

Pension Advisory Group

Minutes of Public Meeting

Date of Meeting: Monday, July 18, 2011
Time of Meeting: 9:30 AM
Place of Meeting: Warwick Public Library
600 Sandy Lane
Warwick, RI 02889

The second meeting of the Pension Advisory Group occurred on Monday, July 18, 2011 at 9:30 a.m. at the Warwick Public Library located at 600 Sandy Lane, Warwick, RI 02889. Members present at the meeting were Bill Foulkes (Chair), Alicia Munnell, Mayor Allan Fung, Harry Wilson, John Maguire, Mark Higgins, Michael Downey, Philip Keefe, Director of Administration Richard Licht, Robert DiMuccio and Robert Walsh. One member, Ernest Almonte, was absent from the meeting. Others in attendance were Governor Lincoln D. Chafee; General Treasurer Gina M. Raimondo; Scott Avedisian, Mayor of Wawrick; Mark Dingley, Deputy General Treasurer/ General Counsel; Joe Newton of Gabriel Roeder Smith & Company (GRS), House Fiscal Advisor Sharon Reynolds Ferland; and Senate Fiscal Advisor Peter Marino.

I. Welcoming

Mayor Avedisian and Governor Chafee briefly welcomed the group members along with the others in attendance. Treasurer Raimondo thanked the members of the group for their hard work and dedication.

II. Feedback from Secure Path RI

Mark Higgins presented information regarding the Secure Path RI website. He mentioned that about fifty people had left comments suggesting possible pension reforms. Of the fifty

comments, twenty nine made up the top six responses. Of that twenty nine: nine suggested a 401(k) or a hybrid type retirement plan; four suggested raising the retirement age; four suggested eliminating “double dipping”; four suggested eliminating COLA; four suggested capping the pension amounts, and four suggested tying the COLA to social security.

III. Budgetary Implications

Mayor Allan Fung discussed the budget implications Cranston would be faced with if a pension solution was not implemented. The mayor stated that next fiscal year, Cranston’s pension costs would increase an additional \$14 million. In order to pay for such costs, taxes would have to increase or services would have to be cut. For illustrative and perspective purposes, Mayor Fung showed a sample of what \$14 million of Cranston’s budget consisted of. \$14 million pays for the city’s trash collection, parks and recreation department, senior services, library services and other vital public services.

IV. Review of Actuarial Baseline and Possible Future Scenarios

Joe Newton, an actuary from GRS, gave a presentation showing different scenarios of pension reform and how each type of pension reform would affect actuarial calculations. His presentation showed how some types of reform may be affordable (the ability to pay the costs today) and how others may be sustainable (the ability to afford the costs in the future). He suggested the goal being to find a plan that is both affordable and sustainable. For further information, please see GRS’ presentation which is included as an attached document with the minutes.

V. Closing Remarks

Bill Foulkes thanked the group for its time and participation and suggested the next meeting would be Wednesday, August 17, 2011 at 9:30 AM at the Weaver Public Library located at 41 Grove Avenue, East Providence, RI 02914. The meeting was adjourned at 12:45 p.m.

Unofficial Minutes