

RIPTA - JOINT PENSION BOARD MEETING

**3:00 pm Wednesday, December 21, 2016
705 Elmwood Avenue, Providence**

AGENDA

1. JPB Action: Approval of Meeting Minutes November 16, 2016
2. Convene as Pension Benefit Sub-Committee
 - Consideration of Benefits' Requests – Local 618
 - JPB Action: Josef S. Patyna, Bus Operator - Active Employee Age 69 Request for Late Pension effective 12/1/2016
3. Board Discussion/Approval: Revised RIPTA Pension Plan Documents
4. Board Discussion/Approval: Consideration of Approval to Change the Asset Allocation, with Appropriate Assumed Rate of Return and Discount Rate of the RIPTA Pension Plan as Recommended by Portfolio Evaluation, Prudential, and Angell Pension at Previous Meetings
5. Adjournment

**Rhode Island Public Transit Authority
Joint Pension Board
Minutes of the December 21, 2016 Meeting**

Joint Pension Board

Members Present: Maureen Martin, Karen DiLauro, Kathy Nadeau, Thomas Cute, Kevin Cole, Dave Garzone, and Christian Capizzo

Absent Members: None.

Also Present: Maureen Ruzzano, and Benjamin Salzillo

Agenda Item 1: Approval of November 16, 2016 Meeting Minutes

Mr. Garzone makes a motion to approve the November 16, 2016 Minutes. Mr. Cute seconds, and it passes unanimously.

Agenda Item 2: Convene as Pension Benefit Sub-Committee

Ms. Ruzzano presents the late pension request for Mr. Josef S. Patyna, Bus Operator. Mr. Patyna was hired on July 29, 2009, and has been employed for seven years and four months. He has asked his pension benefits become effective December 1, 2016, in the amount of \$638.75 per month.

Mr. Cute make a motion to approve the pension benefits request. Mr. Cole seconds, and it passes unanimously.

Agenda Item 3: Revised RIPTA Pension Plan Documents

Mr. Salzillo presents the revised Pension Plan documents, and advises that copies had been previously provided to Mr. Cute and Mr. Garzone. He mentions this doesn't change eligibility or benefits, and doesn't affect anybody directly. The revision makes required legal changes and administrative clarifications. It is consistent with the practices RIPTA currently employs.

Mr. Cute advised he had the proposed documents vetted by Douglas Taylor from the Labor Bureau in Washington D.C. He is impressed with the work that was done while updating these documents, as the former documents were over ten years old.

Mr. Cute moves for adoption of Revised Pension Plan documents. Mr. Garzone seconds, and it passes unanimously.

Mr. Salzillo presents the Summary Plan Description, which was also prepared by pension Council. The purpose is to describe the details of what is in the plan itself, without employees needing to read through multiple pages of legalese.

Ms. DiLauro makes a motion to approve the Summary Plan Description. Mr. Garzone seconds, and it passes unanimously.

Agenda Item 4: **Consideration of Approval to change the Asset Allocation, with Appropriate Assumed Rate of Return and Discount Rate of the RIPTA Pension Plan as recommended by Portfolio Evaluation, Prudential, and Angell Pension at previous meetings**

Ms. DiLauro discusses recommendations and mentions we are currently at 47% Equity, 3% RIETS and 50% Fixed Asset. This allocation would carry about a 6% rate of return, although we are at a 7.5% right now. Two alternatives to consider are:

1. Move to 52% Equity, 3% RIETS, and 45% Fixed Asset: That would carry about a 6.5% rate of return.
2. Move to 57% Equity, 3% RIETS, and 40% Fixed Asset: This would carry about a 6.9% rate of return.

These were the alternatives discussed. Ms. DiLauro mentions she spoke with the actuaries and accountants; They feel the rate of return should be better tied to the composition in the assets. This is to discuss the asset allocation and to change the rate of return. Ms. Martina and Ms. DiLauro discuss the alternatives and best options for return. Mr. Cute and Ms. DiLauro discuss the potential return of moving to 60/40, rather than the current 50/50, which would raise the return to 7%.

Ms. DiLauro makes a motion to change asset allocation to 57% Equity, 3% RIETS, and 40% Fixed Asset, with a 7% assumed rate of return and discount rate. Mr. Cute seconds, and it passes unanimously.

Agenda Item 5: **Adjournment**

Ms. DiLauro makes a motion to adjourn the meeting. Mr. Cute seconds, and it passes unanimously.

Respectfully submitted,

Elizabeth Silvestre
Recording Secretary