

Commission Meeting Minutes
October 14, 2020

Chairman Philip Y. Brown called the meeting to order at 11:05 AM. 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 participating: Commissioners Timothy Dooling, Kathleen Fallon, Kate Fitzpatrick, James Machado, Robert McCarthy, and Jennifer Sullivan. All attendees participated remotely pursuant to Governor Charles Baker's Executive Order dated March 12, 2020. Therefore, the Chairman announced, any votes in this meeting shall be taken by roll call vote.

PERAC Staff attending remotely: Executive Director John Parsons, Deputy Executive Director Caroline Carcia, General Counsel Judith Corrigan, Assistant Deputy Director Bill Keefe, Assistant Deputy Director Ken Hill, Director of Audits Caryn Shea, Compliance Director Tom O'Donnell, Communications Director Natacha Dunker, Senior Associate General Counsel Patrick Charles, Associate General Counsel Katie Brady, Associate General Counsel Felicia McGinniss, Actuary John Boorack, Chief Financial Officer Virginia Barrows, Compliance/Investment Data Coordinator Cheryl Johnson, Project Manager Anthony Tse, and Senior Executive Assistant Kim Boisvert.

Chairman Brown requested guests attending remotely to identify themselves if they so desire. Guests participating remotely were: Nick Favorito representing the State Retirement System, Erika Glaster and Sean Neilon representing the Massachusetts Teachers' Retirement System, David Sullivan representing the Plymouth County Retirement System, Kathleen Kiely-Becchetti representing the Massachusetts Association of Contributory Retirement Systems, Patrick Brock representing the Hampshire County Retirement System, and Sandor Zapolin representing the Revere Retirement System.

Commissioner Machado made a motion to adopt the September 9, 2020 Commission meeting minutes. Commissioner McCarthy 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, Robert McCarthy YES, and Jennifer Sullivan YES and the minutes were adopted.

Commissioner Fitzpatrick made a motion to adopt the September 9, 2020 Legislative Subcommittee 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, Robert McCarthy YES, and Jennifer Sullivan YES and the minutes were adopted.

Legal Update

Ms. Corrigan introduced Ms. Felicia McGinniss, the new Associate General Counsel. Ms. McGinniss is a native of Pennsylvania, she earned her undergraduate degree at the University of North Carolina at Chapel Hill and received her Juris Doctorate degree at the University of Connecticut Law School. Ms. McGinniss comes to us with a background in Social Security Disability law. Therefore, Ms. Corrigan believes that she will be invaluable at PERAC. Ms. Corrigan then introduced Mr. Hill and then Ms. Brady for their legal presentations.

Mr. Hill reported on the *John Rodrigues v. PERAC*, Appeals Court, 19-P-676 (Sept. 29, 2020), Ms. Brady reported on *Regina Mitchell v. Worcester Ret. Bd. & PERAC*, CR-17-084. Ms. Corrigan then reported on *Daley v. Plymouth Retirement Board*, CR-17-018 and CR-17-169.

Legislative Update

Mr. Keefe reported on the new legislative bills included in the monthly package that will be filed for the 2021-2022 Legislative Session along with bills being refiled from the current legislative session:

- An Act relative to pension forfeiture
- An Act relative to veterans' buyback (as amended, originally H22)
- An Act relative to the recovery of overearnings
- An Act relative to wages
- An Act relative to modifications of retirement allowances
- An Act relative to accidental disability and Group 1 emotional distress

Mr. Keefe then explained the two (2) new pieces of legislation filed this session – An Act to Protect Gender Pay Equity and An Act Providing for Statement of Financial Interests Flexibility. He explained the rationale for each.

Mr. Keefe reported that the Secretary of Administration and Finance, and the Chairs of the House and Senate Ways and Means hosted a hearing with economic experts on October 7, 2020 regarding state revenue figures for FY21. He also noted that the Governor will be holding a press conference later today, October 14, 2020.

Communications Update

Ms. Dunker reported on the statistics of PERAC's web page and compared the number of views from last year at this same time. There were about 16,000 views in the past month on various pages of our website. She then reported that PERAC's web site email list has grown as many people are asking to receive emails from the website regarding Memos, News, Newsflashes, and RFP Notifications. She stated that the 2019 Annual Report was published in September 2020 and that it took extra time due to the pandemic. Ms. Dunker then reported that PERAC has offered all presentations as online webinars and has seen an increase in attendance. She prepared a survey regarding the webinars and the responses received were 99% positive. Finally, she reported on upcoming projects such as the Pension News, a PROSPER Manual and 3 in-house webinars.

Audit Update

Ms. Shea reported that since the last Commission meeting, PERAC released the Arlington (no findings) and Teachers' Audit Reports, and she reported on the findings regarding Teachers' Retirement System. She also reported that the audit team continues to conduct audits by receiving documents from the systems electronically. Ms. Shea reviewed the Audit Tracking Report noting that there are 16 audits in process. She continued that of those 16 audits, 1 audit was with the board awaiting response, 2 audits were under internal review, 3 had exit conferences pending, and the remaining 10 were in the planning or fieldwork phase.

Compliance Update

Mr. O'Donnell reported that there have been 705 course completions at this time, and that the Fourth Quarter Educational Memo has been released. He then reported that the MACRS Legal Panel and Functioning During the State of Emergency Webinars had the most attendees. He said there were approximately twenty ongoing searches currently posted on PERAC's website. Finally, Mr. O'Donnell reported on the white paper prepared by Wellington Management, entitled *Setting ROA's for 2020: A guide for US corporate and public plans* which was included in this month's package.

Executive Director's Report

Mr. Parsons reported on the recent staff activities and specifically spoke about Emerging Issues Forum which had over 200 attendees. He said that J. Robert Brown, a board member with the Public Company Accounting Oversight Board, made an impressive presentation. He reported that the fourth quarter educational memo has been distributed and that PERAC will be hosting several Administrators' trainings this quarter as they have been very successful in the past.

Mr. Parsons reported that the Plymouth County Retirement System has complied with the provisions that the Commission requested. PERAC approved their request on September 25, 2020 to purchase real estate located at 60 Industrial Park Road in Plymouth, MA.

Mr. Parsons updated the Commission that in accordance with Commission Policy Number 99-001 the Commission's final budget and actual spending numbers for fiscal year 2020 has been distributed as required to the Public Service Committee, Ways and Means, and Administration and Finance. He stated that PERAC had an unexpended balance of \$1,223,193.14, a savings of 11.8% for fiscal year 2020.

Other Business

Mr. Parsons announced that Commissioner McCarthy's term expires next month and he is not seeking reappointment from the President of the AFL-CIO. He continued that since day one with the creation of Chapter 306 through today, Commissioner McCarthy has always been an integral part of PERAC. Commissioner McCarthy has always taken great pride and has been a steady advocate for the agency and PERAC personnel. He has always been prepared and a fierce

advocate for the members of our systems. Mr. Parsons acknowledged that retirement is not an easy decision to make for Commissioner McCarthy and he wished the Commissioner well in the coming years.

Commissioner McCarthy notified the Commission that he would be retiring from PERAC due to his health and his age. He had been very involved with PERA back in the early 1980s and then with legislation creating PERAC in 1996. He stated that he has met some great people on his journey with the Commission. He thanked the Chairman and the Commissioners for their dedication and commitment to protect the integrity of the pension systems in Massachusetts. He thanked the PERAC staff for their hard work, and stated that he would be remiss if he didn't thank Ms. Boisvert for being diligent, meticulous, and supportive for the Commission. He stated that in the past PERAC used to have a negative reputation but today PERAC is seen as a very positive and knowledgeable Commission. He particularly thanked the late Ken Donnelly, who was a well-respected voice on Beacon Hill. Commissioner McCarthy stated that once Ken became Senator they would both discuss how much they both loved serving at PERAC as they both intermittently served on PERAC since 1996. Both Ken and he served all public employees including the Massachusetts Association of Contributory Retirement Systems (MACRS), State Retirement System (SRS), and Massachusetts Teachers' Retirement System (MTRS). He thanked all for their courtesies extended to him throughout his tenure and wished everyone good luck.

Commissioner Fitzpatrick said she is inspired by Commissioner McCarthy's knowledge of the pension system. Her goal is to be as fierce an advocate as Commissioner McCarthy has been on this Commission and wished him good health.

Commissioner Machado said that it is a sad day for public employees, retirees, and beneficiaries with Commissioner McCarthy's announcement of retirement. He continued that there is no greater champion on behalf of the little guy, ensuring that all of their rights and benefits are protected. Further, Commissioner McCarthy is well respected by his colleagues and the members of the legislature. Commissioner Machado stated that you could always count on Commissioner McCarthy for his opinion. He wished the Commissioner good health and thanked him for his service on behalf of firefighters, public employees, retirees, and beneficiaries throughout the Commonwealth.

Commissioner Dooling thanked Commissioner McCarthy on behalf of the State Auditor and wished him well.

Commissioner Sullivan said that even though she is relatively new to the Commission, she has learned a great deal from Commissioner McCarthy, and has been a pleasure and an honor to have served with him. She is grateful to have worked with him and wished him the best.

Chairman Brown thanked Commissioner McCarthy and lauded him as a great role model, mentor, and friend who really cares about people and the protection of the public benefit. Chairman Brown continued that Commissioner McCarthy will be sorely missed by people in the public sector. Chairman Brown then made a motion to have a Resolution created for Commissioner McCarthy listing his accomplishments, institutional knowledge, and to wish him

and his family well. Commissioner Dooling seconded the motion and a roll call vote was taken as follows:

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

Commissioner McCarthy thanked the Commission for all of their kind words.

Executive Session – Compliance Matters – Purpose 1

At 12:00 PM Chairman Brown called for a roll call vote of the Commission to go into Executive Session under Purpose 1, to discuss the reputation, character, physical condition or mental health, rather than professional competence, of an individual(s), or to discuss the discipline or dismissal of, or complaints or charges brought against, a public officer, employee, staff member or individual. The subject(s) of the issue at hand has been notified in writing of this meeting and has not asked that it be held in open session. The Commission will ratify any votes taken in executive session at its next meeting scheduled on November 18, 2020 at 11:00 AM. The Commission meeting will not resume today in open session.

Commissioner Fitzpatrick made a motion to go into Executive Session and Commissioner Dooling seconded the motion and a roll call vote was taken as follows:

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

Commissioner Fitzpatrick inquired about taking a short break and inquired about connecting to another link for executive session purposes. Chairman Brown agreed with taking a short break, and it was pointed out that there is in fact a separate link for the Executive Session.

The Commission meeting ended in the Executive Session meeting at 12:35 PM.

Commission Meeting Documents

Commission Agenda for the meeting October 14, 2020

Commission Minutes from September 9, 2020

Legislative Sub-Committee Minutes from September 9, 2020

Legal Update

Memoranda and copies of the decisions in the matters of the *John Rodrigues v. PERAC*, Appeals Court, 19-P-676 (Sept. 29, 2020), *Regina Mitchell v. Worcester Ret. Bd.*, & *PERAC*, CR-17-084, and *Daley v. Plymouth Retirement Board*, CR-17-018 and CR-17-169

Legislative Update

Cover Memorandum with House Clerk's Letter and the 2021/2022 legislation to be filed
Memorandum regarding Legislative updates

Communications Update

PERAC statistics regarding web data, recent projects and educational feedback

Audit Update

Cover pages
Arlington and Massachusetts Teachers' Retirement Board reports
Audit Tracking Log

Compliance Update

Memorandum regarding Compliance updates
PERAC Memo # 29/2020 – 4th Quarter Educational Opportunities
Course Completions and Acknowledged Procurement data
Wellington Management *Setting ROAs for 2021: A guide for US corporate and public plans*

Executive Director's Report

Staff Activities
Email to Plymouth County Retirement Board – Real Estate Purchase
Letters distributed pursuant to Policy 99-001

Approved:



Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission