

Pension Advisory Group

Minutes Of Public Meeting

Date of Meeting: Wednesday, August 17, 2011

Time of Meeting: 9:30a.m. – 12:30 p.m.

Place of Meeting: Weaver Public Library
41 Grove Avenue
East Providence, RI 02914

The third meeting of the Pension Advisory Group commenced on Wednesday, August 17, 2011 at 9:30 a.m. in the Weaver Public Library in East Providence, Rhode Island. Members present at the meeting were Bill Foulkes (Chair), Alicia Munnell, Mayor Allan Fung, Ernest Almonte, Harry Wilson, John Maguire, Mark Higgins, Michael Downey, Director of Administration Richard Licht, Robert DiMuccio and Robert Walsh. Philip Keefe was absent. Others in attendance were House Fiscal Advisor Sharon Reynolds Ferland and Senate Fiscal Advisor Peter Marino.

I. Welcoming

Bill Foulkes welcomed the group and briefly recapped the goals of pension reform in Rhode Island and the guiding principles to be used to pursue those reforms.

II. Financing Alternatives Update

Maureen Gurchigian of FirstSouthwest presented the findings of the group involved with exploring potential financing options to reduce the unfunded liability.

III. Overview of defined contribution and hybrid plans

Alicia Munnell, Director of Retirement Research at Boston College, led a discussion on defined benefit and defined contribution plans.

IV. Review refined actuarial scenarios

Joseph Newton of Gabriel Roeder Smith presented a potential benefit structure that would allow the State to reach 80% funded status in 2026.

V. Discussion of key variables and trade-offs of reform

Bill Foulkes led a brief discussion to follow Joseph Newton's presentation and discuss the potential merits of such a benefit structure.

VI. Discussion of independent municipal plans

Former RI Auditor General Ernie Almonte and Mayor Fung of Cranston led a discussion around the budgetary issues facing municipalities and potential ideas to reform the various systems.

VII. Discussion of self-correcting mechanisms

Director of Administration Richard Licht presented the merits of incorporating self-correcting mechanisms in pension reform efforts.

VIII. Closing remarks

Bill Foulkes thanked the group for its time and participation. The meeting was adjourned at 12:30 p.m.