

Commission Meeting Minutes

April 12, 2023

Chairman Philip Y. Brown called the meeting (held at PERAC Offices, 5 Middlesex Ave., Somerville) to order at 11:05 AM. Chairman Brown acknowledged the other Commissioners participating: Kate Fitzpatrick, Michael Leung-Tat, Kathleen Fallon, Jennifer Sullivan, Richard MacKinnon and James Guido. Commissioners Fallon and Sullivan participated remotely. Therefore, the Chairman explained, all motions made at this meeting will be voted on by roll call vote. The Chairman announced the meeting was being recorded.

PERAC staff in attendance: Executive Director John Parsons, Deputy Executive Director Caroline Carcia, General Counsel Judith Corrigan, Assistant Deputy Director Bill Keefe, Actuary John Boorack, Assistant Deputy Director Ken Hill, Compliance Analyst John Galvin, Deputy General Counsel Patrick Charles, Associate General Counsel Felicia McGinniss, Director of Audits Caryn Shea, Communications Director Natacha Dunker, and Project Manager Tony Tse.

Guests in Attendance: Tom Gibson representing the Belmont and Middlesex County Retirement Systems.

Guests participating remotely: Sean Neilon representing the Teachers' Retirement Board, Pat Brock representing the Hampshire County Retirement Board, Jennifer Penderson representing Mass. Water Works Association, Attorney James Quirk, and Jennifer Shaw.

Commissioner MacKinnon made a motion to adopt the March 8, 2023 Commission minutes. Commissioner Fitzpatrick seconded the motion, and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Kathleen Fallon, YES, Jennifer Sullivan YES, Richard MacKinnon YES, Kate Fitzpatrick YES, Michael Leung-Tat YES, and James Guido YES and the minutes were unanimously adopted.

Administrative Sub-Committee Update

Chairman Brown told the Commission that the Administrative Sub-Committee met earlier that day to finalize the Executive Director's annual performance review for the period January 13, 2022 through January 13, 2023. The Chairman explained that the members of the Sub-Committee provided their ratings on key competencies and success indicators as outlined in the evaluation form as well as language to include in the narrative portion of the review. He indicated that the review reflects John's excellent leadership, timely communications, professionalism, and solid work environment skills. The Administrative Sub-Committee's recommendation to the full Commission is to accept the review as written, approve a 3% salary increase retroactive to the Executive Director's anniversary date of January 13, 2023 and a 3% Cost of Living Increase to be effective on August 1, 2023.

Commissioner Fitzpatrick made a motion to approve the Administrative Sub-Committee recommendations. Commissioner MacKinnon seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Kathy Fallon YES, Kate Fitzpatrick YES, Michael Leung-Tat YES, Richard MacKinnon YES, James Guido YES, and Jennifer Sullivan YES and the motion was adopted.

Mr. Parsons thanked the Commissioners for their continued support.

Legislative Update

Bill Keefe reported that the Public Service Committee met in person on April 4, 2023 and heard six of PERAC's filed bills. John Parsons testified on all six bills at the hearing. The Public Service Committee has scheduled additional hearings where the two remaining PERAC filed bills will be heard. Mr. Keefe reported that Governor Healey signed the Open Meeting Law waiver extension which will remain in effect through March 31, 2025 unless superseded by another act of the Legislature. PERAC provided guidance to the boards on this statute as outlined in PERAC Memorandum #11 of 2023 which is included in the Commission packet.

Mr. Keefe also informed the Commission that Governor Healey filed a supplemental budget providing for a \$100 million payment to the pension system. This amount represents the outstanding liability related to the last early retirement incentive program.

Finally, Mr. Keefe reported DOR's March revenue figures of \$3.8 billion. Although DOR has changed the way they formulate monthly benchmarks, they reported that for the fiscal year to date, revenue is at \$870 million above the original benchmark.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Hingham audit and both the Norwood and Southbridge follow-up audits. Ms. Shea discussed the findings in the Hingham audit and then reported on the follow-up audits. Ms. Shea reported on the status of audits as outlined in the Audit Tracking Log included in the Commission packet. She then reported that we are receiving Annual Statements and monthly cashbooks in PERAC's new portal.

Compliance Update

John Galvin reported that PRIM's return for February was -1.57% with a fund balance as of February 28 of \$93 billion. The calendar year to date return through February 28 is 2.49%.

Mr. Galvin reported that Michael Trotsky, PRIM's Executive Director, issued an e-mail regarding the failure of Silicon Valley Bank (SVB) and noted PRIM's exposure to SVB was small and that SVB is also a tenant in property partly owned by PRIM. The e-mail also addressed how SVB played a vital role in the Private Equity and Venture Capital world and its impact on PRIM. Mr. Trotsky noted that he believes PRIM diversified portfolio with solid managers will keep performing well during difficult markets.

Mr. Galvin further reported that the Statement of Financial Interest (SFI) filing deadline is May 1, 2023. To date, PERAC has received 70% of SFI's from active members while we are only waiting

on two inactive members to submit their SFI's. He indicated that we will be sending reminders to members regarding the filing deadline date.

Executive Director's Report

Mr. Parsons discussed numerous staff activities since the last Commission meeting which are highlighted in the meeting materials. He pointed out the Administrators Training held on March 28, 2023 in Norwood was well attended and due to retirement board staff turnover, we will be scheduling another session this Fall.

Mr. Parsons indicated that we will be scheduling an Investment Sub-Committee meeting to review our memorandums and policies to discuss possible changes to ensure they are up to date with current practices.

Mr. Parsons stated that included in the Commission packet is the agenda for the NCPERS Conference which will be held in New Orleans, LA on May 21-24, 2023 and any Commissioners interested in attending to let us know.

Commissioner MacKinnon made a motion to approve attendance for Commissioners at the NCPERS Conference in accordance with PERAC Policy #97-002. Commissioner Guido seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Kathy Fallon YES, Kate Fitzpatrick YES, Michael Leung-Tat YES, Jennifer Sullivan YES, James Guido YES, and Richard MacKinnon YES and the motion was adopted.

Mr. Parsons updated the Commission regarding PERAC's office search and indicated that we have not heard from our Project Manager at the Division of Capital Asset Management and Maintenance (DCAMM). He stated that we are concerned about the possibility of losing the space we are interested in at 10 Cabot Road and the terms extending the current lease. He indicated that we are at the mercy of DCAMM and we continue to inquire on the next phases but we are not receiving the same sense of urgency from the Project Manager. He indicated that we cannot procure workstations, filing systems, movers, and other necessary budget planning until we have a secured floor plan of the new space. The Commissioners suggested that PERAC staff reach out to the Commissioner at DCAMM to get this process in motion.

Other Business

Chairman Brown announced that the next Commission meeting will be held on Wednesday, May 10, 2023 at 11:00 AM at PERAC offices.

Commissioner Guido made a motion to adjourn the meeting. Commissioner MacKinnon seconded the motion, and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners Kathleen Fallon, YES, Richard MacKinnon YES, Kate Fitzpatrick YES, Jennifer Sullivan YES, Michael Leung-Tat YES, and James Guido YES and the motion was unanimously adopted. The meeting was adjourned at 11:25 AM.

Commission Meeting Documents

Commission Agenda for the meeting of April 12, 2023

Commission Minutes dated March 8, 2023

Administrative Sub-Committee Meeting Update

Executive Director's Performance Review for period 01/13/22 – 01/13/23

Legislative Update

Memorandum regarding Legislative updates

Audit Update

Hingham Retirement System Audit Report

Norwood Retirement System Follow-up

Southbridge Retirement System Follow-up

Audit Tracking Report

Compliance Update

Memorandum regarding Compliance updates

PRIM's Executive Director Michael Trotsky's e-mail dated March 14, 2023

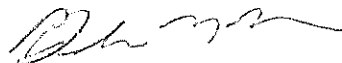
Executive Director's Report

Staff Activities Memorandum

PERAC Memorandum #11/2023

NCPERS Conference Agenda – May 21-24, 2023

Approved:



Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission