

DEPARTMENT OF CITY CLERK

CITY HALL

FEBRUARY 28, 1985

The Retirement Board of the Employees Retirement System meets this day at 1:30 o'clock P.M. in the Council Chambers, City Hall.

PRESENT: Chairman Quattrocchi, Class "A" Representatives McCrink and Graves, Class "B" Representative Power, Class "A" Representative Retired Mendillo, Class "B" Representative Retired Marnane, and Mr. Corrente - 7.

Absent: Mayor Paolino, Councilwoman Brassil, Class "B" Representative Landi and Commissioner Wilkes -4.

Also present are Dolores Spratt, Pension Supervisor, Stephen J. O'Rourke, Director of Implementation, City Solicitor Edward C. Clifton and Assistant City Solicitor Frank Mastrati.

INVESTMENT OF FUNDS - FLEET NATIONAL BANK

Mr. Harold A. Mackinney, Jr., Vice-President of Fleet National Bank is present this day for discussion and states as in communication dated February 25, 1985:

February 25, 1985

The Most Honorable Joseph Paolino  
Mayor of Providence  
Providence City Hall  
Providence, Rhode Island 02903

Dear Mayor Paolino:

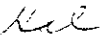
I am enclosing a program with a recommendation to invest the proceeds of the sale of two stocks that we now hold in the Employees Retirement System Account.

January was a good month for the stock market and the equities in the Retirement Fund increased by more than \$2 million to just under \$40 million and, overall, they now show a gain of approximately \$12.5 million over their original cost. The total market value is up to a new all-time high of \$34 million and the income being produced annually is \$6.8 Million.

The enclosed program suggests the sale of a portion of Caterpillar Tractor, which has not performed well for the last two years and now shows a small loss over its original purchase price, and the additional sale of 2,000 shares of NCR Corporation. NCR has performed well for us and has more than doubled from its original purchase price and we are retaining 10,000 shares in the portfolio. Overall, there will be a gain of approximately \$10,000 from the combined sale. On the purchase side of the program, I am recommending additions to three of our current holdings, Maytag, Ford and Sterling Drug. These are three of our newer holdings in the account and are relatively minor commitments in comparison to most of our other names. The improvement in income is substantial with the expected annual revenue rising from under \$6,000 to more than \$12,000.

I will be present at the meeting on Thursday, at 1:30, to discuss the program in more detail.

Sincerely,

  
Harold A. Mackinney, Jr.  
Senior Vice President

Enclosure  
HAM:cd

100 Westminster Street Providence, Rhode Island 02903 (401) 278-6600

Accordingly, on motion of Mr. Graves, seconded by Mr. Mendillo, it is

VOTED: to authorize the Fleet National Bank as the Investment Agent for the Retirement Board of the Employees Retirement System for the following sales and purchases as outlined below, same being as submitted and recommended by its Agent in communication dated February 25, 1985:

<u>SELL</u> <u>Amount</u>	<u>Description</u>	<u>Int. or</u> <u>Div'd</u>	<u>Cost</u>	<u>Now</u> <u>Held</u>	<u>Price</u>	<u>Approx.</u> <u>Value</u>	<u>Income</u>
5,500	Caterpillar Tractor	.50	198,055	(25.5M)	32	176,000	4,125
2,000	NCR Corporation	.88	27,760	(12M)	30	60,000	1,760
			<u>225,815</u>			<u>236,000</u>	<u>5,885</u>

GAIN = \$10,000

<u>BUY</u> <u>Amount</u>	<u>Description</u>	<u>Int. or</u> <u>Div'd</u>	<u>Maturity</u>	<u>Now</u> <u>Held</u>	<u>Price</u>	<u>Approx.</u> <u>Value</u>	<u>Income</u>
2,300	Maytag Company	3.00		(5M)	48	96,000	6,000
2,000	Ford Motor Co.	2.50		(14M)	44	88,000	5,000
1,000	Sterling Drug	1.16		(5M)	28	28,000	1,160
						<u>212,000</u>	<u>12,160</u>

Mr. Mackinney is excused at this time.

INVESTMENT OF FUNDS - NEW ENGLAND TRUST COMPANY

Mr. George Wallace, Vice-President of New England Trust Company is present for discussion.

Discussion ensues, and on motion of Mr. Mendillo, seconded by Messers Graves and Marnane, it is

VOTED: to authorize the New England Trust Company as the Investment Agent for the Retirement Board of the Employees' Retirement System for the following purchases as outlined below, same being as submitted and recommended by its Agent on February 28, 1985:

<u>BUY</u> <u>Amount</u>	<u>Description</u>	<u>Int. or</u> <u>Div.</u>	<u>Maturity</u>	<u>Now</u> <u>Held</u>	<u>Price</u>	<u>Approx.</u> <u>Value</u>	<u>Inc.</u>
5,000	Champion International				22	110,000	
1,000	Avon Products				22	22,000	
1,000	Sears Roebuck				35	35,000	
500	Pfizer				38	19,000	
500	Union Pacific				48	24,000	
1,000,000	U.S. Treasury Notes 10% 12/86				99½	995,000	
1,000,000	U.S. Treasury Notes 10½% 3/87				99 3/4	997,500	

Mr. Wallace is excused at this time.

CITY TREASURER'S REPORT.

The City Treasurer's Report is presented, showing that the amount to the credit of the Employees' Retirement System of the City of Providence at the close of business on February 22, 1985 is \$134,903,560.56 as follows:

February 28, 1985

Employees Retirement System  
 City of Providence  
 City Hall  
 Providence, Rhode Island

Gentlemen:

This is to certify that the amount of the credit of the Employees Retirement System of the City of Providence at the close of business on February 28, 1985 is as follows:

CASH AVAILABLE AS OF 2/28/85	6,520,000.00
TOTAL REPURCHASE AGREEMENTS OUTSTANDING	6,125,000.00
(Accounts Receivable City of Providence FY 1980)	4,765,813.62
Market Value Stock New England	6,918,120.50
Market Value Common Stock Fleet	39,727,017.25
Corporate Bonds Fleet	16,603,121.25
Corporate Obligations New England	1,150,937.50
Short Term Investments Value Fleet	599,184.84
New England Asset Cash Equivalents	3,536,497.00
U.S. Treasury Note Fleet National	\$ 2,000,000.00
U.S. Treasury Note N.E. Trust Company	3,000,000.00
U.S. Government N.E. Trust Company	17,379,259.50
U.S. Government Fleet National	26,939,126.33
Loans Receivable as of 2/28/85	5,372,651.95
First Mortgage Investments	728,828.82
TOTALS	<u>112,403,560.36</u>

RESPECTFULLY SUBMITTED

*Stephen T. Napolitano*  
 STEPHEN T. NAPOLITANO  
 CITY TREASURER

STW/as

Mr. Marnane states that this report seems to be down about 32 million from last month.

Chairman Quattrocchi states that he does not understand this because the market values on the two portfolios are 28 and 84, which is 112, which would leave an additional twenty-two million.

Discussion ensues and Mr. Corrente states that he does not prepare this report. He states that he could discuss this matter with City Treasurer Napolitano and bring any questions the members have to his attention.

Accordingly, on motion of Mr. Marnane, seconded by Mr. Mendillo, it is

VOTED: to defer the City Treasurer's Report until the next Retirement Board meeting, pending a review by City Treasurer Napolitano.

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BOARD MINUTES - NOVEMBER & DECEMBER, 1984 AND JANUARY 1985

Chairman Quattrocchi states that there is an error in the minutes of the meeting held January 24, 1985, under the discussion

with Mayor Paolino on Page 6, paragraph three, which should read "Chairman Quattrocchi that that is being amortized over forty years and that is part of the calculation."

Dolores Spratt informs that in the minutes of the same meeting, in discussion with Mayor Paolino on Page 12, paragraph three, which should read "He (Charles A. Pisaturo) could collect his Elected Official's check and still be on the payroll as an active employee."

Mrs. Spratt states that it is not too clear on Page 12, paragraph eleven, in the same discussion involving Mr. Pisaturo, it should read "The only additional credits he can accumulate now are as a city employee."

Accordingly, on motion of Mr. Graves, seconded by Mr. Marnane, it is voted that the Minutes of the Retirement Board meetings for November and December, 1984 be Approved as Printed and that the Minutes for the meeting for January, 1985 be Approved as Amended.

Mr. Power joins the Board meeting at this time.

BILL FROM THE ACTUARY - DECEMBER, 1984

Mr. Corrente presents the following Bill from the Actuary for services rendered for the month of December, 1984 in the amount of \$478.00 :

Employees' Retirement System of the City of Providence  
City Hall  
Providence, Rhode Island 02903

Calculation of retirement allowances during December, 1984:

8 cases at \$36.00.....	\$288.00
#0005                    2349 (2 calculations)	
1886                    2419	
1986                    2645	
2170	
Miscellaneous consulting services.....	\$190.00
	<u>\$478.00</u>

On motion of Mrs. Mendillo, seconded by Mr. Power, it is voted that the Bill from the Actuary in the amount of \$478.00 for the month of December, 1984, be Approved for Payment.

Mr. Vincent Pallozzi, Director of Administration, joins the Board Meeting at this time.

REPORTS FROM THE ACTUARY.MAXIMUM ALLOWANCES.CORINNE SORMANTI - APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Corinne Sormanti is presented. Ms. Sormanti was employed as the Recorder of Deeds in the Department of Recorder of Deeds. She is 59 years of age with a service record of ten years, working for the City ten years.

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

Corinne Sormanti - Recorder of Deeds/Recorder of Deeds Group 2  
Allowance \$512.08 a month, effective January 6, 1985.

BEATRICE M. SPIRITO - APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Beatrice M. Spirito is presented. Ms. Spirito was employed as a Clerk in the School Department. She is 60 years of age with a service record of nineteen years and four months, working for the City nineteen years and four months.

This Application is in improper form with Allowance as recommended by the Actuary as follows:

Beatrice M. Spirito - Clerk/School Dept. Group 2  
Allowance \$635.60 a month, effective January 1, 1985.

ANTONETTA PERROTTA - APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Antonetta Perrotta is presented. Ms. Perrotta was employed as a Clerk in the School Department. She is 49 years of age with a service record of thirty years and five months, purchasing five months, working for the City thirty years.

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

Antonetta Perrotta - Clerk/School Dept. Group 2  
Allowance \$1,255.09 a month, effective January 5, 1985.

LUCIA D'AREZZO - APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Lucia D'Arezzo is presented. Ms. D'Arezzo was employed as a Custodian in the School Department. She is 62 years of age with a service record of nine years and five months, working for the City nine years and five months.

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

Lucia D'Arezzo - Custodian/School Dept. Group 1  
Allowance \$390.70, a month, effective January 1, 1985.

EDWARD J. CARROLL-APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Edward J. Carroll is presented. Mr. Carroll was employed as a Policeman in the Police Department. He is 60 years of age with a service record of thirty-nine years and four months, purchasing two years and one month, working for the City thirty-five years and eleven months.

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

Edward J. Carroll Policeman/Police Dept. Group 5  
Allowance \$1,538.28 a month, effective January 1, 1985.

PETER PELIGIAN - APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Peter Peligian is presented. Mr. Pelegian was employed as a Specialist in the Department of Planning and Urban Development. He is 61 years of age with a service record of twenty years and eight months, purchasing two years and eleven months, working for the City seventeen years and nine months.

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

Peter Peligian -Specialist/P.U.D. Group 2  
Allowance \$1,214.05 a month, effective December 29, 1984.

LOUISE R. DUMONT - APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Louise R. Dumont is presented. Ms. Dumont was employed as a Clerk in the Mayor's Office of Community Development. She is 55 years of age with a service record of sixteen years and four months, working for the City sixteen years and four months.

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

Louise R. Dumont Clerk/M.O.C.D. Group 2  
Allowance \$540.43 a month, effective January 12, 1985.

PETER L. CANNON, JR. - APPLICATION FOR SERVICE RETIREMENT - MAXIMUM

The Application of Peter L. Cannon, Jr. is presented. Mr. Cannon was employed as a Land Officer in the Department of Planning and Urban Development. He is 57 years of age with a service record of twenty-nine years and eleven months, purchasing three years and two months, working for the City twenty-six years and nine months.

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

Peter L. Cannon, Jr. Land Officer/P.U.D. Group 2  
 Allowance \$1,422.13 a month, effective January 5, 1985.

OPTION ONEEDWARD A. MELLUCCI - REQUEST FOR SERVICE RETIREMENT - OPTION ONE

The Application of Edward A. Mellucci is presented. Mr. Mellucci was employed as an Administrative Aide in the Department of Mayor's Office of Community Development. He is 57 years of age with a service record of six years and eight months, working for the City six years and eight months.

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

Edward A. Mellucci Admin. Aide/M.O.C.D. Group 2  
 Allowance \$269.18 a month, effective December 22, 1984.

MATTHEW J. SMITH - REQUEST FOR SERVICE RETIREMENT - OPTION ONE.

The Application of Matthew J. Smith is presented. Mr. Smith was employed as a Laborer in the Department of Public Works. He is 66 years of age with a service record of twenty-two years and six months, purchasing three years and six months, working for the City nineteen years and six months.

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

Matthew J. Smith Laborer/Pub. Wks. Group 2  
 Allowance \$659.49 a month, effective January 5, 1985.

OPTION III.JOSEPH A. MAY - REQUEST FOR SERVICE RETIREMENT - OPTION III.

The Application of Joseph A. May is presented. Mr. May was employed as a Supervisor in the School Department. He is 66 years of age with a service record of thirty-four years and eleven months, working for the City thirty-four years and eleven months.

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

Joseph A. May Supervisor/School Dept. Group 2  
 Allowance \$1,895.82 a month, effective January 1, 1985.

CHARLES A. MUSCATELLI - REQUEST FOR SERVICE RETIREMENT - OPTION III

The Application of Charles A. Muscatelli is presented. Mr. Muscatelli was employed as a Custodian in the School Department. He is 68 years of age with a service record of forty-two years and three months, purchasing three years, working for the City thirty-nine years and one month.

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

Charles A. Muscatelli Custodian/School Dept. Group 1  
Allowance \$1,037.97 a month, effective January 1, 1985.

GUY ZANNI - REQUEST FOR SERVICE RETIREMENT - OPTION III

The Application of Guy Zanni is presented. Mr. Zanni was employed as an Equipment Operator in the Department of Public Works. He is 63 years of age with a service record of thirty-seven years and five months, purchasing two years and three months, working for the City thirty-five years and two months.

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

Guy Zanni Equipment Operator/Public Works Group 1  
Allowance \$1,152.92 a month, effective January 5, 1985.

BENEFICIARY OPTION II.

PATRICIA HERTHER, BENEFICIARY OF CHARLES F. HERTHER-OPTION II.

Mr. Corrente presents the Application of Patricia Herther, Beneficiary of Charles F. Herther, who worked as a Equipment Operator in the Parks Department. Mr. Herther was 46 years of age with a service record of ten years and nine months, working for the City ten years and nine months.

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

Charles F. Herther Equip. Operator/Parks Dept. Group 1  
Allowance \$205.72 a month, effective August 10, 1984.

Accordingly, on motion of Mr. Corrente, seconded by Messers. Mendillo and Power, it is voted that the applications for Service Retirements be Approved.

REQUESTS FOR OPTION IV ALLOWANCES.

JOHN J. BRADY-- REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from John J. Brady, dated February 19, 1985:

"It is respectfully requested that I be allowed to withdraw \$32,974.88 (Thirty-Two Thousand, Nine Hundred Seventy Four Dollars and Eighty-Eight Cents) from my retirement plan. This money will be used to pay off the mortgage on my property and to eliminate some personal debts. I will be taking a reduced pension."

Mr. Corrente states that the request for a lump sum payment of \$32,974.88 with a reduced pension allowance of \$1,340.51 as opposed to \$1,559.19 Maximum Retirement Allowance.



PAUL S. CARDULLO - REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from Paul S. Cardullo, dated February 16, 1985:

"As January 3rd way official retirement date from the Providence Police Department, please be advised that I would respectfully request at this time that all monies which I have accumulated through the Pension System be withdrawn. (\$30,299.05), leaving me with a reduced monthly payment of \$1,264.21.

I will be living on a fixed income and plan to use the money to terminate my mortgage, as well as to make some necessary repairs to my home.

Thanking you, I am"

Mr. Corrente states that the request is for a lump sum payment of \$30,299.05 with a reduced pension of \$1,264.21 as opposed to \$1,488.29 Maximum Retirement Allowance.

ANGELO CASALE - REQUEST FOR OPTION IV ALLOWANCE.

Mr. Corrente presents the following communication from Angelo Casale, dated February 11, 1985:

"This letter constitutes a formal request by me as a member of the Class "A" City Retirement System to exercise that Plan designated by you as 'Option #4.'

The purpose of this request is to secure the money which I have paid into the system in order that I may continue to meet pressing expenses as a result of recently being dismissed from City employment.

Since I am at this point without reasonable prospects for a job comparable to the one I was dismissed from, I will need this money in order to hopefully maintain the way I am accustomed to living. The only way I can attain this standard is to exercise this Option #4. This option in receiving a lump sum payment of \$20,286.78 and \$553.56 monthly per "Option 4" is more a necessity than an option.

I hope that the board will act favorably upon my request. If you need me to be present at your meeting to elaborate upon my statement of need, I will present myself to you upon request from your office.

I realize this is a reduced pension."

