

# Meeting Title: OPEB Board

MINUTES

4/26/12

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:** David Kausch, Gabriel Roeder Smith & Co.  
John Mallows, Gabriel Roeder Smith & Co.  
Robert C. Bromley, Senate  
Peter Keenan, Department of Administration  
Kathy Gregg, The Providence Journal

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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 Minutes from the previous meeting of January 19, 2012. The Board reviewed the minutes, all were in favor. Approved minutes attached.

The second agenda item was an overview of the valuation report from the actuaries in attendance from Gabriel Roeder Smith & Co (GRS), David Kausch and John Mallows. David Kausch started by reviewing the Executive Summary and proceeded to discuss other pertinent sections throughout the report. During the review, David noted that one of the biggest assumption changes from the last valuation is the switch to generational mortality which assumes continued improvement in mortality rates

Susan Rodriguez asked GRS to provide more detail on the pre-65 benefit (page A6). GRS noted that the average retirement age is moving from 61 to 63.

Susan Rodriguez discussed the working rates for health coverage. She stated that the State has always operated at a surplus and that the premiums are set from actual claims each year. The actuaries asked for more detail on our rate setting process because they feel they are using a different methodology. Susan Rodriguez will get back to them with that information.

Susan Rodriguez informed the Board that there are teachers that are not eligible for Medicare because the cities or towns they worked for didn't opt to offer it at the time. It's a small percentage, but that information is not included in the valuation because we have not provided that information.

The third agenda item was for the Board to approve the valuation report. Marc Leonetti told the Board that they were ahead of schedule and the approval of the valuation report could be done at the next meeting, so no vote was taken.

The fourth agenda item called for an update on the proposed retiree health component of the new pension computer system. Susan Rodriguez stated that she and members of her group attended the

demos for the two finalists and she felt that either scenario was adequate. Susan said that the bid has not yet been awarded and she is in contact with Frank Karpinski regarding this. Depending on which vendor is chosen will determine the cost for the retiree health portion and the impact on the fund.

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