

## **Commission Meeting Minutes**

### **January 9, 2019**

Chairman Philip Y. Brown called the meeting (held at the PERAC Office, 5 Middlesex Avenue, Somerville, Massachusetts) to order at 2:03 PM. He then stated that the Commission meeting is being tape recorded and this will be so noted in the minutes.

Chairman Brown acknowledged the other Commissioners present: Commissioners Timothy Dooling, Kathleen Fallon, Kate Fitzpatrick, and James Machado. Commissioner Robert McCarthy participated remotely per the Attorney General's Open Meeting Law 940 CMR 29.10. Therefore, all votes in this meeting were taken by a roll call vote. Commissioner Jennifer Sullivan was not in attendance.

PERAC Staff present for all or some of the meeting: Executive Director John Parsons, Deputy Executive Director Joseph Martin, Deputy General Counsel and Managing Attorney Judith Corrigan, Director of Administrative Services Caroline Carcia, Compliance Officer Tom O'Donnell, Chief Auditor Caryn Shea, Senior Associate General Counsel Ken Hill, Associate General Counsel Patrick Charles, Project Manager Anthony Tse, Senior Systems Engineer Robert Perez, Communications Director Natacha Dunker, Compliance Analyst Cheryl Johnson, and Senior Executive Assistant Kim Boisvert.

Ms. Boisvert announced the following guests in attendance for all or some of the meeting: Nick Favorito representing the State Retirement Board, Thomas Gibson representing Middlesex County and Belmont Retirement Boards, Lisa Maloney representing Middlesex County Retirement Board, Erika Glaster and Sean Neilon representing the Massachusetts Teachers' Retirement Board.

Commissioner Machado made a motion to adopt the December 12, 2018 Commission meeting minutes. Commissioner Dooling seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Timothy Dooling YES, Kathy Fallon YES, Kate Fitzpatrick YES, James Machado YES, and Robert McCarthy YES, and the minutes were unanimously adopted.

### **Legal Update**

Ms. Corrigan reported on the matter of *Dodge v. Montague Retirement Board & PERAC*, Docket No. CR-18-288. Ms. Corrigan then updated the Commission regarding the correspondence from the Fitchburg and Boston Retirement Boards appealing PERAC Memo # 33/2018, CRAB's Order for Partial Stay Regarding Regular Compensation Status of Payments Made in Lieu of Unused Leave Time.

### **Legislative Update**

Mr. Parsons stated that Mr. DeVito retired over the holiday season and that Mr. Charles and he would be overseeing the legislative matters at this time. He then reported that H. 19 the continuing

education credits flexibility bill has been placed on the Governor's desk and he has until January 10, 2019 to sign the bill.

### **Audit Update**

Ms. Shea reported that the auditors are currently auditing the Lawrence, Pittsfield, and State Retirement Systems. She then reported that the audit reports for Salem and Webster Retirement Systems were posted on the PERAC Web Page since the last Commission meeting and then reported about their respective findings. She stated that there have not been any follow-up audits completed over the past month.

Ms. Shea then stated that the search process for an auditor for the North Shore area is still under way.

Discussion ensued about the UMass newspaper article regarding under withholding contributions. Base pay is not the story. The issue is regarding additional payments, such as, shift differential. The State Retirement Board has been discussing the matter with UMass for a couple of months now and the contributions should start being withheld shortly.

### **Compliance Update**

Mr. O'Donnell reported that the Compliance Unit has acknowledged 203 procurements for various asset classes for calendar year 2018 and that retirement board members have attended 1204 educational sessions. He then stated that he hopes that the Governor signs off on H. 19 to assist those board members who have extenuating circumstances so that they may continue serving on the board.

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

Mr. Parsons reported the staff activities since the last Commission meeting.

Mr. Parsons recommended opening the Commission's Executive Session minutes dated January 10 and March 14, 2018 regarding board members' removal from their respective system for not meeting their educational mandate; October 10, 2018 regarding a petition to CRAB regarding a formal "Stay" in the *O'Leary* matter; and December 12, 2018 regarding the Employment Agreement for the Executive Director. He also recommended opening all of the Executive Session minutes for meetings held by the Executive Director Search Committee dated September 26, October 3, October 15, October 17, and October 31, 2018.

Mr. Parsons then recommended keeping the September 12 and November 14, 2018 Executive Session minutes in Executive Session status as both pertain to a member who has appealed his removal from the board for SFI filing issues.

Commissioner Fitzpatrick made a motion to accept the recommendation from the Executive Director and open the Executive Session minutes dated January 10, March 14, October 10 and December 12, 2018 Commission meetings and all of the Executive Session minutes for meetings held by the Executive Director Search Committee dated September 26, October 3, October 15, October 17, and October 31, 2018; and to keep the Commission minutes dated September 12 and

November 14, 2018 in Executive Session status. Commissioner Machado seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Timothy Dooling YES, Kathy Fallon YES, Kate Fitzpatrick YES, James Machado YES, and Robert McCarthy YES, and the motion was unanimously adopted.

A brief discussion ensued regarding an Open Meeting Law Complaint which was filed with PERAC. After discussing this matter with the Attorney General there is nothing else that PERAC must do as it was filed anonymously. The issue was that PERAC posted the November 14, 2018 Commission meeting agenda with candidate numbers instead of candidate names.

Commissioner Dooling requested that in the future the Executive Session list utilize the Executive Session Purposes by number instead of spelling out each purpose. Mr. Parsons stated that would be done in the future.

Mr. Parsons discussed the PERAC training events and locations for the first quarter of 2019 which has been distributed to all interested parties and posted on the website. He stated that he is focused on scheduling more webinars in the future as he believes this will improve attendance.

Mr. Parsons reported that the 2019 Commission meeting schedule as adopted on December 12, 2018 was included in the monthly package. The meetings would be held on the second Wednesday of each month at 11:00 AM and have been posted on the website.

Commissioner McCarthy asked for an update on the *O'Leary* case.

Ms. Corrigan stated that we have until February 14, 2019 to file our motion for judgement on the pleadings in Suffolk Superior Court, the opposition will then have 30 days to file, and then a motion hearing will be heard at some future date. Concurrently, there are also two CRAB cases filed against us (Boston and Fitchburg Retirement Boards) regarding the vacation buyback issue.

Commissioner McCarthy then inquired about an update on the *Deignan* case. Ms. Corrigan stated that case is currently under advisement. Mr. Gibson, attorney for the Watertown Retirement Board, reported that oral arguments were held on December 7, 2018. Mr. Hill was in attendance for the arguments and gave a report on the arguments at the December Commission meeting, which is under advisement at this time.

Ms. Corrigan reported that currently there are two SJC cases pending regarding police pension forfeiture in the matter of *O'Hare* and *Swallow* which will probably affect the outcome of the *Deignan* case.

Commissioner McCarthy believes that Mr. DeVito did an outstanding job, was dedicated, and an outstanding public employee for PERAC.

Commissioner McCarthy made a motion to send a letter to Mr. DeVito thanking him for his public service and wishing him the best in his retirement. Commissioner Dooling seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Timothy Dooling YES, Kathy Fallon YES, Kate Fitzpatrick YES, James Machado YES, and Robert McCarthy YES, and the motion was unanimously adopted.

### **Other Business**

Chairman Brown stated that the next Commission meeting will be held on February 13, 2019 at 11:00 AM.

Commissioner Dooling made a motion to adjourn the meeting. Commissioner Machado seconded and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Timothy Dooling YES, Kathy Fallon YES, Kate Fitzpatrick YES, James Machado YES, and Robert McCarthy YES, and the motion was unanimously adopted. The meeting adjourned at 2:30 PM.

### **Commission Meeting Documents**

Commission Agenda for the meeting of January 9, 2019  
Commission Minutes from December 12, 2018

### **Legal Update**

Cases of Interest:

*Charles Dodge, III v. Montague Retirement Board & PERAC*, Docket No., CR-18-288

Other information:

Letters from Fitchburg and Boston Retirement Boards regarding PERAC Memo # 33/2018

### **Legislative Update**

2018 Continuing Education Credits Flexibility Legislation

### **Audit Update**

Recent PERAC audits and six-month follow-up reports

### **Compliance Update**

2018 Acknowledgement by Asset Class Chart

2018 Educational Chart

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

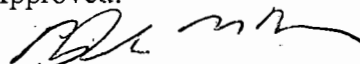
Updated Staff Activities Memo

2018 List of Executive Session Meetings

PERAC's First Quarter Educational Sessions

2019 Adopted Commission Meeting Schedule

Approved:



Philip Y. Brown, Chairman  
Public Employee Retirement  
Administration Commission