Mr. Corrente states that the request is for a lump sum payment of \$20,286.78 with a reduced pension allowance of \$553.56 as opposed to \$699.34 Maximum Retirement Allowance.

PHILIP D'AREZZO-- REQUEST FOR OPTION IV ALLOWANCE.

Mr. Corrente presents the following communication from Philip D'Arezzo, dated January 15, 1984:

"I, Philip D'Arezzo, who was placed on the Accidental Disability Pension on December 21, 1984, request a motion that you grant me Option #4; I have accumulated many bills with my wife's cancer operations and running back and forth to Boston for treatments bi-weekly. I hope to pay off a good portion of my debts as my Doctor say's I will never work again, and I have two young children.

I thank you for all you have done for me by granting my pension and will be very grateful if you honor this request.

It is my full understanding that by receiving Option #4, I will be receiving a reduced check every month. Option Four Amount \$16,547.39."

Mr. Corrente states that the request is for a lump sum payment of \$16,547.39 with a reduced pension allowance of \$1,237.98 as opposed to \$1,335.19 Maximum Retirement Allowance.

WILLIAM D. GREEN-- REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from William D. Green, dated February 22, 1985:

"I, William D. Green, would like to take Option 4 with a lump sum of \$22,023.24 at \$814.61 to pay off all bills I own. Moving out of State. This is a lifetime reduced pension."

Mr. Corrente states that the request is for a lump sum payment of \$22,023.24 with a reduced pension allowance of \$814.61 as opposed to \$900.99 Maximum Retirement Allowance.

GEORGE J. GREENWELL - REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from George J. Greenwell, dated February 11, 1985:

"I would like to pick Option 4. I understand that my monthly payment will be \$1,372.98 for the rest of my life with a lump sum payment of \$29,385.95 at retirement. I would like to have this payment to pay some back bills. Thank you."

Mr. Corrente states that the request is for a lump sum payment of \$29,385.95 with a reduced pension allowance of \$1,372.98 as opposed to \$1,574.41 Maximum Retirement Allowance.

RAYMOND F. HEROUX - REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from Raymond F. Heroux, dated February 15, 1985:

"At this time, I would like to inform the Board that I have selected Option 4, lump sum payment of \$26,163.69 upon my retirement from the City of Providence.

I understand that I will receive a reduced pension of \$774.62 a month for the remainder of my life. Furthermore, I am aware that my wife Linda and/or children are not eligible for any benefits upon my death, except for widow benefits.

The reason I have selected this option is due to the fact that I have a 2nd mortgage on my home, I would like to pay off, plus several obligations.

I would like to thank you all for your consideration and cooperation in handling my request."

Mr. Corrente states that the request is for a lump sum payment of \$26,163.69 with a reduced pension allowance of \$774.62 as opposed to \$906.57 Maximum Retirement Allowance.

GEORGE V. PARRILLO - REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from George V. Parrillo, dated February 14, 1985:

"I, George V. Parrillo, would like to request Option "A" withdrawing the lump sum of \$31,894.24, thus taking a reduced monthly pension. I am requesting this to eliminate a mortgage balance and existing debts.

Thank you for your consideration."

Mr. Corrente states that the request is for a lump sum payment of \$31,894.24 with a reduced pension allowance of \$1,370.70 as opposed to \$1,559.19 Maximum Retirement Allowance.

VINCENT F. PORRAZZO - REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from Vincent F. Porrazzo, dated February 11, 1985:

"This is to advise you that I am requesting a reduced pension under Option 4, together with a lump sum payment of \$21,318.86.

I was forced to terminate my employment unexpectedly, and did not have adequate time to plan for my future. I have not been able to obtain a permanent job, have continuing medical expenses and other outstanding financial obligations, and the rest of the lump sum payment will help me manage until such time as I obtain full gainful employment.

Your cooperation is greatly appreciated."

Mr. Corrente states that the request is for a lump sum payment of \$21,318.86 with a reduced pension allowance of \$1,656.01 as opposed to \$1,779.44 Maximum Retirement Allowance.

ANTHONY T. TRAVISANO - REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from Anthony T. Travisano, dated January 18, 1985:

"I have been a member of the Providence Police Department for over thirty years (30), the first five years (5) was spent walking the beat, the other twenty five years (25) was in the Traffic Division, investigating traffic accidents. The duties of a policeman is spent in inclement weather.

Now that I am a lot older and have arthritis, a pinched nerve in my neck, and I can no longer perform these duties, Due to this I would like to take all the money I put in the pension so that I can move and buy a home in a warmer state that will be more beneficial to my health.

I am requesting a sum of \$32,441.43, and a reduced pension for the remainder of my life."

Mr. Corrente states that the request is for a lump sum payment of \$32,441.43 with a reduced pension allowance of \$1,172.36 as opposed to \$1,382.22 Maximum Retirement Allowance.

DONALD J. TURBITT - REQUEST FOR OPTION IV ALLOWANCE

Mr. Corrente presents the following communication from Donald J. Turbitt, dated February 8, 1985:

"This is a request from Donald Turbitt to receive a lump sum payment for his retirement. The reason he is requesting a lump sum payment is that he has three children in college and has a need for the money at this time to pay college bills and other basic needs.

Withdrawal of \$25,150.23 and this will result in a reduced lifetime pension payment.

Thank you for your conderation."

Mr. Corrente states that the request is for a lump sum payment of \$25,150.23 with a reduced pension allowance of \$800.60 as opposed to \$955.84 Maximum Retirement Allowance.

Accordingly, on motion of Mr. Graves, seconded by Messers. Power and Mendillo, it is

VOTED: that the requests of John J. Brady, Paul S. Cardullo, Angelo Casale, Philip D'Arezzo, William D. Green, George J. Greenwell, Raymond L. Heroux, George V. Parrillo, Vincent F. Parrazzo, Anthony T. Travisano and Donald J. Turbitt for Option IV Allowances be Approved.

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HEARING - STEPHEN KOHANSKY

Chairman Quattrocchi observes that neither Stephen Kohansky or his lawyer, Attorney McQueeney are present at this time.

