

# Meeting Title: OPEB Board

MINUTES

1/19/12

9:00 AM



CONTROLLER'S CONFERENCE ROOM  
4<sup>TH</sup> FLOOR, DEPT OF ADMINISTRATION  
ONE CAPITOL HILL  
PROVIDENCE, RI

**Board Members In Attendance:** Thomas Mullaney  
Mark Dingley  
Marc Leonetti  
Susan Rodriguez

**Others In Attendance:** Frank Karpinski, Employees Retirement System of RI  
Deb Blair, Office of Employee Benefits

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Chairman Thomas Mullaney called the meeting of the OPEB Board to order.

The first order of business was to approve the Meeting Minutes from the previous meeting of December 16, 2011. The Board reviewed the minutes and except for a few minor proposed changes to the minutes, all were in favor. Approved minutes attached.

The second agenda item was to discuss the proposed pension administration system as it relates to healthcare. In lieu of that, Frank Karpinski, Executive Director, Employees Retirement System of Rhode Island was asked to brief the board on the system.

Mr. Karpinski informed the Board that an RFP was done and they have received three (3) responses. A team from his office is reviewing the bids. Mr. Karpinski noted that his team would be asking the vendors to come in and give a live presentation on the healthcare piece and what kind of reports might be able to come out of it and would also be doing site visits to view their operations. The team is expecting to complete this by mid-April and at that point they would begin contract negotiations with the vendors. They would like to be able to start the contract in May. Mr. Karpinski noted that it should take 24-30 months to implement the new system from the day they award the contract.

The RFP was for 10 years. Some money would be paid up front, with the remaining payments due over the span of the contract. The current system is about 10 years old and cost between \$2-4 million and is now becoming obsolete.

Mark Dingley explained that the defined contribution (DC) portion is run separately from the vendor. They ultimately would like the vendor chosen to be able to do the DC portion at some point down the road during the contract, but that it is not in this current RFP.

Marc Leonetti asked what benefits we would receive from moving to the new system for the administration of the post-employee healthcare. Susan Rodriguez stated that she felt it beneficial to stay integrated with the pension system because they can easily confirm eligibility and also the payments are deducted from the pension checks.

Mr. Karpinski offered the Board to come and see what they are getting for the money and also noted that Susan Rodriguez should attend the Purchasing Sub-Committee to see the live test demo's.

Marc Leonetti stated that Susan Rodriguez needs to get involved so that the Board can understand what the benefits will be. Ms. Rodriguez was asked by the Board to look at other options so that they have something to compare it to. Examples were a parallel RFP or RFI or to research other states to see what they do. Deb Blair stated that a different provider would most likely cost more because they would need to be integrated to the Retirement Systems new system.

All agreed that additional due diligence was needed to support this. Susan Rodriguez will document the benefits of moving to this system, distribute to the Board for review her findings at which point another meeting will be scheduled to discuss within the next couple of weeks.

Chairman Thomas Mullaney asked the Board if there was any other business.

Mark Dingley made a motion to adjourn, Marc Leonetti seconded the motion, all in favor.

Respectfully submitted,

Susan Rodriguez  
Secretary