



SENATE FISCAL OFFICE
REPORT

**SENATE MUNICIPAL PENSIONS
STUDY COMMISSION**

FINAL REPORT

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Senate Municipal Pensions Study Commission

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The Commission would like to thank Senator Daniel Connors for his service in 2010, and for his insight into and concern for the financial integrity of Rhode Island's local pension funds. The Commission also extends its appreciation to Kayleigh Pratt, Senate Fiscal Office Fellow, for her assistance in preparing this report.

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Executive Summary

Senate Resolution 2009 S-1048 created a five-member Senate commission to conduct a comprehensive review and study of different aspects of municipal pensions. The Commission heard testimony from local city and town officials, investment and pension fund experts and labor representatives. Recognizing that reform is difficult and not without difficult choices, the commission releases the following findings and recommendations.

KEY FINDINGS

Retirement benefits represent the fastest growing component of municipal expenditures (including education aid) and represented more than one-fourth of all non-education related municipal spending in FY2010.¹

The Municipal Employees Retirement System (MERS) has a funded ratio of 92.8 percent whereas, municipalities' locally-administered (non-MERS) plans have a funded ratio of only 42.8 percent.*

The collective annual required contribution (ARC) for all municipal pensions was \$295.0 million in FY2009 of which \$161.0 million related to locally-administered plans.²

Communities participating in MERS made 100 percent of their ARC payment, whereas the communities using locally-administered pension programs contributed approximately 82.0 percent of their ARC.

Locally-administered plans are considered to be most at-risk by the Auditor General because they do not have the appropriate level of available assets to meet the benefit obligations for retirees.³

Communities contributed \$100.8 million in payments to support Other Post-Employment Benefits (OPEB) plans. However, this was nearly \$90 million less than the annual required contribution (ARC) of \$190.0 million. There is an estimated \$2.4 billion in unfunded OPEB liability throughout the State's municipalities and these communities' OPEB trust funds are estimated to have a collective funded ratio of less than 1.0 percent.⁴

RECOMMENDATIONS

Develop and require locally-administered plans to begin a funding schedule to achieve 100 percent funding of the Annual Required Contribution (ARC);

Align municipal disability pensions with State disability pension reform, and consider reforms to injured on duty (IOD) provisions;

Encourage municipalities to adopt a plan to begin funding OPEB liabilities and revise benefits as needed to ensure that OPEB plans are sustainable;

Require the Office of the Auditor General to update the local pension analysis every other year and report to the House and Senate Finance Committees;

Establish a new Senate commission to help restructure the costs of municipal pensions.

* As of 6/30/09 the funded ratio for MERS decreased to 88.3 percent. The aforementioned figure is representative of what the MERS funded ratio was at the time of the commission hearings. For locally-administered plans, the funded ratio was calculated using town/city audit reports from FY2009.

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- Consider strategies to move locally-administered plans into the State MERS plan or establish an alternate MERS system for locally-administered plans (perhaps starting with those with plans 65.0 percent funded or less);
- Consider alternatives to defined benefit plans for all new municipal hires;
- Consider aligning municipal plans to State reforms.

Senate Municipal Pension Study Commission Meetings

The Senate Commission held six hearings between November 2009 and March 2010. The hearing dates and agenda for each meeting were as follows:

SEPTEMBER 15, 2009

- Organizational Meeting
- RIPEC Public Pension Presentation

OCTOBER 13, 2009

- Mr. Daniel Sherman of Buck Consultants: Pension Reforms in the US

NOVEMBER 10, 2009

- Mr. Ernest A. Almonte, CPA, CFE, the Auditor General – Municipal Pensions

DECEMBER 15, 2009

- Public Testimony

JANUARY 15, 2010

- PricewaterhouseCoopers: The Federal Employees Retirement System, Public Safety Plan Trends, & Other Plan Design Options

MARCH 10, 2010

- Mr. Dennis Hoyle, Acting Auditor General
- Mr. John Simmons, RIPEC

Background Information

During the six hearings held to discuss Rhode Island's municipal pension system, the Senate Municipal Pension Study Commission was presented with the following information to provide background for the municipal pension reform discussion.

OVERVIEW OF PENSION PLANS

There are primarily three types of pension plans: defined benefit plans, which guarantee benefits to employees who meet a series of criteria, such as years of service, salary base and retirement age, regardless of fund performance; defined contribution plans which promise a contribution to a retirement savings plan by the employer; and hybrid plans which combine elements of both plans to share the risk and reward between employer and employee.

In defined benefit plans, the employer bears the risk and reward for fund performance and actuarial performance as it is responsible for making payments toward the system's unfunded actuarial liability in addition to the "normal cost" payments. Conversely, defined contribution plans, such as 401(k), 401(a), 403(b), and 457(b) plans, place the risk (and reward) of market performance on the employee.

GASB Statement 25 established financial reporting standards for defined benefit pension plans, requiring that pension trust fund administrators must disclose both the fair value of pension plan assets, liabilities and net assets, as well as actuarially-determined information on the funded status of the plan and progress toward full funding.

Other post-employment benefits (OPEB), primarily retiree health care, pose challenges for both the State and municipalities. Furthermore, there are currently no state administered OPEB plans for municipalities. Each municipality is responsible for administering its own plan. Presently, these costs are almost entirely unfunded.

NATIONAL OVERVIEW

Underfunded pension and other post-employment benefits (OPEB) plans are not unique to Rhode Island. The issues associated with defined benefit plans have received significant attention on a national scale in light of increased actuarial liabilities for future benefits. These increases have been driven in large part by employees retiring earlier and living longer as well as recent investment losses which have been compounded in some cases by the lack of adequate funding.⁵

On a national level, many State and local governments have underfunded their pension systems for a decade or more because they believed that the stock market boom of the 1990s would continue to fund any shortfalls. Despite the market's recent downturn, under-funding continued due to growing State and local budget deficits.⁶

The financial crisis in 2008 affected public pension systems across the country. Plans in Virginia and Maryland lost up to 21 percent of their portfolios. Their losses were typical of what pension funds suffered around the country. The Center for Retirement Research at Boston College predicted that before the market crash, public systems would have up to \$3.6 trillion in their accounts by now; however, estimated pension fund balances are \$1.2 trillion short of that mark.⁷

Some experts indicate that the funding gap may have become so great that no investment strategy can close it and taxpayers will eventually have to cover the massive bill.⁸

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National Overview: Pension Funding & Unfunded Liabilities

State	Unfunded		S & P	Rating		State	Unfunded		S & P	Rating	
	Liability (bil)	% Funded		Moody's	Fitch		Liability (bil)	% Funded		Moody's	Fitch
Illinois	\$54.50	54%	A+	A2	A	Missouri	\$9.00	83%	AAA	Aaa	AAA
Kansas	8.30	59	AA+	Aa1	AA-	New Mexico	4.50	83	AA+	Aa1	NR
Oklahoma	13.20	61	AA+	Aa3	AA	Michigan	11.50	84	AA-	Aa3	A+
Rhode Island	4.40	61	AA+	Aa3	AA-	Montana	1.50	84	AA	Aa2	AA
Connecticut	15.90	62	AA+	Aa3	AA	Utah	3.60	84	AAA	Aaa	AAA
Massachusetts	21.80	63	AA-	Aa2	AA	Virginia	10.70	84	AAA	Aaa	AAA
Kentucky	13.30	64	AA	Aa2	AA-	Arkansas	2.80	87	AA	Aa2	NR
West Virginia	5.00	64	AA	Aa3	AA-	California	59.50	87	A_	Baa1	BBB
New Hampshire	2.50	68	AA	Aa2	AA	North Dakota	0.50	87	AA+	Aa2	NR
Hawaii	5.20	69	AA	Aa2	AA	Ohio	19.50	87	AA+	Aa2	AA
Colorado	16.80	70	AA-	Aa2	F1+	Pennsylvania	13.70	87	AA	Aa2	AA
Louisiana	11.70	70	AA-	A1	AA-	Vermont	0.50	88	AA+	Aaa	AA+
South Carolina	13.10	70	AA+	Aaa	AAA	Iowa	2.70	89	AA	Aa1	AA+
Indiana	9.80	72	AAA	Aa1	AA	Texas	13.80	91	AA+	Aa1	AA+
Mississippi	8.00	73	AA	Aa3	AA	Georgia	6.40	92	AAA	Aaa	AAA
New Jersey	34.40	73	AA	Aa3	AA-	Nebraska	0.80	92	AA+	NR	NR
Alaska	3.50	76	AA+	Aa2	AA	Idaho	0.80	93	AA	Aa2	AA-
Nevada	7.30	76	AA+	Aa2	AA	Tennessee	1.60	95	AA+	Aa2	AA+
Alabama	9.20	77	AA	Aa2	AA	South Dakota	0.20	97	AA	NR	AA-
Maryland	10.90	78	AAA	Aaa	AAA	Delaware	0.10	98	AAA	Aaa	AAA
Wyoming	1.40	79	AA+	NR	F1+	North Carolina	0.50	99	AAA	Aaa	AAA
Arizona	7.90	80	AA-	A1	NR	Washington	(0.02)	100	AA+	Aa1	AA
Maine	2.80	80	AA	Aa3	AA	Wisconsin	0.30	100	AA	Aa3	AA-
Oregon	10.70	80	AA	Aa2	AA	Florida	(1.80)	101	AAA	Aa1	AA+
Minnesota	10.80	81	AAA	Aa1	AAA	New York	(10.40)	107	AA	Aa3	AA-

NR = Not Rated

Source: Pew Center on the States, Standard & Poors, Moody's, Fitch

Chart Source: E21 Economic Policies for the 21st Century by Steven Goldsmith, March 22, 2010

Public pension systems across the country on average will have less than half the money they need to pay pension benefits within 10-15 years. Much of this is due to the increased number of baby boomers expected to retire combined with poor market performance.⁹

It has been reported that only 2.02 current workers were contributing to pension systems for every state retiree collecting benefits in 2008, compared with 2.45 in 2001. This indicates that the number of retirees is growing at a faster rate than the number of current workers.¹⁰

The average state and local employee out-earns his counterpart in the private economy with an hourly wage of \$26.11, versus \$19.41. Benefits (pensions, health care, paid vacations sick days, etc.) drive the disparity even higher, to \$39.60 an hour for public employees versus \$27.42 for private workers.¹¹

RHODE ISLAND OVERVIEW

Municipal pension benefits are provided through either the State-run Municipal Employees Retirement System (MERS) or through locally-administered plans. Currently, the State of Rhode Island administers MERS for approximately 110 municipal pension plans for approximately 30 municipal governments. Thirty-six non-MERS pension plans are locally-administered by 24 communities.

Municipalities primarily administer defined benefit plans for their employees, which are pension plans that specify the amount of pension benefits to be provided at a future date or after a certain period of time.

State employees and all public teachers participate in the State-administered "Employees' Retirement System of Rhode Island" (ERSRI). The estimated employer contribution rate for State employees in FY2012 will be 22.98 percent while State employees contribute 8.75 percent of their salaries.

The employer contribution to the plan for teachers is shared between the local school district (60 percent of the required contribution) and the State (40 percent of the required contribution), while teachers contribute

9.5 percent of their salaries annually. The municipality has no responsibility for administering the plan and its primary obligation is to make annual required contributions (ARCs).¹²

Rhode Island’s locally-administered municipal pension plans have received increased scrutiny because they are significantly under-funded and are posing a substantial risk to overall municipal fiscal health. The primary concern is ensuring that adequate funds will be available to meet benefit payments promised to retirees.¹³

Since FY2001, the fastest-growing component of the State’s personnel budget has been pension costs (excluding the State’s share of teacher retirement). These costs accounted for 5.1 percent of the FY2001 State personnel budget; by FY2011 these costs account for 8.1 percent of the State’s personnel budget.¹⁴

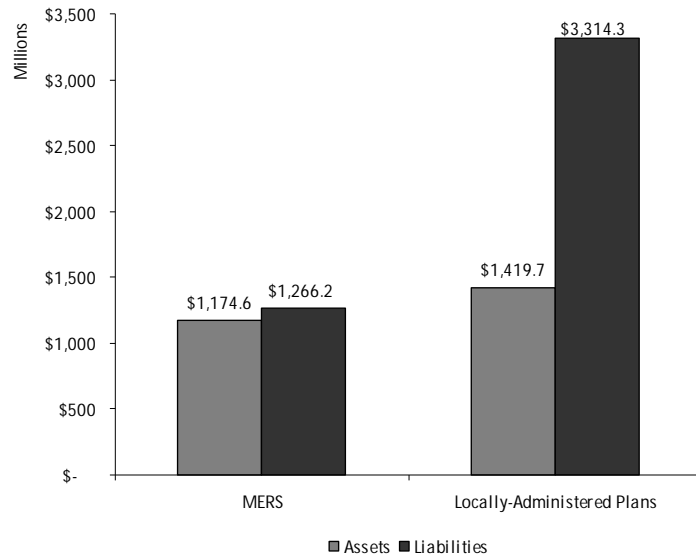
Together, retirement and retiree health payments account for 11.2 percent of the State’s FY2011 personnel budget of \$2,007.4 million.¹⁵

According to the PEW Center on the States, Rhode Island’s pension

liabilities grew 70 percent between 1999 and 2008, outpacing assets, which grew

25 percent during that period. This includes State employees, teachers, State Police, judges and municipal employees under the MERS plan. It does not include the locally-administered non-MERS.¹⁶

The funded statuses of pension plans have been reduced by multiple factors including market performance, benefit increases, low contribution rates, and assumption changes. Funded status has also been affected by increased earning assumptions compared to actual experience and re-amortized liability. All have the impact of reducing the contributions and deferring payment of the liability. Furthermore, when pension plans are chronically under-funded, the costs to fund the plans become significantly larger and divert resources from other programs and initiatives.¹⁷



Source: Office of the Auditor General, “Status of Pension and OPEB Liabilities Administered by Rhode Island Municipalities” (March 2010)

State Administered Pension Plans	Funded Ratio (as of 6/30/08)*	Funded Ratio (as of 6/30/05)*	% of ARC Contributed
Employees' Retirement System - State Employees	61.80%	56.30%	100%
Employees' Retirement System - Teachers	60.30%	55.40%	100%
Municipal Employees' Retirement System (MERS)	92.80%	87.20%	100%

*Actual Valuation Date

Source: ERSRI, Annual Financial Report FY2008.

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Locally-Administered Pension Plans Funded Ratios

Municipality	Pension Plan	Valuation Date	Current Funded Ratio
Bristol	Police Pension Plan (prior to 3/22/98)	7/1/2009	59.21%
Central Falls	Police & Fire John Hancock (after 7/1/72)	7/1/2008	30.20%
	Police & Fire 1% (prior to 7/1/72)	7/1/2008	8.10%
Coventry	Town's Municipal EE Retirement Plan	7/1/2008	29.60%
	Police Pension Plan	7/1/2008	17.40%
	School EE's Pension Plan	9/1/2008	36.90%
Cranston	Police & Fire EE's Pension Plan (prior to 7/1/95)	7/1/2010	15.80%
Cumberland	Town of Cumberland's Pension Plan	7/1/2009	44.63%
East Providence	Firemen's & Policemen's Pension Plan	10/31/2008	57.10%
Jamestown	Police Pension Plan	7/1/2010	99.30%
Johnston	Police	7/1/2009	27.62%
	Fire (prior to 7/1/99)	7/1/2009	26.84%
Lincoln	Town Retirement Plan	7/1/2008	89.60%
Little Compton	Town Employees Other than Certified Teachers	7/1/2008	78.50%
Middletown	Town Plan	7/1/2009	75.80%
Narragansett	Police Plan (prior to 7/1/78)	7/1/2010	0.00%
	Town Plan	7/1/2010	69.90%
Newport	Firemen's Pension Plan	7/1/2010	37.60%
	Policemen's Pension Plan	7/1/2010	56.40%
North Providence	Police Pension Plan	7/1/2007	68.50%
Pawtucket	Pre 1974 Policemen & Firemen (pay-as-you-go)	7/1/2010	0.00%
	Post 1974 Policemen & Firemen	7/1/2009	29.60%
Portsmouth	Employees of the Town of Portsmouth	7/1/2009	61.60%
Providence	ERS of the City of Providence	6/30/2010	34.06%
Scituate	Police Pension Plan	4/1/2009	23.40%
Smithfield	Police (prior to 7/1/99)	6/30/2010	11.00%
	Fire Pension Plan	7/1/2010	74.00%
Tiverton	Policemen's Pension Plan	7/1/2009	40.30%
Warwick	City Employees Pension Plan	7/1/2008	79.20%
	Police Pension II Plan	7/1/2007	104.90%
	Police Pension I & Fire Pension Plan	7/1/2007	27.20%
	Fire Pension Plan II	7/1/2007	97.00%
	Warwick Public Schools Employee Pension Plan	7/1/2008	84.60%
West Warwick	Town Plan	7/1/2008	39.50%
Westerly	Police Pension Plan	7/1/2008	54.30%
Woonsocket	Police (pre 7/1/80) & Firemen's (pre 7/1/85) Plan	7/1/2009	70.00%

Source: Office of the Auditor General, "Status of Pension and OPEB plans Administered by Rhode Island Municipalities" (March 2010) and most recent audit reports (generally June 2010).

Municipal Pension Plans Overview

MUNICIPAL EMPLOYEE RETIREMENT SYSTEM (MERS)

Thirty-two communities participate in the Municipal Employees Retirement System of Rhode Island (MERS), which is a defined benefit plan administered by the State, but funded through municipal contributions. MERS plans cover various categories of municipal employees – general employees, police and fire. Although a community may have a MERS plan, it may also administer its own plan for subgroups, such as police and fire units. For example, 24 of the 32 municipalities that are part of the MERS plan also administer local sub-unit plans.

MERS is a voluntary, multiple-employer agent plan. Municipalities typically group employees by “type” (general, police, fire) into separate units and make annual required contributions specifically for that unit as determined by the actuary. The key aspect of the MERS plan is that municipalities have no responsibility for administering the plan; however, they must comply with the requirements, such as meeting their ARC payments, or the State can withhold aid payments.

MERS allows retirement for people who have at least 10 years of service. Under MERS, general employees can retire at age 58 with 10 years of service, or at any time with 30 years of service. Police and fire employees can retire at age 55 with 10 years of service or at any time with 25 years of service. However, most communities have adopted the 20-year provision where police and fire employees can retire at any age after 20 years of service.

There are a number of differences in the provisions for the retirement age, formula calculation, and the Cost of Living Adjustment (COLA) between the categories of MERS employees, as well as between employees covered under the MERS system and the State (ERSRI) systems. One should note that employees in some municipalities pay into the Social Security System and thus receive Social Security benefits while others do not.

Municipal employees under the State-administered Municipal Employee Retirement System (MERS) receive 2.0 percent per year of service times the final average salary. The plan covers various categories of municipal employees, including police and fire, and has approximately \$892.2 million in assets as of June 30, 2009.¹⁸

LOCALLY-ADMINISTERED PLANS

Twenty four municipalities in Rhode Island have locally-administered pension plans for their employees. The pension plans are established through the municipal government and the municipality is solely responsible for all aspects of administration and for funding the plan’s benefits. Responsibilities typically include determining plan provisions, obtaining actuarial valuations, making required contributions, investing assets, and paying benefits to retirees. As with MERS, locally-administered plans cover various categories of municipal employees – general, police, and fire.

According to the Office of the Auditor General, no locally-administered plans have joined MERS since 2007. Locally-administered plans have a collective funded ratio of 43.0 percent, significantly lower than that of the State-administered MERS with \$1.4 billion in assets and \$3.3 billion in liabilities with a net unfunded liability of \$1.9 billion. The Auditor General reported that 23 out of the 36 locally-administered pension plans are considered “at risk” due to their low funded ratios or declining contributions. In 2007 only 21 plans were considered “at risk” by the Auditor General. Locally-administered plans are considered at risk compared to state-administered plans because they do not have the appropriate level of available assets to meet the benefit obligations for retirees.

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Rhode Island Municipalities' Defined Benefit Pension and OPEB Plans

Municipality	Municipal Employees	MERS		Local Pension Plans (non-MERS)		OPEB Plans*
		Police	Fire	Administered by Municipality	Covered Employees	
Barrington	•	•	•			•
Bristol	•	•	•	•	Police (prior to 3/22/98)	•
Burrillville	•	•				•
Central Falls	•			•	Police & Fire (prior to 7/1/72) and Police & Fire (after 7/1/72)	•
Charlestown	•	•				•
Coventry				•	Municipal Employees, Police, School Employees (other than teachers)	•
Cranston	•	•	•	•	Police & Fire EE's Pension Plan (prior to 7/1/95)	•
Cumberland	•		•	•	Police and other former employees	•
East Greenwich	•	•				•
East Providence	•			•	Fire & Police	•
Exeter	•					(a)
Foster	•	•				(a)
Glocester	•	•				•
Hopkinton	•	•				
Jamestown	•			•	Police	•
Johnston	•		•	•	Police, Fire (prior to 7/1/99)	•
Lincoln	•		•	•	Police, Fire, Town and School ee's	•
Little Compton				•	Town employees other than certified teachers	(a)
Middletown	•	•	•	•	All Town ee's hired prior to 7/1/01	•
Narragansett				•	Police (prior to 7/1/78) and Town Plan	•
New Shoreham	•	•				(a)
Newport	•			•	Fire & Police	•
North Kingstown	•	•	•			•
North Providence	•		•	•	Police Pension Plan	•
North Smithfield	•	•				•
Pawtucket	•			•	Pre 1974 Police & Fire (pay as you go) and Post 1974 Police & Fire	•
Portsmouth				•	Full-time Town employees except teachers	•
Providence				•	All city employees except teachers	•
Richmond	•	•				•
Scituate	•			•	Police	•
Smithfield	•	•		•	Police (prior to 7/1/99), Fire	•
South Kingstown	•	•	•			•
Tiverton	•		•	•	Police	•
Warren	•	•	•			•
Warwick	•			•	City Employees, Police & Fire Pension I, Police and Fire Pension II, Public School Employees	•
West Greenwich	•	•				(a)
West Warwick				•	Full time town ee's (except teachers), Police & Fire	•
Westerly	•			•	Police	•
Woonsocket	•	•	•	•	Police (hired prior to 7/1/80), Fire (hired prior to 7/1/85)	•

* For these OPEB plans, the municipality is responsible for the administration and funding of plan benefits. Also included are retiree healthcare benefits for teachers.

(a) Five municipalities will implement OPEB accounting requirements in their fiscal 2010 financial statements

Source: Office of the Auditor General, "Status of Pension and OPEB Plans Administered by Rhode Island Municipalities" (March 2010).

Municipal Budgets and Pension Obligations

Benefit costs represent the fastest growing component of municipal expenditures (including education aid) and represented more than one-fourth of all non-education related municipal spending in FY2010¹⁹

MUNICIPAL PENSION CONTRIBUTIONS (MERS AND LOCALLY-ADMINISTERED PLANS)

Municipal budgets allocated \$143.9 million for pension costs in FY2010. Local government pension costs accounted for 10.8 percent of total municipal budgets (excluding education costs). In comparison, the State's pension costs accounted for 7.0 percent of the State's operating budget in FY2010.

In FY2010, pension contributions for general municipal employees only (excluding public safety employees) amounted to \$23.7 million, or 1.8 percent of general fund expenditures. Pension contributions for public safety employees (police and fire) amounted to \$113.8 million, or 8.6 percent of general fund expenditures.

On a per employee basis, average pension costs amounted to \$16,406 per local government employee in FY2010. As a comparison, pension costs on average amounted to \$10,638 per State employee in the FY2009 budget. However, total costs vary between classes of employees as shown below.

- \$5,663 per general municipal employee.
- \$22,110 per police employee
- \$28,332 per fire employee

FUNDING OBLIGATIONS

The Municipal Employees Retirement System (MERS) is well-funded, with an estimated overall funded ratio of 92.8 percent*; however, the system did have a funded ratio of over 100 percent until FY2004 (this is at least partially driven by new funds that were not fully-funded entering the system). By comparison, municipalities' locally-administered plans have a collective funded ratio of only 43.0 percent, a decrease from FY2007 when the funded ratio of these plans was 45.0 percent.

The total unfunded liability for local pension plans in MERS amounted to \$91.7 million whereas the total estimated unfunded liability for locally-administered plans was \$1.9 billion.**

The total unfunded liability for municipal pensions amounts to 63.6 percent of municipal budgets (including education) and was higher than the total FY2009 statewide property tax levy. If the unfunded

Municipal Pension Summary Data

	MERS	Locally-Administered
Assets	\$1,174.6	\$1,419.7
Liabilities	1,266.2	3,314.3
Unfunded Liability	91.7	1,894.6
Aggregate Funding Ratio	92.80%	42.80%

\$ in millions

Source: Office of the Auditor General, "Status of Pension and OPEB Liabilities Administered by RI Municipalities" (March 2010).

* As of 6/30/2009 the funded ratio for MERS decreased to 88.3 percent. The aforementioned figure is representative of what the funded ratio was at the time of the commission hearings

** As of 6/30/2009; the total estimated unfunded liability for locally-administered plan was calculated using town/city audit reports from FY2009.

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liability for Other Post Employment Benefits (OPEB) is included, the total municipal unfunded liability is \$4.3 billion. Currently, OPEB plans in the State are less than 1.0 percent funded.^{20 ***}

Public Pension Payments as a Percent of Municipal General Fund Expenditure Budget FY2010

Municipality	Municipal Services	Pension	Pension as % of Budget
Urban Core			
Central Falls	17,780,238	1,869,324	10.5%
Newport	53,308	7,559,945	14.2%
Pawtucket	78,846,462	11,519,200	14.6%
Providence	304,357,068	38,954,237	12.8%
Woonsocket	50,737,397	1,736,782	3.4%
Urban Ring			
Cranston	108,779,603	22,558,276	20.7%
East Providence	51,059,887	3,129,154	6.1%
North Providence	39,770,190	1,950,000	4.9%
Warwick	116,253,932	20,737,659	17.8%
West Warwick	30,512,700	1,500,000	4.9%
Suburban			
Barrington	18,121,139	753,210	4.2%
Britsol	20,900,022	1,035,000	5.0%
Cumberland	24,628,009	1,182,645	4.8%
East Greenwich	14,941,405	462,808	3.1%
Jamestown	8,373,981	387,861	4.6%
Johnston	43,300,754	6,634,901	15.3%
Lincoln	22,787,796	688,227	3.0%
Middletown	23,724,056	3,371,778	14.2%
Narragansett	24,466,638	1,085,728	4.4%
North Kingstown	30,939,101	1,774,943	5.7%
Portsmouth	19,233,664	2,144,545	11.1%
Smithfield	28,533,429	2,413,222	8.5%
Warren	11,861,989	620,000	5.2%
Westerly	26,925,840	6,116,325	7.9%
Emerging Suburban			
Burrillville	19,274,509	305,500	1.6%
Charlestown	10,443,797	520,922	5.0%
Coventry	20,815,832	2,826,933	13.6%
Exeter	2,637,274	24,240	0.9%
Foster	4,052,870	128,529	3.2%
Glocester	8,397,293	354,179	4.2%
Hopkinton	5,610,766	226,726	4.0%
Little Compton	4,684,438	424,375	9.1%
New Shoreham	6,589,482	179,226	2.7%
North Smithfield	13,102,039	199,570	1.5%
Richmond	4,190,525	113,264	2.7%
Scituate	10,674,074	577,017	5.4%
South Kingstown	25,540,279	796,756	3.1%
Tiverton	16,732,238	800,894	4.8%
West Greenwich	5,712,066	248,980	4.4%

* Pension totals do not include municipal contributions to education pension benefits.

Source: RI Division of Municipal Finance; RIPEC calculations

*** OPEB liabilities have to be included in financial statements, but they do not have to be funded according to GASB.

Measurements Used to Assess the Fiscal Health of Pension Plans

In order to properly assess the various locally-administered pension plans, the Office of the Auditor General reviewed each plan based on the following plan characteristics:

Annual Retired Contribution (ARC)

The amount required to be contributed to the plan, determined by an actuary in accordance with the plan’s actuarial funding methodology and assumptions. Any contribution amount less than 100 percent of the ARC warrants attention.

Net Pension Obligation (NPO)

When less than 100 percent of the ARC is contributed, the difference between the ARC and the actual contribution is reflected as a liability on the government’s financial statements and is referred to as the Net Pension Obligation. The NPO amount represents the cumulative effect of contributions that should have been made to a pension plan.

Actuarial Accrued Liability (AAL) and Unfunded Actuarial Accrued Liability (UAAL)

The Actuarial Accrued Liability (AAL) is the present value of fully projected benefits attributable to service credit that has been earned. The Unfunded Actuarial Accrued Liability (UAAL) is the difference between the AAL and the actuarial value of assets available to pay benefits.

Funded ratio

This represents the overall funding status of the plan and compares the relative value of the plan’s assets compared to plan liabilities. The plan’s ratio is determined by dividing the actuarial value of assets by the actuarial value of liabilities.

Investment Performance

Investment income generates funds for current and future pension benefits. Investment performance can be measured against the assumed rate of return and investment returns obtained by other investors.

The investment rate of return for the State’s Employee Retirement System, including MERS, decreased from 11.4 percent in 2005 to -19.5 percent in 2009.²¹ The average five-year rate of return was 3.2 percent, whereas the assumed rate was 8.25 percent. However, the locally-administered pension plans investment rate decreased from 6.3 percent in 2005 to -14.2 percent in 2009. The average five-year rate of return was 1.94 percent, whereas the average assumed rate was 7.93 percent.²²

Public pension funds should be in a position to ensure that the community can continue to pay expected benefits and make the required annual contributions without imposing fiscal stress on the community. According to the Rhode Island Office of the Auditor General, there are 23 locally-administered pension plans, (administered by 18 different communities) that are considered to be at-risk. Those communities that are considered at risk and face

Investment Rate of Return History		
Actual Rate of Return		
Year Ending June		Locally-Ad.
30,	ERS/MERS	Average
2005	11.4%	6.3%
2006	11.6%	7.5%
2007	18.2%	14.0%
2008	-5.8%	-3.8%
2009	-19.2%	-14.2%
Average Return and Average Assumed Rates		
Last 5 years	3.20%	1.94%
Assumed Rate	8.25%	7.93%
Difference	5.05%	5.99%

SOURCE: ERSRI: Actual Valuation Report for Fiscal Year Ending June 30, 2008 Auditor General's report "Status of Pension and OPEB Plans Administered by RI Municipalities" (March 2010).

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increasing pension fiscal stress can also adversely affect their bond ratings, further increasing the costs associated with underfunded pension obligations.

Locally-Administered Municipal Pension Plans - Percentage of Annual Required Contributions Made - FY 2005-2010

Municipality	Pension Plan	2005	2006	2007	2008	2009	2010
Bristol	Police Pension Plan (prior to 3/22/98)	77%	53%	117%	127%	100%	112%
Central Falls	Police & Fire John Hancock (after 7/1/72)	42%	8%	28%	58%	0%	n/a
	Police & Fire 1% (prior to 7/1/72)	126%	127%	99%	100%	100%	n/a
Coventry	Town's Municipal EE Retirement Plan	14%	13%	60%	48%	89%	n/a
	Police Pension Plan	28%	28%	88%	61%	83%	n/a
	School EE's Pension Plan	n/a	n/a	63%	64%	35%	n/a
Cranston	Police & Fire EE's Pension Plan (prior to 7/1/95)	90%	98%	100%	96%	95%	87%
Cumberland	Town of Cumberland's Pension Plan	100%	101%	100%	100%	100%	16%
East Providence	Firemen's & Policemen's Pension Plan	20%	24%	33%	32%	25%	n/a
Jamestown	Police Pension Plan	282%	222%	142%	160%	123%	110%
Johnston	Police	100%	100%	99%	102%	84%	87%
	Fire (prior to 7/1/99)	84%	93%	114%	101%	76%	93%
Lincoln	Town Retirement Plan	158%	106%	100%	100%	100%	n/a
Little Compton	Town Employees Other than Certified Teachers	113%	93%	85%	106%	80%	n/a
Middletown	Town Plan	98%	98%	115%	100%	95%	94%
Narragansett	Police Plan (prior to 7/1/78)	65%	98%	0%	267%	0%	156%
	Town Plan	43%	47%	40%	34%	55%	94%
Newport	Firemen's Pension Plan	124%	100%	106%	100%	105%	104%
	Policemen's Pension Plan	115%	100%	102%	100%	103%	111%
North Providence	Police Pension Plan	95%	92%	77%	55%	54%	49%
Pawtucket	Pre 1974 Policemen & Firemen (pay-as-you-go)	79%	81%	77%	80%	82%	n/a
	Post 1974 Policemen & Firemen	52%	52%	52%	57%	60%	96%
Portsmouth	Employees of the Town of Portsmouth	100%	100%	100%	100%	100%	n/a
Providence	ERS of the City of Providence	92%	96%	100%	100%	100%	96%
Scituate	Police Pension Plan	99%	101%	101%	94%	95%	67%
Smithfield	Police (prior to 7/1/99)	98%	126%	n/a	n/a	n/a	n/a
	Fire Pension Plan	61%	68%	53%	81%	54%	39%
Tiverton	Policemen's Pension Plan	78%	100%	92%	100%	100%	n/a
Warwick	City Employees Pension Plan	100%	100%	100%	100%	100%	n/a
	Police Pension II Plan	100%	100%	100%	100%	100%	n/a
	Police Pension I & Fire Pension Plan	100%	100%	62%	64%	65%	n/a
	Fire Pension Plan II	100%	100%	100%	100%	100%	n/a
	Warwick Public Schools Employee Pension Plan	96%	84%	71%	106%	100%	n/a
West Warwick	Town Plan	0%	47%	56%	56%	21%	n/a
Westerly	Police Pension Plan	96%	96%	86%	79%	88%	n/a
Woonsocket	Police (pre 7/1/80) & Firemen's (pre 7/1/85) Plan	n/a	n/a	n/a	100%	2%	1%
Totals:		85%	87%	87%	86%	82%	83%

Source: Office of the Auditor General, "Status of Pension and OPEB Plans Administered by Rhode Island Municipalities" (March 2010) and most recent audit reports (generally June 2010).

Rhode Island Municipalities - Fiscal 2009
Total Annual Required Contribution as a Percentage of the Total Property Tax Levy

Municipality	2009 TAX LEVY ¹	State Administered Pension Plans		Local Pension Plans 2009 ARC ³	Local OPEB PLANS 2009 ARC	Total 2009 ARC All Plans ³	Total ARC as a % of Tax Levy ³
		ERS (Teachers) 2009 ARC ²	MERS (Other ee's) 2009 ARC				
Barrington	\$ 49,602,859	\$ 2,508,369	\$ 891,007	\$ -	\$ 2,597,104	\$ 5,996,480	12.1%
Bristol	33,426,741	1,663,852	751,952	640,220	3,251,185	6,307,209	18.9%
Burrillville	21,011,173	1,610,087	526,619	-	129,436	2,266,142	10.8%
Central Falls	10,495,379		183,695	3,839,164	1,963,061	5,985,920	57.0%
Charlestown	19,708,925	648,757	641,182	-	454,221	1,744,160	8.8%
Coventry	59,106,603	4,346,179		5,866,170	1,200,000	11,412,349	19.3%
Cranston	153,150,874	7,671,187	2,927,939	20,462,365	7,552,210	38,613,701	25.2%
Cumberland	52,957,872	3,063,534	913,123	1,135,722	3,743,000	8,855,379	16.7%
East Greenwich	39,575,719	1,637,537	683,608	-	1,262,545	3,583,690	9.1%
East Providence	84,729,950	3,112,251	2,998,698	6,256,502	n/a	12,367,451	n/a
Exeter	11,672,749	802,598	117,440	-	190,129	1,110,166	9.5%
Foster ⁴	9,879,531	542,538	233,710	-	131,918	908,166	9.2%
Glocester	19,541,335	1,099,881	554,394	-	464,186	2,118,461	10.8%
Hopkinton	15,651,281	825,523	474,041	-	88,081	1,387,646	8.9%
Jamestown	17,562,744	607,713	596,706	139,929	1,139,147	2,483,495	14.1%
Johnston	61,791,239	2,557,000	1,119,000	7,042,000	18,202,814	28,920,814	46.8%
Lincoln	49,267,068	2,788,083	193,244	612,327	1,907,362	5,501,016	11.2%
Little Compton	9,425,477	204,112		424,375	n/a	628,487	6.7%
Middletown	38,485,603	2,023,597	801,826	2,715,725	1,535,690	7,076,838	18.4%
Narragansett	40,209,538	1,149,017		2,539,963	6,406,441	10,095,421	25.1%
Newport	58,945,707	1,730,441	1,807,463	5,716,748	10,238,391	19,493,043	33.1%
New Shoreham	6,932,888	253,398	244,413	-	n/a	497,811	7.2%
North Kingstown	62,565,154	3,189,857	2,962,743	-	2,290,415	8,443,015	13.5%
North Providence	53,303,326	2,835,000	804,393	1,529,633	4,039,000	9,208,026	17.3%
North Smithfield	24,190,127	1,224,753	201,935	-	538,195	1,964,883	8.1%
Pawtucket	81,691,526	6,618,257	1,343,881	8,907,828	31,011,620	47,881,586	58.6%
Portsmouth	40,361,114	1,707,253		2,346,316	2,080,709	6,134,278	15.2%
Providence	287,279,179	18,200,000		51,609,000	43,147,000	112,956,000	39.3%
Richmond	13,852,385	830,363	324,968	-	88,598	1,243,929	9.0%
Scituate	23,459,585	1,328,090	320,416	472,897	529,719	2,651,122	11.3%
Smithfield	44,064,149	1,927,304	963,512	2,092,019	2,324,739	7,307,574	16.6%
South Kingstown	63,726,992	3,317,000	1,368,300	-	1,694,400	6,379,700	10.0%
Tiverton	31,230,365	1,499,666	249,108	711,225	3,175,366	5,635,365	18.0%
Warren	19,508,191	949,392	779,192	-	1,757,343	3,485,927	17.9%
Warwick	195,989,706	9,658,194		28,366,706	24,409,888	62,434,788	31.9%
Westerly	58,931,924	2,920,341	40,802	1,869,462	965,639	5,796,244	9.8%
West Greenwich	16,092,264	873,671	373,070	-	206,965	1,453,707	9.0%
West Warwick	49,395,487	2,798,442		4,676,096	8,868,698	16,343,236	33.1%
Woonsocket	42,128,184	4,456,455	2,035,073	1,518,900	n/a	8,010,428	n/a
Totals	\$ 1,970,900,913	\$ 105,179,693	\$ 28,427,453	\$ 161,491,292	\$ 189,585,215	\$ 484,683,653	24.6%
			\$ 295,098,438				

¹ Source - Division of Municipal Finance

² excludes State's contribution for teachers retirement

³ includes contributions to all plans including pay-as-you-go plans and those where an annual required contribution is not actuarially determined (as is the case with plans administered by an employee union)

⁴ 2009 ARC amounts for Foster are based on a draft audit report for fiscal year 2009

Other Post Employment Benefit (OPEB) Plans

In addition to municipal pension plans, another looming issue is the level of unstated debt in the form of long-term obligations such as other post-employment benefits (OPEB).²³ Most municipalities have established OPEB programs for their employees, which usually consist of retiree health-care benefits. Similar to the locally-administered pension plans, municipalities are solely responsible for all aspects of the administration and funding of the OPEB plan benefits. Municipalities also provide retiree health-care benefits for public school teachers through the locally-administered OPEB plans (despite teachers' participation in the State's ERS pension plan). Teachers may chose to purchase retiree healthcare coverage through the State's OPEB plan, but the state assumes no funding obligation for benefits.²⁴

A majority of Rhode Island communities have one or two OPEB plans. As of June 30, 2009, the actuarial value of assets held by these plans was only \$18.0 million, yet the collective unfunded actuarial accrued liability for future benefits was nearly \$2.4 billion. This amounts to a collective funded ratio of less than 1.0 percent.²⁵

The Senate Municipal Pension Study Commission determined that the unfunded liability for OPEB represents a significant public commitment and poses major risks to municipal governments and taxpayers. Due to legal and constitutional protections, taxpayers will be responsible for funding these OPEB plans unless statutory changes are made or future benefits are changed. The status of the State and local pension plans and OPEB liabilities will not only affect the share of the budget dedicated to paying these costs, but significant outstanding obligations in both will weaken the State's credit rating and increase the costs of future borrowing.²⁶

The Commission found that while OPEB plans were likely unaffected by the recent market fluctuations, unfunded liabilities are primarily due to the State's and its communities' lack of OPEB assets. As RIPEC explains, ratings agencies such as Moody's note that "OPEB liabilities nevertheless may assume increased importance in state credit positions as plan valuations are factored in." Moody's looks at the ratio of the OPEB to ARC payments as a percentage of revenues when assessing a state's credit-worthiness. Therefore, the less Rhode Island funds its municipal OPEB plans, the larger the liability and the poorer the credit rating becomes.²⁷

State/Local Pension and OPEB Liabilities (\$ million)

State Pensions	ARC	Payments	Unfunded Liability
State Employees	\$127.1	\$127.1	\$1,671.5
Teachers - State Share	79.2	79.2	1064.2
Subtotal	206.3	206.3	2735.7
OPEB ¹	36.1	35.5	689.7
Total State	\$241.8	\$241.8	\$3,425.4
Municipal Pensions			
MERS	33.4	33.4	91.7
Locally-administered	161.5	132.4	1894.6
Teachers- local share	105.2	105.2	1596.3
Subtotal	300.1	271	3582.6
OPEB	189.6	100.8	2392.7
Total Municipal	\$489.7	\$371.8	\$5,975.3
Total State and Local	\$731.5	\$613.6	\$9,400.7

¹Includes State employees and teachers

Sources: ERS/MERS as of 6/30/09; GRS OPEB Valuation February 2009, as of June 30, 2007; Auditor General report "Status on Pension and OPEB Plans Administered by RI Municipalities" (March 2010).

Potential Barriers to Municipal Pension Reform

There are several barriers to municipal pension reform that will need to be addressed. All municipalities do not possess the same capacities to adopt reform. Specifically, the Commission expects difficulties due to the required contribution levels, property tax limits, reductions in state aid to municipalities, challenges due to financial market conditions, the risk of investment losses, and the role of local governmental oversight.

Required Contribution Levels: It will not be easy for municipalities to move towards funding 100 percent of their annual required contribution. The economic downturn and changes to state support will put additional pressure on local governments to support ongoing programs including education. Local governments will be faced with the policy choices of which services to fund and at what level. This may be the case even if ARC payment requirements are not in place.

Locally-Administered Pension Plans Considered At-Risk

Municipality	Pension Plan	Date of Valuation	UAAL	Funded Ratio	% of ARC made in FY2009
Category 1: Plan is significantly underfunded (<60%) and annual contributions are less than annual required amounts (<80%).					
Central Falls	Police & Fire (after 7/1/72) John Hancock	7/1/2008	\$ 24,909,502	30.2%	0.0%
Coventry	School EE's Pension Plan	9/1/2008	18,340,664	36.9%	34.9%
East Providence ⁽²⁾	Firemen's & Policemen's Pension Plan	10/31/2008	49,204,669	57.1%	25.1%
Johnston	Fire (prior to 7/1/99)	7/1/2009	47,625,201	26.8%	76.5%
Pawtucket	Post 1974 Policemen & Firemen	7/1/2008	108,531,436	38.8%	59.9%
Warwick	Police Pension I & Fire Pension Plan	7/1/2007	203,254,318	27.2%	64.6%
West Warwick	Town Plan	7/1/2008	68,233,034	39.5%	21.4%
Category 2 : Plan is significantly underfunded (<60%) and annual contributions are more than 80% of annual required amounts.					
Central Falls	Police & Fire (prior to 7/1/72) 1%	7/1/2008	\$ 13,827,416	8.1%	100.4%
Coventry	Police Pension Plan	7/1/2008	36,620,259	17.4%	83.2%
Coventry	Town's Municipal EE Retirement Plan	7/1/2008	8,868,151	29.6%	89.1%
Cranston	Police & Fire EE's Pension Plan (prior to 7/1/95)	7/1/2009	244,237,000	15.1%	95.1%
Cumberland	Town of Cumberland's Pension Plan	7/1/2009	12,560,781	44.6%	100.0%
Johnston	Police	7/1/2009	37,209,735	27.6%	84.4%
Newport	Firemen's Pension Plan	7/1/2008	45,279,655	39.5%	105.5%
Providence	ERS of the City of Providence	6/30/2009	804,801,000	33.5%	99.8%
Scituate	Police Pension Plan	4/1/2009	7,481,437	23.4%	95.2%
Smithfield ⁽⁹⁾	Police (prior to 7/1/99)	7/1/2009	16,368,403	17.9%	n/a
Tiverton	Policemen's Pension Plan	7/1/2009	8,509,687	40.3%	100.0%
Westerly	Police Pension Plan	7/1/2008	11,878,216	54.3%	87.9%

Source: Office of the Auditor General, "Status of Pension and OPEB Plans Administered by Rhode Island Municipalities" (March 2010).

Property Tax Limits and Reductions in State Aid to Municipalities: With the changes in state financial aid to local governments, additional pressure will be applied to continue services as they currently exist by raising pressure on property taxes to maintain the current level of support.

Market Conditions/Investment Losses: Even with full funding, the investment risk is not fully alleviated. Investment risk will still challenge the funding of pension systems. As seen over the last several years when the rate of return does not meet the actuarial assumptions.

No Oversight Requirement: There exists limited oversight by the State to individual municipalities and local governments in the administration or reform of locally-administered pension plans. If any reforms are implemented, oversight by a larger, State-oriented organization may be necessary.

Key Recommendations

The Senate Municipal Pension Study Commission recommends the following key initiatives to curb municipal pension costs to taxpayers while sustaining the level of benefits to municipal employees:

- Create a commission to examine how to move locally-administered pension plans to MERS as well as how to establish an alternate pension structure. The commission would be responsible for the following tasks:
 - Consider strategies to move locally-administered plans into the state MERS or establish an alternate MERS system for locally-administered plans (for example, consideration could be given to focusing on local pension plans 65.0 percent funded or less). Consider taking advantage of state pension administration capacity to provide economies and efficiencies;
 - Consider alternatives to defined benefit plans for new municipal hires, including hybrid pension plans similar to the Federal Employees Retirement System. Using a combination of a defined benefit and a defined contribution system can provide a balance between the employer and employee regarding risk and reward of investments.
 - Consider aligning municipal plans to State reforms.
- Develop and require locally-administered plans to begin a timetable to achieve 100% funding of the Annual Required Contribution (ARC); each municipal government should be required to fully fund its pension obligation, using at least a five year transition plan starting in FY2012.
- Create a trust fund for depositing and investing contributions necessary to fund the municipal OPEB liability. Allowing the regional collaboratives or the R.I. Interlocal Trust to be the depository for funds would provide an established management of contributed funds.
- Subject to funding availability, local and state government should begin to fund its outstanding OPEB liability. Currently there is no requirement to fund the liability, but prudent financial management should provide reason to begin a funding plan.
- Require all municipalities to submit collective bargaining fiscal impact statements, once completed and publicized per current law, to the Office of Municipal Finance and the Office of the Auditor General.
- Require the Office of the Auditor General to update the local pension and OPEB analysis every other year and report to the House and Senate Finance Committees.

Furthermore, the Senate Municipal Pension Study Commission recommends the following related initiatives to be considered to further align related municipal pension practices with recent State pension reform;

- Change the maximum benefit and establish reporting criteria for municipal employees who retire on accidental disability from the present accidental disability benefit retirement allowance equal to 66 2/3 percent of their annual compensation at the time of retirement to a system that requires the State retirement board to make determinations whether the individuals are entirely disabled from further employment or are just incapacitated from fulfilling their present duties.
 - Municipal employees deemed entirely disabled would receive a maximum retirement benefit equal to 66 2/3 percent of their annual compensation at the time of retirement.
 - Municipal employees who are deemed permanently disabled from their present duties but not totally disabled from other employment would receive a retirement benefit equal to 50 percent of their annual compensation.

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- Allow municipal employees (other than police officers and firefighters), who are not permanently disabled to continue to receive service credit until they reach the age of 59 with 29 years of service or age 65 with 10 years of service, at which time their retirement shall convert over to the normal retirement on service provisions.

During their period of incapacity, municipal and State police officers and firefighters who become injured on duty (IOD) receive compensation equal to 100 percent of the employee's regular salary or wage plus benefits. The duration of the IOD compensation can last indefinitely, particularly if the injury does not meet the determining thresholds for an accidental disability retirement.

- Legislation should be considered to require police officers and firefighters injured on duty to file an application for disability pension within eighteen (18) months of their receiving IOD benefits. This would apply to police officers and firefighters who do not have a schedule to return to work.
- Require the Department of Administration to investigate the feasibility of extending workers' compensation coverage to police officers and firefighters.
- Allow police officers and firefighters, who are not permanently disabled, to continue to receive service credit until they reach the age of 55 with 25 years of service at which time their retirement shall convert over to the normal retirement on service provisions.

Endnotes

- ¹ RIPEC, “Comments on Your Government: Local Government Pensions” (January 2010).
- ² ERSRI, Annual Financial Report FY2009 (July 2010).
- ³ Office of the Auditor General, “Status of Pension and OPEB Plans Administered by Rhode Island Municipalities” (March 2010) and RIPEC, “Comments on Your Government: Local Government Pensions” (January 2010).
- ⁴ Office of the Auditor General, “Status of Pension and OPEB Plans Administered by Rhode Island Municipalities” (March 2010).
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- ⁶ Laing, Jonathan. “The \$2 Trillion Hole” *Barron’s* (03/15/10).
- ⁷ Center for Retirement Research at Boston College, “Funding State and Local Pensions” (April 2010).
- ⁸ Cho, David. “Steep Losses Pose Crisis for Pensions” *The Washington Post* (10/11/09).
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- ¹¹ Laing, Jonathan. “The \$2 Trillion Hole” *Barron’s* (03/15/10).
- ¹² Office of the Auditor General, “Status of Pension and OPEB Plans Administered by Rhode Island Municipalities” (March 2010).
- ¹³ Office of the Auditor General, “Status of Pension and OPEB Plans Administered by Rhode Island Municipalities” (March 2010).
- ¹⁴ RIPEC, “Comments on Your Government: Analysis of Rhode Island’s Debt Including Pension and OPEB Obligations” (April 11, 2010).
- ¹⁵ As of 2/14/11, including all funds.
- ¹⁶ PEW Center on the States, “The Trillion Dollar Gap: Under-funded State Retirement Systems and the Roads to Reform: Rhode Island” (April 2010).
- ¹⁷ “Special House Commission to Study All Aspects of The State Pension and Retirement System” (February 27, 2008).
- ¹⁸ ERSRI Annual Report FY2009 (July 2010).
- ¹⁹ RIPEC, “Comments on Your Government: Local Government Pensions” (January 2010).
- ²⁰ ERSRI, Annual Financial Report FY2009 (July 2010) and Office of the Auditor General, “Status of Pension and OPEB Plans Administered by Rhode Island Municipalities” (March 2010).
- ²¹ ERSRI Annual Report FY2009 (July 2009).
- ²² RIPEC, “Comments on Your Government: State and Local Government Pensions and Other Post Employment Benefits” (March 15, 2010).
- ²³ RIPEC, “Comments on Your Government: Analysis of Rhode Island’s Debt Including Pension and OPEB Obligations” (April 11, 2010).
- ²⁴ Office of the Auditor General, “Status of Pension and OPEB Plans Administered by Rhode Island Municipalities” (March 2010).
- ²⁵ Office of the Auditor General, “Status of Pension and OPEB Plans Administered by Rhode Island Municipalities” (March 2010).
- ²⁶ RIPEC, “Comments on Your Government: Analysis of Rhode Island’s Debt Including Pension and OPEB Obligations” (April 11, 2010).
- ²⁷ RIPEC, “Comments on Your Government: Analysis of Rhode Island’s Debt Including Pension and OPEB Obligations” (April 11, 2010).