Accordingly, on motion of Mr. Mendillo, seconded by Mr. Power, it is

VOTED: to table the hearing of Stephen Kohansky until the March Retirement Board meeting and to request that Mrs. Spratt correspond with Mr. Kohansky that this will be his last opportunity to be heard before this Board.

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MISCELLANEOUS

A. CORRESPONDENCE FROM ACTUARY RE: 70% FUNDING

Mr. Corrente presents the following communication from Stephen G. Peterson, Consulting Actuary, dated February 27, 1985, responding to a request for information with respect to the funding methods in use for retirement systems of other municipalities:

Mr. Frank Corrente  
City Controller  
Employees' Retirement System  
of the City of Providence  
City Hall  
Providence, R.I. 02903

Dear Frank:

I am writing in response to your letter of February 11 in which you requested information with respect to the funding methods in use for retirement systems of other municipalities.

Under the present provisions of the Retirement Act governing the operation of the Employees' Retirement System of the City of Providence, City contributions to the System need not exceed the amount determined on the basis of 70% aggregate funding. Under this method, 70% of the total present value of City provided prospective payments under the Retirement System are reduced by current assets (less members' contributions) in the Trust Fund. The balance is divided by the present value of future salaries of active members to obtain contribution rates applicable to the City.

We are not aware of any published material that shows the funding methods used by other municipalities and, thus, no statistics are available with respect to the funding percentages of other systems. It should be noted, however, that the funding percentage is not the only consideration in determining whether or not the system is properly funded. For example, funding at 70% of total liabilities may be more conservative, i.e. produce higher contributions, than recognizing 100% of the liabilities but contributing only interest on the unfunded past service portion. (Under the System's method both principal and interest are contributed.) Or, funding at 70% under present assumptions may be more conservative than funding at 100% under other assumptions.

The present 70% funding procedure has resulted in the accumulation of assets to meet future obligations. There are governmental systems currently on a pay-as-you-go basis whereby no reserves are accumulated for future obligations.

Public retirement systems are not subject to funding requirements by Federal law and the City of Providence is subject only to the provisions of the Retirement Act so there is no need to change the present method from this viewpoint.

Although the method may not technically comply with FASB rules, we feel that it results in contributions and asset accumulations which equal or exceed those generated by methods or assumptions which are acceptable within FASB rules.

Overall, we feel that the 70% funding method is appropriate and see no need for a change at this time.

Very truly yours,

GEORGE B. BUCK CONSULTING ACTUARIES, INC.

*Steve*  
Stephen G. Peterson  
Consulting Actuary

SGP:AR

Accordingly, on motion of Mr. Power, seconded by Mr. Mendillo, it is

VOTED: That a copy of the foregoing communication be transmitted to the auditors and to Stephen J. O'Rourke, Director of Implementation.

Chairman Quattrocchi states that while the Board is reviewing correspondence, he wishes to submit the following communication from Charles T. Francis, Chairman of the Providence Review Commission, dated January 29, 1985:

Charles T. Francis  
~~BRUCE SUNDLEN~~  
CHAIRMAN



JOSEPH R. PAOLINI  
MAYOR

PROVIDENCE REVIEW COMMISSION  
CITY HALL, PROVIDENCE, RHODE ISLAND 02903  
421-7740 EXT. 408

January 29, 1985

Mr. James Quattrocchi  
c/o Dean Witter Reynolds, Inc.  
42 Weybosset Street  
Providence, RI 02903

Dear Mr. Quattrocchi:

Ordinance 156, dated March 18, 1981 provides for the establishment of the Providence Review Commission (the Commission) to exercise oversight of the financial affairs of the City of Providence (the City). The Commission requests your attendance at our next meeting on February 26, 1985 at 10 a.m. at Broadcast House, 111 Dorrance Street to share with us your insights as to the operation of the retirement board of the City of Providence and the funding for the City's retirement plan.

If you would indicate your acceptance of our invitation to Maria Morito at 421-7740 EXT. 408, it would be appreciated.

Very truly yours,

*Charles T. Francis*  
Charles T. Francis  
Chairman

CTF:mm

Mr. Quattrocchi states that he was unable to attend the February 26th meeting which Mr. Francis invited him to in the foregoing letter.

He states that Mr. Francis called him and Chairman Quattrocchi indicated to him that he would bring said letter to the Retirement Board's attention at today's meeting and that he would ask the Board what their pleasure is, and if they wish to designate one or more people to go to Mr. Francis' Review Commission to discuss the pension system.

He is introducing this correspondence as a matter of record and he is asking the Board what they would like to do.

Mr. Corrente questions whether or not Mr. Francis explained why he would like a member or members of this Board present at the Providence Review Commission.

Chairman Quattrocchi states that Mr. Francis stated that the Review Commission is interested in the health of the City Retirement System.

He states that his own personal feeling is that it should be the administrative officer, which is really Mr. Corrente, who should attend the meeting. He adds that any other member wishing to go should feel free to do so.

Discussion ensues, and on motion of Mr. Mendillo, seconded by Mr. McCrink, it is

VOTED: to designate Mr. Corrente, Mr. Graves, Mr. Marnane, Mr. Power and Mrs. Spratt to represent the Retirement Board of the Employees' Retirement System at the next Review Commission Meeting to be held Tuesday, March 26, 1985.

B. PURCHASE OF SERVICE - LOUIS SANTIANO (RETIRED)

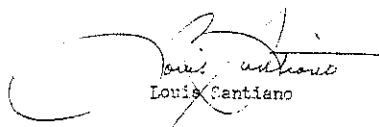
Mr. Corrente presents the following communication from Louis Santiano, Retired former Director of Recreation for the City of Providence:

To: City of Providence Retirement Board, Frank J. Corrente, City Controller  
From: Louis Santiano, Retired (City of Providence, Active No. 25921)

I am Louis Santiano, former Director of Recreation for the City of Providence, who retired from city service, July, 1981.

Prior to my retirement I naturally inquired about all ramifications, options, allowances and whatever prior service I could purchase. I was told I could purchase state time, military time and prior City of Providence time. I did. However, I was told that I could not purchase time I earned while working for Progress for Providence. (See attached). I want to now.

I humbly request your consideration of this matter and thank all of you  
for your time and effort.

  
Louis Santiano

268 Fruit Hill Avenue, #9  
North Providence, Rhode Island 02911

Telephone: 353-0749

Chairman Quattrocchi questions Mrs. Spratt as to whether or not the Board has allowed anyone else who worked for Progress for Providence to purchase time.

Mrs. Spratt states that they have, but at the time that Mr. Santiano was applying for the fifteen years and nine months of service that he bought prior to retirement, he did not mention ProCap to her. She was unaware of it. In that he is now on the Retirement rolls, it would in fact be against the law for him to purchase this credit with ProCap.

In order for retirees to buy military time, they had to pass a special Bill, to allow the retirees to take advantage of it.

She would say in that connection in order to buy this time, it also would have to be special legislation.

She states that he bought fifteen years and nine months. She was not aware that he had this time.

Chairman Quattrocchi questions if Mr. Santiano is already retired.

Mrs. Spratt states that that is correct.

Chairman Quattrocchi states that he does not know of this Board ever letting anyone come back after they have retired to purchase time.

Mrs. Spratt states that that has not been a practice. In order for the retirees to buy military service, there was a special act of the legislature in order to allow it.

Discussion ensues, and on motion of Mr. Power, seconded by Mr. Graves, it is

VOTED: to Deny the request of Louis Santiano to purchase time he earned while working for Progress for Providence, due to the fact that he is already on the Retirement rolls.

### C. LEGAL OPINIONS

#### 1. JOSEPH HARRIS - REIMBURSEMENT OF PLAYOFF CLUB

Chairman Quattrocchi submits the following legal opinion from Alan E. Kornstein, Special Counsel, dated February 28, 1985:

## DEPARTMENT OF LAW

February 28, 1985

James R. Quattrocchi, Chairman  
Retirement Board of the Employees'  
Retirement System  
c/o Dolores Spratt  
City Hall  
Providence, Rhode Island 02903

RE: Joseph Harris

Dear Chairman Quattrocchi:

Joseph Harris, a former firefighter for the City of Providence, currently on Accidental Disability Retirement status, has requested, via his legal representative, that the Board pay his membership fees in the Playoff Club.

A perusal of the City's Retirement Act has led me to the conclusion that despite attorney O'Hara's contentions to the contrary, this Board is under no legal obligation to pay said dues. However, I feel that the Board should nevertheless consider whether, by denying Mr. Harris the opportunity to rehabilitate himself under the proper care and supervision needed, it is thwarting its own purpose, that is, to have Harris in suitable condition so that he may pass his yearly exam and be taken off Disability Retirement.

Should Mr. Harris or his attorney persist in their demands for payment, this Board should be aware of the fact that I have contacted a Mr. Peter Louthus, the head trainer at Providence College, who informed me that not only is the gym facility available to Mr. Harris at no cost, but also that he (Louthus) is amenable to provide assistance to Harris on a limited basis in his rehabilitation program.

Respectfully submitted:

*Alan E. Kornstein*

ALAN E. KORNSTEIN  
Special Counsel

Mr. Marnane wishes to make a correction in the foregoing communication. That is that Mr. Harris is a former policeman not a former firefighter as stated in this legal opinion.

Chairman Quattrocchi directs the clerk to note this correction in the minutes of this meeting.

Accordingly, on motion of Mr. Power, seconded by Mr. Graves, it is

VOTED: to Deny the request of Joseph Harris to be reimbursed by the Retirement Board for his membership fees in the Playoff Club.

Chairman Quattrocchi wishes to have the correspondence to Mr. Harris informing him of his Denial also inform him of the availability of Providence College facilities at no cost.

Mr. Power questions as to whether or not Mr. Harris is being investigated as to determine if he is gainfully employed.

Mr. Power states that Mr. Harris is being investigated by members of the Providence Police Department.



2. KARL KRITZ - REQUEST FOR INTEREST PAYMENT

Mr. Mastrati requests that this be tabled until the next Retirement Board meeting, due to the fact that they are still in the process of doing research.

Accordingly, on motion of Mr. Graves, seconded by Mr. Mendillo, it is

VOTED: to table the request for interest payment to Karl Kritz until the next Retirement Board meeting, at which time the Law Department will render a legal opinion.

3. DONALD SCHOBEL - REQUEST FOR ACCIDENTAL DEATH BENEFIT

Mr. Mastrati submits the following memorandum from City Solicitor Edward C. Clifton, dated February 13, 1985 and accompanying legal opinion from Lavonne Thompson, Special Counsel, dated February 11, 1985:

EDWARD C. CLIFTON, ESQ.  
~~CHARLES XXXXXXXXXXXXX~~  
CITY SOLICITOR



JOSEPH

DEPARTMENT OF LAW

February 13, 1985

James Quattrocchi, Chairman  
Retirement Board of the Employees'  
Retirement System  
c/o Dolores Spratt  
City Hall  
Providence, Rhode Island 02903

Dear Mr. Quattrocchi:

Please find enclosed a memo to my attention on the legal ramifications of survivor's and pension benefits to Detective Donald Schobel's family as a result of a self-inflicted gunshot wound. Please be advised that the memo states the position of the Law Department on this matter.

Very truly yours,

EDWARD C. CLIFTON  
City Solicitor

ECC/vav  
Enclosure

Dolores Spratt

TO: Edward C. Clifton, City Solicitor  
 FROM: LaVonne Thompson, Special Counsel *X. T.*  
 DATE: February 11, 1985  
 RE: Legal Ramifications of Survivor's and Pension Benefits to Detective Donald Schobel family as a result of a self-inflicted gun shot wound

INTER-OFFICE MEMO

This is in response to the memo from the Retirement Board of the Employees' Retirement System regarding the legal ramifications of allowing survivors and pension benefits to be paid to the beneficiary of Detective Donald Schobel, who died of a self-inflicted gun shot wound on November 26, 1984.

R.I.G.L. 945-19-4 states that if an active or retired member of the police force of a city or town is killed or dies from injuries received while in the performance of his duty as such member, or dies of a heart condition or any condition derived from hypertension while still a member, there shall be paid out of the policemen's relief fund of Rhode Island to the following dependents of such deceased person the following...an additional annuity of \$1,000 a year, payable in such regular installments as may be determined by said board, for each child of such deceased person during such time as such child is under the age of 18...

The issue then under the R.I. statute is whether Detective Donald Schobel's death occurred during or as a result of the performance of his official duties for benefits to accrue to his surviving dependent. Thus, for his survivors to be eligible for said benefits, a causal connection between the official duties of the decedent and his death must be established.

What then constitutes a sufficient causal connection when the phrase "while in the performance of his duty" is used as in the RI statute? If said language is used in its narrow interpretation, the court held in Lawrence v Los Angeles (1942) 53 Cal. App2d 6, 127 P2d 931, that the language meant that there must have been a "causal relation, mediate or immediate, between the duty performed by the deceased and the injury, which has resulted in his death. See also, McColgan v Bd. of Police Commissioners, (1943) 130 Cal App 66, 19 P2d 815 where the court stated that survivor not entitled to benefit where decedent was off duty since not in the performance of his duty. Further, in Moore v Classco, (1947) 347 Mo 977, 194 SW2 848, the court held that the language of the statute means that the decedent must be "in the actual performance of duty" and that no pension could be awarded where the officer was fatally injured after having reported off duty from a street call box.

Following the above court's interpretations of the language, one could argueably say then that Detective Schobel was not in the mediate, or immediate or actual performance of his official duties when he died of a self-inflicted gun shot wound off duty in the home of his mother on November 26, 1984 and thus there is no causal connection between committing suicide and his duties as a Detective on the Police Department. Under <sup>this</sup> argument, benefits would be denied to his survivor.

Under a broad reading of the language of the statute in two cases where the death of the police officer appeared to be suicide, the court held that the survivors were entitled to pensions. In Argersback v South River Police Pension Comm., (1939) 122 NJLI, 3 A2d 873, where the right of a policeman's widow to a pension was contested on the ground that all of the circumstances surrounding the policeman's death pointed to self-destruction, that court allowed recovery. The court pointed out that whether the death was accidental

or suicidal, the petitioner was entitled to the pension under a statute providing for pensions for the survivor of an officer who lost his life in the performance of his duty or who "died from causes other than injuries received in the performance of his duty."

Judgment for the petitioner was upheld in a second case, Hershey v Agnew, (1927) 83 Colo 89, 262 P526, under an ordinance providing for the payment of a pension to the family of any police officer who died "while in the service of said department." In that case, a policeman was found dead in his backyard, death having resulted from an apparent self-inflicted gunshot wound. The court held in allowing the benefits, that the police officer had been in the service of the police department at the time of his death as defined by the language of the statute.

Following the courts who have construed a liberal interpretation to the phrase "while in the performance of his duty," one could likewise argue (just as Major Walter Clark of the Providence Police Department has) that Detective Schobel did in fact die while in the performance of his duty as a police officer and his survivor is therefore entitled to the benefits under the statute.

If the Retirement Board grants the requested benefits, in so doing, the Board will set a precedent in this area for the City of Providence as well as other municipalities in the state. In addition, under the statute, Detective Schobel's eight-year old son would receive \$1,000 a year until such child reaches 18 years or over 18 years if said son is physically or mentally incapacitated from earning a living.

Chairman Quattrocchi states that he had asked Mrs. Spratt to research any other policemen who have died as the result of a suicide.

Chief Ricci, which everyone was aware of, and another one, a Charles McElroy, both died as the result of a suicide. He questions Mrs. Spratt as to what the result was in both of those cases.

Mrs. Spratt states that in the case of Charles McElroy, the total monies that he had in the system were paid to his named beneficiary, there was no pension made available to the family. He was qualified at the time to collect a pension had they passed him for Accidental Death, etc. He had the time.

Chairman Quattrocchi questions if Mr. McElroy committed suicide while on duty.

Mrs. Spratt states that he was on duty at the time he committed suicide.

Mr. Corrente states that that makes no difference in that particular case, because he was eligible. Mr. Schobel was not eligible.

Chairman Quattrocchi questions as to what happened in the case of Chief Ricci.

Mrs. Spratt states that Chief Ricci was eligible as well

as vested, so his wife was automatically entitled to what they call the Option II Benefit. She is on a Beneficiary Option payroll.

Chairman Quattrocchi questions if that was a normal pension and not a Disability Pension.

Mrs. Spratt states that that is correct. Chief Ricci had service so his wife received two-thirds of what he would have received.

Chairman Quattrocchi states that in the prior two circumstances, neither one these gentlemen has received Disability Pensions post-humously.

City Solicitor Clifton states that the legal opinion that was researched seemed to suggest that the Laws throughout the United States are fairly the same as those in Rhode Island.

The courts have gone either way with respect to whether or not, in circumstances similar to these, whether an individual should or should not be entitled to receive benefits.

The policy behind this is in our Judeo-Christian ethics, where the taking of one's life is frowned upon. As a consequence, the courts are reluctant to make provisions for the heirs of that person because of that particular act.

It would be a very difficult situation for the court to make a uniformed rule to say that in a circumstance like that the person should be entitled to their benefits. It might encourage individuals if they find themselves in a personal financial situation to do something like that and make the money available to their heirs through pension benefits.

It is a very, very touchy question, obviously and it is one he thinks that the Board has the right to make the decision, as to whether or not they wish to grant this or not grant it.

He states that either way that it is done, that the Board would be justified in doing so, assuming that there is enough evidence to believe that Detective Schobel did in fact end his own life and the circumstances which would amount to that in the line of duty.

Chairman Quattrocchi questions how you can get inside somebody's head and differentiate stress related to a job, stress related to a divorce, stress related to the holiday season, the fact that he may have been separated from his family, any of these things

could have depressed Detective Schobel.

How does this Board separate out job stress from personal stress. Everybody, in one way or another, has stress in their lives.

Mr. Power suggests that this matter be tabled for one month. He states that Detective Schobel was under psychiatric care and if he could obtain those reports, they may show that his stress was job related.

Mrs. Spratt states that she had requested all medical records as the Board had requested at its last meeting.

The doctor did not say that he would not forward the records, what he did say was that he would be glad to present himself today to give the Board some insight into this individual circumstance.

She is now to let him know that it was taken under advisement and if he would like to come and make a presentation, the doctor would be welcome but the Board also wishes to look at the records.

Mr. Corrente states that he would be glad to listen to Dr. Paolino's testimony but with the condition that it all go on record.

Chairman Quattrocchi states that they are all aware of the fact Dr. Paolino may or may not be exposed to a litigation liability here and therefore he may or may not incline himself in certain directions.

Mr. Corrente states that he, for one, does not want Dr. Paolino here if he is not going to go on the record.

Accordingly, on motion of Mr. Power, seconded by Mr. Mendillo, it is

VOTED: to table the Request for Accidental Death Benefits for Detective Donald Schobel and to contact Detective Schobel's psychiatrist, Dr. Paolino, to submit his medical records and to also make a presentation on Detective Schobel's behalf.

Discussion ensues and it is brought out that Lt. Edmond F. Malloy, who is in charge of the Stress Unit, should also be contacted to be present at the next Retirement Board Meeting.

City Solicitor Clifton states that there might be a problem with confidentiality. Under State Law, records of that nature are confidential.

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He states that it is possible that the records that are being sought by the Board may in fact be confidential and therefore not capable of being released.

Chairman Quattrocchi states that if Dr. Paolino is not prepared to let the Board look at his files, he will not accept his testimony. He wants both sides and all of the information made available. If someone is going to deny the Board part of the information, he does not want half of it. He does not want half of a story.

Mr. Corrente questions if the beneficiary of the Retirement Funds can give the Board permission to look at the records.

Mr. Clifton states that someone has to be appointed by the Probate Court of wherever Mr. Schobel last lived to be the administrator of his estate. He believes that is the only person who would be authorized to give permission for release of medical records.

Chairman Quattrocchi questions if City Solicitor Clifton would be willing to correspond with the administrator of Mr. Schobel's estate.

Mr. Clifton states that he would correspond, providing that there is one.

Chairman Quattrocchi directs Mrs. Spratt that when she contacts Dr. Paolino, she should inform him that the Board's position is basically that they want to see the file, all of the medical evidence. If he is unwilling to provide that, the Board is not interested in his presentation. They want the testimony and the file or neither.

Discussion ensues and Mrs. Spratt states that at last month's meeting Mr. Power had stated that he had some feelings about submitting Detective Schobel's name for an Ordinary Disability.

Mrs. Spratt states that Detective Schobel was vested, so he would have been eligible for an Ordinary Disability, had he lived long enough for it to be processed.

She questions if there is perhaps some way, based on an Ordinary Disability situation on a lesser payment, that they can pay to his son.

Mr. Corrente states that would mean that everyone from now on who commits suicide would have that right, if they are vested.

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Mr. Power states that Detective Schobel was going through the stress program, he was looking for help and then he committed suicide.

If he, on the other hand, left today and committed suicide, that would be different. He has not gone through the stress program and has not looked for help. He could be denied right out.

Mr. Power states that Detective Schobel had had a nervous breakdown several years ago.

He states that he has been a policeman for thirty-three years and has no stress. Some people can cope with things better than other people can.

Mr. Corrente states that he would be inclined to deny this case and allow each individual person who faces that problem to go through litigation, and let the courts decide.

Further discussion ensues and Chairman Quattrocchi states that a motion to Table this matter has been made and seconded. The Board will review this matter again at its next meeting.

E X E C U T I V E \_ S E S S I O N

Upon the request of Mr. Mastrati and on motion of Mr. Power, seconded by Mrs. Mcrink and Mr. Marnane, it is voted to retire into Executive Session at 2:30 o'clock P.M., to discuss current litigation against the Retirement Board.

TRIFARI vs. RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM.

On motion of Mr. Marnane, seconded by Mr. Mendillo, it is voted to reconvene at 2:50 o'clock P.M.

Accordingly, on motion of Mr. Power, seconded by Mr. Marnane, it is

VOTED: to authorize Mr. Corrente to correspond with the Actuary authorizing them to verify all the calculations in this Class Action litigation.

Mr. Clifton states that it should be noted for the record, the reason for the verification by the Actuary, so that it will be clear because this is not just an arbitrary action.

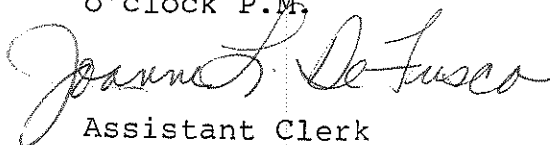
Chairman Quattrocchi states that this is being done by the Board in an abundance of caution as fiduciaries, the request of their actuary verify the figures.

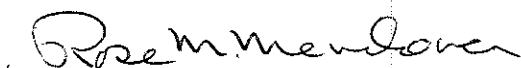
Mr. Clifton states that also with reflections that there had been errors that have been discerned and in an abundance

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of caution and on the basis of the errors that have been discerned, that the Actuary be charged to do this.

ADJOURNMENT: On motion of Mr. Mendillo, seconded by Mr. Power, it is voted to adjourn this meeting at 3:35 o'clock P.M. to meet again on THURSDAY, MARCH 28, 1985 at 1:30 o'clock P.M.

  
Assistant Clerk

  
CLERK