

**Commission Meeting Minutes  
February 17, 2016**

Chairman Brown called the meeting to order at 1:30 PM. He then acknowledged the other Commissioners present: Commissioners Kate Fitzpatrick, Elizabeth Fontaine, John Langan, James Machado, and Robert McCarthy. Chairman Brown then introduced Commissioner Joannah Quinn, the designee for Auditor Suzanne Bump.

Chairman Brown announced that the Commission meeting is being tape recorded which will be noted in the minutes.

PERAC Staff Present: Executive Director Joseph Connarton, Deputy Executive Director Joseph Martin, General Counsel/Deputy Director John Parsons, Deputy General Counsel/Managing Attorney Judith Corrigan, Director of Strategic Planning Mike DeVito, Compliance Officer Thomas O'Donnell, Director of Administrative Services Caroline Carcia, Chief Auditor Harry Chadwick, Fraud Prevention Manager Sandra King, and Senior Executive Assistant Kim Boisvert.

Ms. Boisvert announced the guests in attendance: Sean Neilon representing Mass Teachers' Retirement Board, Nick Favorito representing the Mass State Retirement Board, Patrick Brock representing the Hampshire County Retirement Board, Katie McCue representing MMA, and Paul Shanley representing Amity Insurance. Frank Valeri, representing Mass Retirees, arrived later in the meeting.

Commissioner Fontaine made a motion to adopt the Commission meeting minutes dated January 13, 2016. Commissioner Fitzpatrick seconded the motion and it was adopted unanimously with Commissioner Quinn abstaining.

**Legislative Sub-Committee Update**

Chairman Fitzpatrick reported that the Legislative Sub-Committee met earlier this morning and reviewed new language for H. 17, involving the Section 15(7) hearing process. The Legislative Sub-Committee recommended forwarding the new proposed language to the full Commission for its approval. Staff will work with the Joint Committee on Public Service for its approval. The new language would remove PERAC from its responsibility to hold Section 15(7) hearings and require the retirement boards instead to hold the hearings. It would also require the retirement boards to provide PERAC with related documentation upon request and the board must provide related calculations to be submitted to PERAC for its review and approval regardless of any waiver that they may have.

Commissioner Machado made a motion to adopt the Legislative Sub-Committee's recommendation to approve the newly proposed language and for staff to work with the Committee on Public Service. Commissioner Fontaine seconded the motion and it was unanimously adopted.

### **Legal Update**

Ms. Corrigan reported on *George J. Vezina v. MWRA & PERAC*, CR-12-161 and Mr. Parsons reported on *Gomes v. Plymouth Retirement Board & PERAC*, CR-14-127.

### **Legislative Update**

Mr. DeVito reported that PERAC's proposed Concurrent Beneficiaries legislation received a favorable report by the House Ways and Means Committee and was ordered to a third reading. Mr. Connarton spoke with Chairman Speliotis, House Committee on Bills in the Third Reading, who suggested that the bill would be reported out favorably. Mr. DeVito reported that the House budget would likely be released during the week of April 18, 2016.

### **Audit Update**

Mr. Chadwick reported that the Audit staff is currently auditing the Easthampton, Milton, Montague, and Saugus Retirement Systems. He then stated that the Athol, Boston, and Southbridge Retirement System's audit reports have been posted on the PERAC Web Page and explained their respective findings. Mr. Chadwick then reviewed the most recent six-month follow up audit reports for the Fall River, Franklin Regional, Lowell, Methuen, and Webster Retirement Systems.

Further discussion ensued regarding cities and towns paying off their appropriations in a timely manner and remote participation. Mr. Connarton stated that staff would provide an update to the Commission regarding the number of boards which have adopted remote participation at the next Commission meeting.

### **Compliance Update**

Mr. O'Donnell reported that Annual Vendor Disclosures have been distributed to over 347 vendors who have over 1200 relationships. Approximately 23% have been received at this time and are due by March 1, 2016. He stated that the SFIs were sent to all board members which are also coming in and are due in May 2016. Mr. O'Donnell then stated that the educational program is moving along well.

### **Executive Director's Report**

Mr. Connarton reported on staff activities since the last Commission meeting.

Mr. Connarton recommended opening the Joint Investment and Legislative Sub-Committee Executive Session minutes dated August 19, 2014 and the Commission Executive Session minutes dated October 17, 2014, January 22, 2015, May 13, 2015, and August 12, 2015 as the matters have been resolved, so there is no reason to maintain Executive Session status.

Commissioner Fitzpatrick moved to open the Joint Investment and Legislative Sub-Committee Executive Session minutes dated August 19, 2014 and the Commission Executive Session

minutes dated October 17, 2014, January 22, 2015, May 13, 2015, and August 12, 2015. Commissioner Fontaine seconded the motion and it was adopted with Commissioner Quinn abstaining.

Mr. Connarton updated the Commission about the Strategic Plan. He pointed out the Educational Survey that was conducted with retirement board administrators and members. He stated that 77% of the board members and 20% of the board administrators participated. This report speaks volumes regarding the quality of the trainings, the efforts of the staff, and the quality of the presentations which have an excellent rating. Mr. Connarton reported that there would be further discussion at the upcoming Administrative Sub-Committee meeting.

Mr. Connarton reported that a Modification Hearing was recently held. He explained the statute along with the policy and procedure the Commission adopted several years ago. He stated that staff would be meeting with the Boston Retirement Board regarding this matter to determine how best to move forward.

There was a brief discussion about health care being provided if a modification were instituted, the ability to waive one's pension, and the notification to retirees when they over earn.

Mr. Connarton reported that the NCPERS Code of Conduct is included in the package.

Commissioner McCarthy asked if the Commission would review and adopt the Code of Conduct.

Commissioner Machado asked for this item to be discussed at the next meeting to provide some time to review the document.

Commissioner McCarthy had questions about the Schedule 7 Report pertaining to the legal fees, Belmont having not filed and the distribution of the Report.

Mr. Martin stated that additional reports will be created in the future including the legal fees and administrative fees. He further reported that Belmont has since filed the required documents and that the Report has been distributed to all retirement boards.

### **Commission Travel**

Mr. Connarton notified the Commission about the upcoming 2016 NCPERS Annual Conference being held from May 14 - 19, 2016 in San Diego, CA should there be any interest in attending.

Commissioner McCarthy made a motion to grant permission for any Commissioners and staff to attend the above conference. Commissioner Machado seconded the motion and it was adopted.

### **Other Business**

Chairman Brown stated that an Administrative Sub-Committee meeting will be held on Wednesday, March 9, 2016 at 10:00 AM and the next Commission meeting will be held on

Wednesday, March 9, 2016 at 11:00 AM. Commissioner Fontaine is unable to attend these meetings therefore requested she participate remotely per 940 CMR 29.10.

Commissioner Fontaine made a motion to adjourn. Commissioner Fitzpatrick seconded the motion. The Commission meeting adjourned at 2:35 PM.

**Commission Meeting Documents**

Commission Agenda for the meeting of February 17, 2016  
Commission Minutes for January 13, 2016

**Legal Update**

Memo and decisions for:

*George J. Vezina v. MWRA & PERAC*, CR-12-161 and

*Gomes v. Plymouth Retirement Board & PERAC*, CR-14-127

**Legislative Update**

Monthly Legislative Agenda and bullet points outlining legislation

**Audit Update**

Recent PERAC Audit reports and six-month follow up reports

**Executive Director's Report**

Updated Staff Activities Memo

Bullet Points regarding Executive Session summaries with dates

PERAC's Goals and Objectives

Memo and attachment regarding the Education Survey

**Commission Travel**

2016 NCPERS Annual Conference agenda and registration form

**Other Documents**

NCPERS Code of Conduct

Approved:



Philip Y. Brown, Chairman  
Public Employee Retirement  
Administration Commission