until February the 15th to send in their contributions as well as the North Smithfield Police Department; and as is standard practice, those remaining delinquent will be addressed using the normal collection of funds procedure. The Director noted that the Smithfield Housing Authority has paid up and is now current.

VII. Legal Counsel Report

Attorney Robinson apprised the Board of the recent decision in *Ann Capineri vs. ERSRI* by Judge Matos. Ms. Capineri was a Cumberland school teacher who was seeking to purchase the unworked portion of the job share arrangement in which she participated. The decision was fully favorable to the Retirement Board.

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, February 6, 2015:

Name	Membership Group	Type	Action
1. Eubalda Coates	State	Accidental	Moved to Continue
2. Maryann Amaral	Teacher	Ordinary	Approve
3. Richard Depari	Municipal	His request to withdraw his accidental disability appeal was accepted.	Ordinary-- Approve
4. Nancy Finn	State	Accidental	Approved at 50%
5. William Kerwin	State	Accidental	Approved @ 50%
6. Jennifer Leyden	Teacher	Accidental-Deny (reaffirm)	Ordinary- Approve
7. Rosalind Green	Municipal	Ordinary	Approve
8. James Cote	Municipal	Accidental	Postpone

Name	Membership Group	Type	Action
9. Edward Wagner	State	Accidental	Approved @ 50%
10. Keith Notarianni	Municipal	Accidental	Approve
11. Stephen Horan	Municipal	Accidental	Deny
12. Stephen L'Heureux	Municipal	Accidental	Deny
13. David Lashus	Municipal	Ordinary	Postpone
14. Elizabeth Nogueira Liptak	Teacher	Ordinary	Postpone
15. Regina Socree	State	Ordinary	Deny
16. Robert Lincourt	Municipal	Ordinary	Postpone

On a motion by William A. Finelli and seconded by Michael R. Boyce, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, February 6, 2015 on items 1, 4 and 15.

Claire M. Newell recused herself from the vote on numbers 1, 4 and 15.

On a motion by William A. Finelli and seconded by Louis M. Prata, it was

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, February 6, 2015 on item 6.

John P. Maguire recused himself from the vote on number 6 and Michael R. Boyce voted Nay.

On a motion by William A. Finelli and seconded by Michael R. Boyce, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, February 6, 2015 on item 5.

John J. Meehan recused himself from the vote on number 5.

On a motion by William A. Finelli and seconded by Michael R. Boyce, it was unanimously

VOTED: To approve the recommendation of the Disability Subcommittee meeting of Friday, February 6, 2015 on items 2, 3, 7, 8, 9, 10, 11, 12, 13, 14 and 16.

IX. Adjournment

There being no other business to come before the Board, on a motion by John P. Maguire and seconded by Louis M. Prata, the meeting adjourned at 11:52 a.m.

Respectfully submitted,

Frank J. Karpinski

Executive Director