

## **Commission Meeting Minutes**

**April 9, 2025**

Chairman Philip Y. Brown called the meeting (held at PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:07 AM. Chairman Brown acknowledged the other Commissioners present at the PERAC offices: Kate Fitzpatrick, Michael Leung-Tat, James Guido, and Chairman Brown. Commissioners Jennifer Sullivan and Kathleen Fallon participated remotely. Therefore, the Chairman explained, all motions made at this meeting will be voted on by roll call vote. Commissioner MacKinnon was not present for the meeting. 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, Actuary John Boorack, Senior Associate General Counsel Felicia McGinniss, Director of Audits Caryn Shea, Compliance Manager John Galvin, Associate General Counsel Christopher Windle, and Project Manager Anthony Tse.

PERAC Staff attending remotely: Communications Director Natacha Dunker, Deputy Compliance Manager Sarita Yee, and Fraud Prevention Manager Sandra King.

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

Guests participating remotely: Patrick Brock representing Hampshire County Retirement System, John Brown representing Middlesex County Retirement Board and MACRS, Timothy Smyth representing the Boston Retirement System, and Linda Champion of Murphy, Hesse, Toomey & Lehane.

Commissioner Kate Fitzpatrick made a motion to adopt the minutes of the Commission meeting of March 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, Jennifer Sullivan YES, Kate Fitzpatrick YES, and James Guido YES, and the minutes were adopted.

### **Administrative Sub-Committee Update**

Chairman Brown reported that the Administrative Sub-Committee met earlier in the day to discuss the performance review of Bill Keefe as Executive Director for the past year. The Chairman indicated that included in the Commission packet is the form to be used which highlights the success indicators and accomplishments over the past year for the various sections. The Chairman indicated that the sub-committee members will provide their ratings, which will be tallied for the final review form. There will be further discussion of Mr. Keefe's performance review, as well as a discussion of a possible salary adjustment, at the next Administrative Sub-Committee meeting on May 14, 2025. The Chairman also indicated that goals have been set for the next review and if any Commissioners had further comments to add, he asked that the comments please be provided to him prior to the next meeting.

### **Legal Update**

Kenneth Hill provided an update on the case of *Anthony McDermott v. State Board of Ret., and PERAC*, CR-19-0071. He explained that Anthony McDermott (“Mr. McDermott”) was notified on September 8, 2016 that his services as the Director of the Reggie Lewis Track and Athletic Center at Roxbury Community College were no longer needed. Mr. McDermott appealed this notice arguing he was wrongfully terminated. The two parties agreed to keep Mr. McDermott on paid administrative leave for approximately 16 months, ending on December 31, 2017 which would have provided him with approximately 20 years and 1 month of creditable service. This would have allowed Mr. McDermott to file for a retirement pursuant to Chapter 32, Section 10(2)(a), which is commonly referred to as a termination allowance. However, under Section 10(2)(a), a member may be entitled to such a retirement allowance only if they have a minimum of 20 years of creditable service. Out of concern that the 16 months of administrative leave did not constitute creditable service and fearing that the parties may have colluded to make the member eligible for a termination allowance, PERAC remanded his application following its review pursuant to Chapter 32, Section 21(1)(d).

Thereafter, Mr. McDermott provided the State Board of Retirement (“Board”) with additional documents pertaining to the settlement agreements. However, PERAC determined that under the settlement agreements such payments did not constitute regular compensation and therefore, Mr. McDermott was not entitled to creditable service and PERAC remanded his application for a second time.

Mr. McDermott filed an appeal to the Division of Administrative Law Appeals (“DALA”) and soon after filed a Motion for Summary Decision. In that motion, he noted 21 allegedly undisputed facts and cited several affidavits. Both PERAC and the Board argued that general issues of material fact existed, as the affidavits each contained “dozens of purportedly factual assertions about meetings, discussions, timelines, etc.” that PERAC could not verify. PERAC argued that a hearing was necessary to determine the creditability of the witnesses, and to establish many of the allegedly “undisputed” facts.

DALA nevertheless ruled on the merits and determined that Mr. McDermott was entitled to a termination allowance even though neither PERAC nor the Board were permitted the opportunity to present opposition briefs on the merits of their respective arguments. PERAC filed an appeal to the Contributory Retirement Appeal Board (“CRAB.”)

In a decision dated March 12, 2025, CRAB ruled that genuine issues of material fact existed and remanded the matter back to DALA to conduct an evidentiary hearing. CRAB did not rule on the merits of whether Mr. McDermott was entitled to a termination allowance. On March 25, 2025, DALA issued an Order instructing the parties to file a joint report addressing the issues of fact to be considered at the evidentiary hearing.

### **91A Update**

Mr. Hill updated the Commission on the 2024 Annual Earned Income filings. He explained that we are approximately 36% compliant, which is behind the usual pace, given the deadline date to file is April 15, 2025. He indicated that though there were some online filing issues, as of April 8, 2025, PERAC had received over 989 submissions electronically. He noted that the number of filings should of course continue to increase as the deadline date nears.

### **Legislative Update**

Patrick Charles reported that Governor Healey signed Chapter 2 of the Acts of 2025 on March 28, 2025, extending the Open Meeting Law waiver until June 30, 2027. He indicated that PERAC issued a memorandum to the retirement boards notifying them of this extension.

Mr. Charles told the Commission that the various joint committees have begun meeting to consider bills. The Joint Committee on Public Service will have its first hearing on April 14, 2025.

Mr. Charles reported that there will be two special elections for the State Legislature, following the passing of Representative Carol Doherty and the resignation of Representative Jerald Parisella to become Associate Justice of the District Court.

Mr. Charles noted that the Massachusetts Department of Revenue (“DOR”) reported March revenue of \$4.193 billion, an increase of \$127 million or 3.1% compared to actual collections last March and \$101 million or 2.5% above the monthly benchmark.

FY2025 collections to date totaled approximately \$29.681, which is \$2.149 billion or 7.8% more than actual collections in the same period of FY2024, and \$786 million or 2.7% above the year-to-date benchmark.

### **Compliance Update**

John Galvin reported that PRIM’s return for February was .27%. The calendar year to date return through February 28 was 1.76%. The fund balance as of February 28 was \$111.7 billion.

Mr. Galvin reported that to date 365 active board members have filed their Statement of Financial Interests. The filing deadline is May 1. He indicated that we have sent reminders to and will continue to reach out to both active and former board members regarding the filing deadline.

Mr. Galvin reported that PERAC has received over 86% of the Annual Vendor Disclosures which are also due by May 1, 2025.

Lastly, Mr. Galvin reported on board member education. For the first quarter of 2025 there have been 456 course submissions, and the most attended course was the recent “Legal Cases of Interest.”

### **Audit Update**

Caryn Shea reported that since the last Commission meeting, PERAC has released the Fitchburg and Wakefield Audits. Ms. Shea explained that Fitchburg had no findings and Wakefield had one finding related to Elected Official Buybacks. Ms. Shea explained that the finding relates to non-member time as an elected official and involves three active members and one retiree. PERAC instructed that the Board remove the creditable service granted as a result of this elected official time and return all contributions to the active members. For the retired member, PERAC instructed that the Board remove the service time granted to the retiree and recalculate the retirement allowance, return deductions made by the retiree or offset them against the overpayments made to the retiree. PERAC noted in its findings that PERAC Memo #28/2021 discusses the reasoning behind not allowing members to buy this time, which in turn is based upon several decisions of CRAB. Judith Corrigan told the Commission that the Board has filed a complaint in Middlesex Superior Court against PERAC regarding this matter.

Ms. Shea further reported that the Audit Unit will be reviewing Annual Statements submitted by the boards and that the deadline date for submissions is May 1, 2025. She also indicated that the Audit Unit is working with PERAC's IT Unit to deploy the electronic transmission of the Internal Control Questionnaire in PROSPER. She further reported that she is in the process of interviewing candidates to fill the vacant positions within the Audit Unit. Lastly, she discussed the status of other board audits as outlined in the Audit Tracking Log.

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

Mr. Keefe went over the staff activities that have occurred since the last Commission meeting on March 12, 2025. He noted that the offices successfully moved to 10 Cabot Road, Medford on Tuesday, March 17 and Wednesday, March 18. He noted some members of the staff worked extra hours and weekends in preparation for the move. This ensured operations continued for our constituents, members, and the general public. He noted that the move was at a time when the 91A process was in full force. He explained that employees had been working at both locations so that we would not face a backlog of 91A processing.

Mr. Keefe highlighted that on March 19, 2025, PERAC held a cybersecurity webinar with over 150 attendees in conjunction with the T Retirement Fund, the Executive Office of Technology Security & Service (EOTSS), the Brookline Retirement Board and the West Springfield Retirement Board. Chairman Brown spoke to the attendees. Mr. Keefe also told the Commission that PERAC conducted another Administrators' Training on March 26, 2025 in Norwood with over 30 attendees.

Mr. Keefe updated the Commission on the progress being made at the COLA Commission meetings, and that the COLA Commission will soon begin preparing recommendations and proposals. He also indicated that PERAC's Actuary John Boorack has been very helpful to the COLA Commission providing various data analysis.

He indicated that PERAC is planning an Open House on June 11, 2025 with a tentative time from 2:00 p.m. to 4:00 p.m. Invitations to Save the Date will be sent to retirement boards, Mayor of Medford, Governor, Lieutenant Governor, and local public officials. There will be a ribbon cutting ceremony, photos, and some refreshments. Mr. Keefe also explained that he has asked the Medford High School Arts Department to have students' artwork displayed around the offices for several months and rotate artwork throughout the year.

Mr. Keefe reported on the recent Investment Fraud Attempt against a retirement board. He noted that the board realized immediately that it was a fraud attempt and acted quickly to thwart it. PERAC notified the retirement boards in PERAC Memorandum #12/2025, included in the Commission packet, about this attempt. Also included in the Commission packet is PERAC Memorandum #14/2025 highlighting the educational offerings for the 2<sup>nd</sup> Quarter of 2025. Lastly, Mr. Keefe discussed the article that was included in the Commission packet regarding Massachusetts State Trooper Chris O'Neil who lost his life due to mental health issues several years ago.

Commissioner Guido 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, Jennifer Sullivan 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 April 9, 2025

Commission Minutes dated March 12, 2025

**Administrative Sub-Committee Update**

Executive Director's Performance Review Form

**Legal Update**

*Anthony McDermott v. State Board of Ret., and PERAC*, CR-19-0071

**Legislative Update**

Memorandum regarding Legislative updates

**Audit Update**

Fitchburg Retirement Board Audit

Wakefield Retirement Board Audit

Audit Tracking Report

**Executive Director's Report**

Staff Activities Memorandum

PERAC MEMO # 12/2025

PERAC MEMO #14/2025

Boston Globe Article dated April 2, 2025 – “There really is a stigma.” Police officers in Mass. Fear consequences for seeking mental health care, survey finds

Approved:



Philip Y. Brown, Chairman  
Public Employee Retirement  
Administration Commission