

## **Commission Meeting Minutes**

**February 12, 2025**

Chairman Philip Y. Brown called the meeting (held at PERAC Offices, 5 Middlesex Ave., Somerville) to order at 11:15 AM. Chairman Brown acknowledged the other Commissioners present at the PERAC offices: Kathy Fallon, Katie Fitzpatrick, Richard MacKinnon and Michael Leung-Tat. Chairman Brown and Commissioners Jennifer Sullivan and James Guido participated remotely. Therefore, the Chairman explained, all motions made at this meeting will be voted on by roll call vote. The Chairman also announced the meeting was being recorded.

PERAC Staff in attendance at the PERAC offices: Executive Director Bill Keefe, First Deputy Executive Director Caroline Carcia, Deputy Executive Director Kenneth Hill, Assistant Deputy Director Patrick Charles, General Counsel Judith Corrigan, Senior Associate General Counsel Felicia McGinniss, Director of Audits Caryn Shea, Actuary John Boorack, Compliance Manager John Galvin, and Project Manager Anthony Tse.

PERAC Staff attending remotely: Communications Director Natacha Dunker, Associate General Counsel Christopher Windle, and Fraud Prevention Manager Sandra King.

Guests in attendance at the PERAC offices: Tom Gibson representing the Middlesex County and Belmont Retirement Boards.

Guests attending remotely: Patrick Brock and Linda Champion.

Chairman Brown took a moment to note that he disagrees with recent negative media coverage aimed at public employees. He explained that he wanted the PERAC staff to know how much he appreciates the hard work they do for this Commission.

Commissioner MacKinnon made a motion to adopt the minutes of the Commission meeting of January 8, 2025. Commissioner Leung-Tat seconded the motion, and a roll call vote was taken:

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

### **91A Update**

Kenneth Hill updated the Commission on the 2024 Annual Filing of Earned Income. He indicated that we expanded the online submissions to all disability retirees this year. For the 2023 Annual Filings, the online submission component targeted approximately 5,000 disability retirees and we expected a large amount of this population would utilize the online portal, however, it was not as successful as we had anticipated. This year we emailed members and mailed postcards to get the word out on the convenience of this option. Mr. Hill indicated that since the mailing of these postcards, we have received over 300 calls and have assisted members with this process.

### **Legislative Update**

Patrick Charles reported that all the PERAC filed bills have been assigned bill numbers. However, the bills filed by legislators at PERAC's request have docket numbers, but no bill numbers have been assigned at this point. Mr. Charles also reported that the Governor Filed HD 4360 which would make

the Open Meeting Law waivers for remote participation permanent. These exemptions are currently scheduled to expire on March 31, 2025. He also stated that an extension of the waivers may also be in the works. Also included in the language of the Governor's bill is the creation of a critical shortage waiver for post-retirement earning limitations. Retirees brought back under this two-year critical shortage provision would not be subject to the earnings restrictions under Section 91 except that in the first six months of retirement the earnings received when added to their retirement allowance cannot exceed the salary that is being paid for the position from which they retired. Approval from the Secretary of Administration and Finance is required to approve a critical shortage designation.

Mr. Charles told the Commission that since President Biden signed HR 82, the bill repealing Social Security's Windfall Elimination Provision ("WEP") and Governmental Pension Offset ("GPO"), PERAC issued Memorandum No. 2 of 2025 advising the retirement boards of the WEP/GPO repeal and providing contact information for the Social Security Administration (SSA). We have been receiving many calls and emails regarding this repeal and have been instructing boards and retirees that SSA is working on implementing the new law. The SSA has updated their guidance on their website and notes that it may take up to a year to fully implement the law and that if you have never applied for benefits because of the WEP/GPO you should file an application because the date of application will determine the effective date of your benefits.

Mr. Charles also reported that the Governor's FY26 budget was filed on January 22, 2025. Included in the budget was the COLA of 3% for State and Teachers' Retirement Systems. Also included was the full appropriation required by the funding schedule.

Section 25 of the FY26 budget is the language of our bill (H24) regarding the definition of wages which the Commission filed to ensure that accrued leave while taken in the course of employment is considered regular compensation and pensionable.

Mr. Charles noted that the Massachusetts Department of Revenue ("DOR") reported January revenue of \$4.1 billion, an increase of \$505 million or 14.1% compared to actual collections last January and \$406 million or 11% above the monthly benchmark.

FY2025 collections through December were \$159 million or 0.9% ahead of benchmark and with January's collections the state now stands \$566 million or 2.5% above the year-to-date benchmark,

### **Audit Update**

Caryn Shea reported that since the last Commission meeting, PERAC has released the North Attleboro, Watertown, and Woburn Audits. Ms. Shea explained that both the North Attleboro and Watertown Audits had findings and Woburn had no findings. The findings for North Attleboro were related to Cash Reconciliations, Management Fees, New Retirement Allowance Calculations, Final Payments to Deceased Members, and Board Administration/Meeting Minutes. The one finding for Watertown related to New Retirement Allowance Calculations. Ms. Shea further discussed the status of other board audits as outlined in the Audit Tracking Log.

Ms. Shea also reported that the Deputy Chief Auditor, Scott Henderson, gave a presentation on January 22, 2025 entitled "How to Prepare an Annual Statement."

### **Compliance Update**

John Galvin reported that PRIM's return for December was -1.6%. The calendar year to date return through December 31 is 9.07%. The fund balance as of December 31 was \$109.6 billion.

Mr. Galvin then reported that sending Annual Vendor Disclosures ("AVD"), Statement of Financial Interests ("SFI") & Certificate of Eligibility ("COE") to board members and vendors early this year has resulted in earlier submissions and a great response. To date, PERAC has received over ten percent of AVDs, twenty percent of all SFIs, and almost fifty percent of COE's.

Mr. Galvin further reported on new features rolled out in PROSPER allowing retirement boards to upload Investment Manager Statements. This will streamline the cashbook reporting process and expand the library of documents in a secure and central online location. Further developments will be underway soon in PROSPER for submitting custodian and consultant statements.

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

Mr. Keefe began his report by noting the passing of Commissioner Jennifer Sullivan's mother-in-law and asked for a moment of silence be observed. The group obliged.

He went over the staff activities that have occurred since the last Commission meeting on January 8, 2025. He noted the first official meeting of the new COLA Commission occurred remotely on January 31, 2025 and the group appointed Mr. Keefe Chairman of the COLA Commission. The Commission met again on February 4, 2025 and is scheduled to meet again on March 10, 2025. He indicated that there has been great dialogue and presentations from the Teachers' Retirement Board and Massachusetts Retirees' Association. He indicated that Actuary John Boorack will work with the Commission in providing costs analysis for various suggestions from the Commission.

Mr. Keefe then briefly gave an update on PERAC's new office space at 10 Cabot Road. He said carpet, flooring, and paint is completed and furniture will be delivered shortly.

He noted that included in the Commission packet is the latest PERAC Pension News Issue, No. 67 and also said that NCPERS is now accepting enrollments for the Annual Conference that will be held in Denver, CO from May 18-21, 2025.

Commissioner MacKinnon made a motion to approve attendance at the NCPERS Annual Conference from May 18-21, 2025 in Denver, CO in accordance with PERAC Policy #97-002. Commissioner Leung-Tat seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Richard MacKinnon YES, Kate Fitzpatrick YES, and James Guido YES, and the motion was adopted. Commissioner Jennifer Sullivan did not appear to be online at this time and so had no recorded vote.

Caroline Carcia told the Commission that an Administrative Sub-Committee meeting was needed to discuss the Annual Performance Review of Executive Director, Bill Keefe, as his one-year anniversary in that position will be in March. Because the March Commission meeting will be held entirely remotely due to PERAC's move, the Commission agreed to schedule an Administrative Sub-Committee on the morning of the April Commission meeting so that an in-person meeting could be held regarding the evaluation

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

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Richard MacKinnon YES, Kate Fitzpatrick YES, and James Guido YES, and the motion was adopted. Commissioner Jennifer Sullivan did not appear to be online at this time and so had no recorded vote. The meeting was adjourned at 12:00 PM.

**Commission Meeting Documents**

Commission Agenda for the meeting of February 12, 2025  
Commission Minutes dated January 8, 2025

**91A Update**

Postcard to disability retirees RE: 2024 Annual Filing of Earned Income Online

**Legislative Update**

Memorandum regarding Legislative updates

**Audit Update**

North Attleboro Retirement Board Audit  
Watertown Retirement Board Audit  
Woburn Retirement Board Audit  
Audit Tracking Report

**Compliance Update**

Memorandum regarding Compliance updates  
*Prit Fund Performance Summary*, December 31, 2024

**Executive Director's Report**

Staff Activities Memorandum  
Pension News Issue No. 67  
NCPERS Notice of 2025 Annual Conference on May 18-21, 2025, Denver, CO

Approved:



Philip Y. Brown, Chairman  
Public Employee Retirement  
Administration Commission