

Commission Meeting Minutes

February 14, 2024

Chairman Philip Y. Brown called the meeting (held at PERAC Offices, 5 Middlesex Ave., Somerville) to order at 11:10 AM. Chairman Brown acknowledged the other Commissioners participating: Kathleen Fallon, Kate Fitzpatrick, Jennifer Sullivan, Richard MacKinnon, Michael Leung-Tat, and James Guido. Commissioner Sullivan and Commissioner Fallon each 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 Directors Ken Hill and Bill Keefe, Director of Audits Caryn M. Shea, Actuary John Boorack, Deputy General Counsel Patrick Charles, Associate General Counsel Felicia McGinniss, Compliance Manager John Galvin, and Project Manager Anthony Tse.

PERAC staff attending remotely: Communications Director Natacha Dunker, Fraud Prevention Manager Sandra King, Administrative Assistants Patty Tanso and Ellen Furtado.

Guests in attendance: Sean Neilon representing the Teachers' Retirement System, Tom Gibson representing the Middlesex County and Belmont Retirement Systems, Kathleen Kiely-Becchetti representing the Norfolk County Retirement System and MACRS, Frank Valeri representing Massachusetts Retirees Association, Thomas Conroy and Bridgett Quinn Watson.

Guests attending remotely: Lisa Maloney representing Middlesex County Retirement System, Frank Zecha representing Brookline Retirement System, Debra Wilkes representing Norwood Retirement System and Jeff Cutter.

Executive Director John Parsons requested a moment of silence for Ralph White who recently passed away at the age of 92. Mr. White was the founder of the Massachusetts Retirees Association and was a great and tireless advocate for active and retired members.

Following the moment of silence, Commissioner MacKinnon made a motion to adopt the January 10, 2024 Commission minutes. Commissioner Leung-Tat seconded the motion, and a roll call vote was taken:

Chairman Philip Brown YES, Commissioners James Guido YES, Kate Fitzpatrick YES, Richard MacKinnon YES, Kathleen Fallon YES, and Michael Leung-Tat YES and the minutes were adopted. Commissioner Sullivan was not online for this vote.

Legal Update

Patrick Charles informed the Commission that the Proposed Regulations 840 CMR 2.00, 4.00, 8.00, 11.00, 12.00, 15.00, and 25.00 have gone through the regulation process and they are ready to send to the Secretary of State for promulgation.

Commissioner Fitzpatrick made a motion to approve the final Proposed Regulations 840 CMR 2.00, 4.00, 8.00, 11.00, 12.00, 15.00, and 25.00 and submit them to the Secretary of State's Office. Commissioner Guido seconded the motion and a roll call vote was taken:

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

Felicia McGinniss updated the Commission on *Emerson E. v. State Board of Retirement & PERAC*, CR-22-0312. This case involves the filing of an accidental disability retirement application in November 2019 on the basis of post-concussion syndrome, occipital neuralgia, PTSD, and depression stemming from an inmate assault back in November 2015. The Petitioner worked as a Corrections Officer at the Worcester County Jail. On September 24, 2020, the State Retirement Board ("Board") approved the application for accidental disability, however, PERAC remanded the application on November 16, 2020 as the Employer's Statement dated February 3, 2020 indicated that the Petitioner was working full duty and so it could not be said that he was unable to perform the essential duties of his position. Following PERAC's remand, the Board voted to take no action on the Petitioner's application. The Division of Administrative Law Appeals ("DALA") issued a decision on January 29, 2024 reversing the Board's vote and finding that the Petitioner was entitled to accidental disability retirement benefits as he was working in an accommodated position and unable to perform the essential duties of his job. PERAC is not appealing DALA's decision. The Board has until February 13, 2024 to file an appeal with the Contributory Retirement Appeal Board.

Legislative Update

Mr. Keefe told the Commission that the Public Service Committee reported favorably on all the PERAC filed bills. He further explained that H 13 An Act Providing for Statement of Financial Interests Flexibility was amended by Public Service at PERAC's request. H 2588 / S 1691 An Act to Protect Gender Pay Equity was also favorably reported by Public Service. Lastly, the Veteran and Federal Affairs Committee filed an extension until April 30 to report on the Governor's HERO Act which contains the Veterans' Buyback language.

Mr. Keefe reported on the Governor's budget bill that includes a 3% COLA for State and Teachers and includes a Special Commission to examine the State and Teachers COLA base and enhanced benefits for long-term retired members. The Executive Director of PERAC would be one of the nine members to serve on this Committee.

Mr. Keefe reported on an Act Empowering Municipalities and Local Governments filed by the Governor. This bill includes a proposal to expand post-retirement work by allowing executive agencies, departments, counties, cities, towns, districts, and authorities to petition the Secretary of Administration and Finance to declare a critical shortage exists for qualified applicants for a job title or class of job titles. The critical shortage declaration would be for 24 months, could be renewed and retirees would be allowed to fill these positions with Section 91 hours and earnings limits waived.

Mr. Keefe also explained that DOR's January collection of \$3.59 billion was \$263 million or 6.8% below the lowered target of \$3.85 billion. For FY24, the state collected \$21.46 billion, 1.2% or \$263 million below the revised benchmark.

Lastly, Mr. Keefe reported on a special House election result and legislators who had announced they were not running for re-election.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the North Adams Audit and a Westfield Follow-Up letter. Ms. Shea explained that the Westfield Retirement Board has resolved all issues identified in the original audit. She also pointed out the status of all audits as outlined in the Audit Tracking Log included in the Commission packet. She then told the Commissioners that several staff members of the Audit Unit will be participating in the next Administrators' training in Norwood. Some members of the Audit Unit are also preparing for the Annual Statement Training, which is scheduled for February 15, 2024 via webinar.

Compliance Unit

John Galvin reported that PRIM's return for December was 3.0%. The calendar year to date return through December 31, 2023 was 11.4% with a fund balance of \$100.9 billion.

Mr. Galvin told the Commission that to date the Annual Vendor Disclosures have a completion rate of 11% and that PERAC has received over 134 Statement of Financial Interests from board members.

Executive Director's Report

Mr. Parsons discussed numerous staff activities since the last Commission meeting, which are highlighted in the meeting materials. He indicated that over 130 individuals attended the Inspector General sponsored training on Contract Administration held on January 18, 2024.

He then stated that PERAC has added another component of the PROSPER Application for retirement boards to submit their annual COLA filings and COLA Base filings electronically. This will provide the boards with additional tools to store, track, and maintain essential functions of their responsibilities.

He further reported that we were able to secure free parking for employees through the end of our lease in the new parking garage.

Lastly, Mr. Parsons thanked the Commission for their support over the last five years serving as the Executive Director of PERAC. This will be his last Commission meeting before his retirement date of March 1, 2024.

The Commission thanked John for his service and wished him a happy, healthy retirement.

At 11:40 AM Chairman Brown announced that the Commission would take a short break prior to interviewing the three final candidates for the Executive Director position.

The Commission returned at 11:50 AM to conduct interviews and to discuss the Commission's voting process in selecting PERAC's next Executive Director.

Commissioner Fallon made a motion to accept and approve the procedural process for the selection of the Executive Director as recommended by the Executive Director Search Committee. That process included a vote of 4 Commissioners being necessary to select the next Executive Director, and the

elimination of the lowest scoring candidate in the first round, provided 4 votes for one candidate had not been cast. Commissioner MacKinnon seconded the motion and a roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioner James Guido YES, Commissioner Richard MacKinnon YES, Commissioner Kate Fitzpatrick YES, Commissioner Fallon YES, Commissioner Sullivan YES, and Michael Leung-Tat YES. Thus, the motion was unanimously adopted.

The following candidates were interviewed by the full Commission in the following order which was selected at random: William Keefe, Bridget Quinn Watson, and Thomas Conroy.

The Commission asked a series of questions of each of the candidates. At the conclusion of the interviews, the Chairman then indicated that the Commissioners should each vote for a candidate to be PERAC's next Executive Director in accordance with the procedural voting process adopted. Commissioner Leung-Tat made a motion to appoint PERAC's next Executive Director. Commissioner MacKinnon seconded the motion and each Commissioner voted as follows.

Commissioner Leung-Tat – William Keefe
Commissioner Fitzpatrick – William Keefe
Commissioner Guido – William Keefe
Commissioner Sullivan – Was not online for vote
Commissioner Fallon -Thomas Conroy
Commissioner MacKinnon – William Keefe
Chairman Brown – William Keefe

Chairman Philip Brown announced William Keefe as PERAC's next Executive Director and congratulated him.

Chairman Brown discussed appointing an Interim Executive Director as John Parsons will be retiring on March 1, 2024 and the Commission needs to discuss the employment contract and salary of the new Executive Director, Mr. Keefe at the March 13, 2024 Commission meeting.

John Parsons recommended appointing William Keefe as the interim Executive Director as the Commission had just appointed him to serve as the new Executive Director.

Commissioner Guido made a motion to appoint William Keefe Interim Executive Director from March 2, 2024 until such a time a signed Executed Employment Agreement is agreed upon. Commissioner MacKinnon seconded the motion and a roll call vote was taken:

Chairman Philip Brown YES, Commissioner James Guido YES, Commissioner Richard MacKinnon YES, Commissioner Kate Fitzpatrick YES, Commissioner Fallon YES, and Michael Leung-Tat YES. Commissioner Sullivan was not online for the vote. The motion was adopted.

Chairman Brown then announced that the next Commission meeting will be held on Wednesday, March 13, 2024 at 11:00 AM at the PERAC offices.

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

Chairman Philip Brown YES, Commissioner James Guido YES, Commissioner Richard MacKinnon YES, Commissioner Kate Fitzpatrick YES, Commissioner Fallon YES, and Michael Leung-Tat YES. Commissioner Sullivan was not online for the vote. Thus, the motion was adopted. The meeting was adjourned at 1:35 PM.

Commission Meeting Documents

Commission Agenda for the meeting of February 14, 2024

Commission Minutes dated January 10, 2024

Legal Update

Proposed Regulations 840 CMR 2.00, 4.00, 8.00, 11.00, 12.00, 15.00, and 25.00

Emerson E. v. State Board of Retirement & PERAC, CR-22-0312

Legislative Update

Memorandum regarding Legislative updates

Audit Update

North Adams Retirement Board Audit

Westfield Retirement Board – Follow-Up Letter

Audit Tracking Report

Compliance Update

Memorandum regarding Compliance updates

PRIM Summary of Plan Performance – As of December 31, 2023

Executive Director's Report

Staff Activities Memorandum

Executive Director Search Committee

Approved Minutes – dated January 2, 2024

Approved Minutes – dated January 22, 2024

Approved Minutes – dated January 23, 2024

Candidate #28 – William Keefe's job application and accompanying documents

Candidate #10 – Bridgett Quinn Watson's job application and accompanying documents

Candidate #29 – Thomas Conroy's job application and accompanying documents

Approved:



Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission