## **Commission Meeting Minutes**

### March 12, 2025

Chairman Philip Y. Brown called the meeting to order at 11:05 AM. The meeting was held entirely remotely. He then stated that the Commission meeting is being recorded, and this will be noted in the minutes.

Chairman Brown acknowledged the other Commissioners participating: Commissioners Michael Leung-Tat, Kathleen Fallon, Kate Fitzpatrick, Richard MacKinnon, and James Guido. Commissioner Jennifer Sullivan was not present for the meeting. All attendees participated remotely pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §20(b). Therefore, the Chairman announced, any votes in this meeting shall be taken by roll call vote.

PERAC Staff attending remotely: Executive Director Bill Keefe, First Deputy Executive Director Caroline Carcia, Deputy Executive Director Ken Hill, General Counsel Judith Corrigan, Assistant Deputy Director Patrick Charles, Director of Audits Caryn Shea, Compliance Manager John Galvin, Communications Director Natacha Dunker, Project Manager Anthony Tse, Senior Associate General Counsel Felicia McGinniss, Actuary John Boorack, and Associate General Counsel Christopher Windle.

Guests participating remotely were: Thomas Gibson representing the Middlesex and Belmont Retirement Systems, Patrick Brock representing Hampshire County Retirement System, Timothy Smyth representing the Boston Retirement System, Francesco Daniele representing PRIM, and Linda Champion.

Commissioner MacKinnon made a motion to adopt the minutes of the Commission meeting of February 12, 2025. Commissioner Guido 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, Kate Fitzpatrick YES, and James Guido YES, and the minutes were adopted.

#### **Actuarial Update**

John Boorack reported that PERAC bases its investment return assumption recommendation on several sources such as the NEPC study, (PRIM's Investment Consultant), the Horizon Study, NASRA, and other investment consultants. The NEPC study is our primary source in determining our recommendations. Although PRIM's returns for 2024 were 9.57%, basing an increase in the investment return assumption solely on the most recent one-year return would not be a good idea. Mr. Boorack reviewed the information from the sources mentioned above and recommended maintaining the current assumption of 7.0%.

Commissioner Guido made a motion to keep the investment return rate assumption at 7%. Commissioner Fitzpatrick 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, Kate Fitzpatrick YES, and James Guido YES, and the recommendation to keep the investment return rate assumption at 7% was adopted.

#### 91A Update

Kenneth Hill updated the Commission on the 2024 Annual Filing of Statements of Earned Income. He explained that we expanded the online submissions to all disability retirees this year. He reported that approximately 13,000 Statements of Earned Income were mailed on March 3, 2025 to disability retirees. He further reported that over a month ago, we e-mailed and mailed postcards to disability retirees informing them of the new online filing feature for the 2024 filing year. To date, over 365 retirees have submitted their forms online. For the 2023 filing year, we had only 270 file online. Given it's only been a week since the mailing, this is great news, and we expect more filings online.

## Legal Update

Judith Corrigan reported that no new decisions in cases in which PERAC is a party have been reported out from the Division of Administrative Law Appeals ("DALA") or the Contributory Retirement Appeals Board ("CRAB."). However, she did inform the Commission that PERAC was served with a summons and complaint in the Middlesex County Superior Court. This case involves the ability of elected officials to buy back time and arises from our audit of the Wakefield Retirement System.

### Legislative Update

Patrick Charles reported that the Public Service Chairs have been named with Senator Michael Brady continuing to serve as Senate Chair. The House Chair will be Representative Daniel Ryan of Charlestown. This will be Representative Ryan's first time as Chair of the Joint Committee on Public Service.

Mr. Charles further reported that the Senate leadership team remained unchanged for the third session in a row and much of the House leadership remains the same. He further noted some appointments on other committees.

Mr. Charles noted that the Massachusetts Department of Revenue ("DOR") reported February revenue of \$2.13 billion, an increase of \$125 million or 6.2% compared to actual collections last February and \$122 million or 6.1% above the monthly benchmark.

FY2025 collections to date totaled approximately \$25.491, which is \$2.025 billion or 8.6% more than actual collections in the same period of FY2024, and \$688 million or 2.8% above the year-to-date benchmark.

Lastly, Mr. Charles reported that to date we have received 299 Statement of Financial Interest (SFI) forms from Board members, a 57% completion rate. Right now, the Annual Vendor Disclosures have a completion rate of 80%.

### Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Leominster and Shrewsbury Audits. Ms. Shea explained that both the Leominster and Shrewsbury Audits had findings. The one finding for Leominster was related to New Retirees' Allowance Calculations and Shrewsbury's finding was related to Cash General Ledger Accounting. Ms. Shea further discussed the status of other board audits as outlined in the Audit Tracking Log.

Ms. Shea also reported that the Annual Statements are being submitted by the boards and will be reviewed by Audit staff.

## **Executive Director's Report**

Mr. Keefe went over the staff activities that have occurred since the last Commission meeting on February 12, 2025. He noted the COLA Commission met on March 10, 2025 with a presentation from Actuary John Boorack. He indicated that there has been great dialogue within the group and that another meeting will be held in April. He further indicated that Mr. Boorack and his unit will be working with the COLA Commission providing cost analysis on various suggestions.

Mr. Keefe indicated that the Administrative Roundtable meeting held on March 6, 2025 in Springfield was engaging and we received good feedback from the nearby retirement boards that attended. He indicated that other Administrative Roundtables will be scheduled in the future.

Mr. Keefe reported that several career paths submitted by managers have been approved and recently implemented with the Audit Unit. He noted that several auditors have been working at the agency for several years and have moved up to an Auditor II position. Mr. Keefe recognized that Carol Poladian, George Nsia, and Junior Yanga are the recipients of these promotions.

Mr. Keefe then briefly gave an update on PERAC's new office space at 10 Cabot Road. He indicated that we are scheduled to move our offices on Tuesday, March 18, 2025 and Wednesday, March 19, 2025. He noted that we have been sending notices to the retirement boards, vendors, constituents, and other business partners.

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. The meeting was adjourned at 11:55 AM.

## **Commission Meeting Documents**

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

#### **Actuarial Update**

Investment Return Assumption Summary
Commonwealth 2024 Valuation Results and 2025 Estimates

# **Legislative Update**

Memorandum regarding Legislative updates

## Audit Update

Leominster Retirement Board Audit Shrewsbury Retirement Board Audit Audit Tracking Report

## **Executive Director's Report**

Staff Activities Memorandum

Approved:

Philip Y. Brown, Chairman

Public Employee Retirement Administration Commission