

DEPARTMENT OF CITY CLERK

CITY HALL

AUGUST 28, 1996

The Retirement Board of the Employees' Retirement System meets this day at 9:30 o'clock A.M. in the Chamber of the City Council, City Hall.

Present: Chairman Pasquale T. D'Amico, Vice Chairman Rodney Patterson, Mrs. Betty J. Jackson, Mr. Stephen T. Day, Mr. John McDonald, Councilwoman Fagnoli, Mr. Quattrocchi and Doctor Crowley - 8.

Excused: Mr. Mendillo - 1.

Absent: Mayor Cianci and City Controller Chiodo - 2.

Also present is Pension Administrator Lynch, David Salvatore from the Law Department.

(Helen Gibbons Vieluf, Assistant Clerk and Michael R. Clement, Clerk).

DISABILITY COMMITTEE REPORT.

EXECUTIVE SESSION

On motion of Mr. McDonald, seconded by Mr. Day, it is voted to retire into Executive Session at this time, in accordance with the Confidentiality of Healthcare Information Act: Sec. 42-46 (a) (1).

This motion is seconded by Mrs. Jackson

All members in favor.

RECONVENTION

Chairman D'Amico reconvenes the Members back in public session at this time and requests the Assistant Clerk record there is a quorum present.

REQUESTS FOR ACCIDENTAL AND/OR DISABILITY RETIREMENTS.

KATHLEEN HICKS.

On motion of Mr. Day, seconded by Mr. Patterson, it is voted to approve the Request of Kathleen Hicks for Accidental Disability Retirement, as recommended by the Medical Advisor and all doctors reports presented.

All members in favor.

FREDERICK THOMPSON.

On motion of Mr. Day, seconded by Mr. Patterson, it is voted to Continue the request of Frederick Thompson until such time the members receive an additional Report from Doctor Keller regarding Post Traumatic Syndrome.

All members in favor.

ROBERT TOBIN - 6 MONTH REVIEW.

On motion of Mr. Day, seconded by Mr. McDonald it is voted to Continue the Accidental Disability Retirement of Robert Tobin, as recommended by the Medical Advisor and all doctors reports presented.

All members in favor.

Councilwoman Fagnoli at this time questions "has this committee ever been considering light duty in some of these disability cases? Light duty as opposed to complete disability?"

Mr. Patterson: The police and fire? There is no light duty. The Act specifically states, I believe that you can either do your job or you can't and that is in the Act.

Mr. Day: Furthermore, the Police Department went to Arbitration on that and they won. There is an Arbitration Award that is there stating that there is no light duty for Providence Policemen or Firemen. We have never had light duty. I can tell you this without piercing that tender bubble of negotiations, you as a Council Person have established a person to negotiate with us and that is on the table and is being entertained in a very favorable light towards I would say, the City's position. But, we realize that there is some potential for that. Specifically, I was just writing a note before you came in the door of new business that I might put on the agenda, "changes to the pension system, 10 years, 20 years, minimum service time". Last month, we granted a service pension for a 2.6 year person who had three fingers cut off his hand and he could not do the job with a prosthetic hand. Without penalizing him, the discussion was what do we do? He is clearly disabled, but he is 32 years old and if he goes into the pension system at age 32 by the time he is 62, the City will take a serious hit on that contribution so to speak and it is far and few between those 2.6 years but even one year like that could be a three or four million dollar drain over the life of it. So, I am entertaining and I am signing negotiations and the Chairman has asked me to come up with some ideas to put ...we are cognizant of the problem, we just want to do it without jeopardizing peoples rights and the very rank and file that I represent and I am sure that the Chairman represents are saying "hey, we don't want to hurt any injured worker but...if it is going to be such a tremendous drain on the system, then there has to be the light duty established or...." I has to be checked out by Buck and say we granted the pension to the 2.6 year veteran, he would be a reduced level or a level that he would have to contribute for 20 years from those contributions he is getting to help pay for that pension because even though...the rank and file and both unions are looking at the issue where a guy gets a injured the City has an obligation morally

to take care of him but we are going to try and explore some of those things and bring him back to this table...we are trying to get some actuarial quotes from Buck and come back to the table so it is really ironic that we are thinking of the same thing.

Councilwoman Fagnoli informs that she made the suggestion because in the long range and it could cause some serious problems in the Pension Fund.

Mr. Day further states: "When I came on the board 7 seven years ago the Pension System was worth about \$180 or 189 million dollars and now it is worth about \$300 million dollars and it has about 60 million dollars in arrears of what the Council has deferred over the last 3 years. Statewide, New England wide, that's a very healthy pension system but the problems of continuing to do that are a problem because we need those assets to gain interest, just interest on that 60 million that we are owed, roughly, 10% is 6 million dollars and there is more than just one problem, but we are on that train."

INVOICE FOR PENSION.

MEDICAL ADVISOR.

Mr. Lynch presents the Invoice for payment from the Medical Advisor in the amount of \$525.00 for July, 1996.

On motion of Mr. Day, seconded by Mrs. Jackson, it is voted to approve the Invoice for payment in the amount of \$525.00.

All members in favor.

LOANS APPROVED AND PAID SINCE LAST BOARD MEETING.

Mr. Lynch informs that there are 241 loans in the amount of \$730,-55.00. and that everything is in order.

Accordingly, on motion of Mr. Day, seconded by Mr. McDonald, it is voted to approve the loans for payment.

All members in favor.

APPLICATIONS FOR SERVICE RETIREMENTS.

OPTION II.

TIMOTHY J. FINUCAN - APPLICATION FOR SERVICE RETIREMENT.

Mr. Lynch presents the application for service retirement of Timothy J. Finucan, employed as a Deputy Administrator with JYPTA. Mr. Finucan is 49 years of age with a service record of twenty three years and ten months, working for the City the same length of time.

This application is in proper form with allowance as recommended by the Actuary as follows:

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Timothy J. Finucan Deputy Administrator/JYPTA

Allowance \$2,703.91 a month, effective April 24, 1996

JAMES W. VOTA - APPLICATION FOR SERVICE RETIREMENT.

Mr. Lynch presents the application for service retirement of James W. Vota is employed as a Custodian in the School Department. Mr. Vota is 43 years of age with a service record of twenty three years, four months and twenty six days, working for the City the same length of time.

This application is in proper form with allowance as recommended by the Actuary as follows:

James W. Vota Custodian/School Department

Allowance \$ 1,207.22 a month, effective November 24, 1995.

ANTHONY G. STANZIONE-APPLICATION FOR SERVICE RETIREMENT.

Mr. Lynch presents the application of Anthony G. Stanzone, employed as a City Engineer in the Department of Public Works. Mr. Stanzone is 55 years of age with a service record of eleven years and three months, working for the City the same length of time.

This application is in proper form with allowance as recommended by the Actuary as follows:

Anthony G. Stanzone City Engineer/Public Works

Allowance \$ 946.60 a month, effective May 1, 1996.

JEANNE SUNDERLUND - APPLICATION FOR SERVICE RETIREMENT.

Mr. Lynch presents the application for service retirement of Jeanne Sunderlund, employed as a Receptionist in the Assessors Office. Mrs. Sunderlund is 56 years of age with a service record of eight years, eight months and three days, working for the City the same length of time.

This application is in proper form with allowance as recommended by the Actuary as follows:

Jeanne Sunderlund Receptionist/Assessor's Office

Allowance \$ 307.42 a month, effective April 24, 1996

JAMES A. LOMBARDI - APPLICATION FOR SERVICE RETIREMENT

Mr. Lynch presents the application of James A. Lombardi, employed as Director of Operations in the Water Supply Board. Mr. Lombardi is 47 years of age with a service record of twenty five years, four months and twenty five days, working for the City the same length of time.

This application is in proper form with Allowance was recommended by the Actuary as follows:

James A. Lombardi Director of Operations

Allowance \$3,115.40 a month, effective June 30, 1996.

PATRICK J. O'ROURKE - APPLICATION FOR SERVICE RETIREMENT

Mr. Lynch presents the application for service retirement of Patrick J. O'Rourke, employed as a Custodian in the School Department. Mr. O'Rourke is 58 years of age with a service record of twenty five years, six months and twenty six days, purchasing two years and eleven months working for the City twenty five years, six months and twenty six days.

This application is in proper form with Allowance as recommended by the Actuary as follows:

Patrick J. O'Rourke Custodian/School Department

Allowance \$ 876.90 a month, effective November 24, 1995.

Accordingly, on motion of Mr. Day, seconded by Mr. Patterson, it is voted to approve all foregoing applications for service retirements.

All members in favor.

PAYMENT/PARKING.

On motion of Mr. Day, seconded by Mr. Patterson, it is voted to reimburse Mr. McDonald for parking fees of \$6.00.

All members in favor.

REPORT FROM INVESTMENT SUB COMMITTEE - MR. DAY.

Mr. Day as Chairman of the Investment Sub Committee refers to the Memo sent to the Board of Investment Commissioners inviting them to the next meeting of the Retirement Board.

Said Memo is as follows from the Clerk of the Committees/Boards/Michael R. Clement, City Clerk:

DATE: July 24, 1996

TO: Chairman Cianci and Members of the Board of Investment
Commissioners

SUBJECT: REPORT OF ASSETS/PRESENTATION

CONSIDERED BY: Retirement Board of the Employees Retirement System

DISPOSITION: I have been requested by Pasquale T. D'Amico, Chairman
of the Retirement Board of the Employees' Retirement
System to inform you of the vote taken at the July
Meeting of the Board:

On motion of Mr. Day, seconded by Mr. McDonald, it is

VOTED: That the Board of Investment Commissioners meet with the
Retirement Board of the Employees' Retirement System and

submit a detailed report, in writing of all assets of the Pension System as of July 1, 1996.

All members in favor.

The Assistant Clerk informs that she typed same and gave it to the Clerk for his signature and distribution to the Board of Investment Commissioners.

Mr. Day informs that there has not been a response as of this date. He further states: "in the Act we are still in charge of monitoring the System and we want a full report from the Consultant, have him come in and give us a report of the assets to break down and let us know what they are doing with the Asset Allocation mix, let us know what they are doing and I believe from the monitoring that I have been doing from the distance they have just begun a procedure called "securities lending". Now, we have discussed that several times and this Board was clearly always against it, the City Council refused to get into anything that was a risk, i.e. hedging, securities lending, those assets go out the door and if something ever happened who would pay the fiddler. It would be like Orange County, California ...if you remember about a year ago Councilwoman when you were saying we don't hedge, we don't have any of those things that happened at Orange County, well, as a Board that is supposed to oversee that could I...my motion is distinct, can we have a meeting with the Consultant to brief us in person at the next board meeting so we know what is going on and ask questions directly from the people doing the job for the Investment Sub Committee that we are suppose to be overseeing.

Mr. Patterson: "If that is a motion I'll second it.

Mr. Quattrocchi: Why don't we ask for copies of all reports from the consultants..

Mr. Day: My motion is being amended I like that....One, we would like a copy of all reports.....

Mr. Quattrocchi: I would like to amend/add to Mr. Day's motion in that we get copies of all report and recommendations from the Consultant to the City Investment Commission and request that the Consultants and his staff attend the next Retirement Board Meeting to review the status of the City's Investments with the Retirement Board.

All members in favor.

Councilwoman Fagnoli: Everyone here is welcome to attend any of those meetings, they are not in Executive Session.

Mr. Quattrocchi: Yes, but if you are not a member of the Board you can be prevented from asking questions and you can be prevented from participating in the discussions.

Discussion ensues on the motion.

Mr. Quattrocchi: The heart of the question is who does the consultant work for and who does the consultant report to right?

Mr. Day: Correct, they may do the investment, that is their job as the Investment Committee but under the Act they clearly report to this Pension Board.

The Assistant Clerk informs that she has typed a communication per vote of the Retirement Board previously with no response.

Mr. Day: We are supposed to be working together as you said, one board is requesting another board to have a consultant come in and give a briefing to us, it is no different than if the City Council asked the Water Supply Board Chairman to come in and give a report on the Water Supply System.

MOTION MADE AND SECONDED.

Accordingly, on motion of Mr. Day, seconded by Mr. Patterson, it is voted that HC Wainwright, Co., Inc. and staff appear at the next meeting of the Retirement Board with all documents as it pertains to the investments.

All members in favor.

DISCUSSION OF THE PENSION DEFERRAL.

Mr. McDonald questions through the Chair to Councilwoman Fagnoli, Chairwoman of the Committee on Finance: On the deferral of the pension contribution which has happened several times in the past few years \$18 million dollars was supposed to be put in on June 30th is there any progress forthcoming? What about past deferrals?

Councilwoman Fagnoli: I didn't know I was going to be asked that question, but I...rightfully so you have the right to ask that I think, but I can't comment on that right now.

Mr. Quattrocchi: Why don't we at least get an accounting from the Finance Director or the Controller as to what is owed us first. I would like to know exactly what the amount is as of July 1 what is owed this Retirement Board.

Accordingly, on motion of Mr. Quattrocchi, seconded by Mr. Patterson, it is voted that the Finance Director appear before the Retirement Board at its next meeting and inform the Board Members as to the accrual owed to the Retirement Board from prior years, in writing.

Mr. Quattrocchi: Once we know the amount, then we can discuss

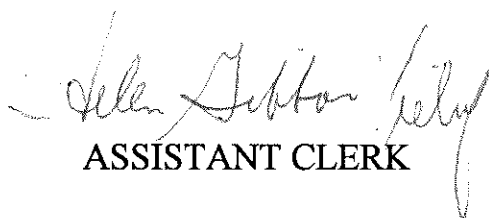
collecting it.

Mr. Day: At the call of the Chairman, I would like to make an open motion that we have Buck Consultants appear before the Board at the same meeting that Finance Director Spinelli appears, because what I am driving at is that there will probably be two sets of books, two sets of numbers.

One without the COLA increase and one with the COLA increase.

Discussion ensues among the members at this time.

ADJOURNMENT: On motion of Mr. McDonald, seconded by Mrs. Jackson, it is voted to adjourn at 11:30 o'clock A.M. to meet again on SEPTEMBER 18TH, 1996 at 9:30 o'clock A.M.


ASSISTANT CLERK


CLERK