

Commission Meeting Minutes

October 8, 2025

Chairman Philip Y. Brown called the meeting (held at the PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:02 AM. Chairman Brown acknowledged the other Commissioners present at the PERAC offices: Chairman Brown. Commissioners Michael Leung-Tat, Kathleen Fallon, James Guido, Jennifer Sullivan, and Richard MacKinnon participated remotely. Therefore, the Chairman explained, all motions made at this meeting will be voted on by roll call vote. Commissioner Kate Fitzpatrick was not in attendance. 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, Director of Audits Caryn Shea, Compliance Manager John Galvin, Systems Architect Anthony Tse, Fraud Prevention Manager Sandra King, Communications Director Natacha Dunker and Senior Associate General Counsel Felicia Barruffi.

PERAC Staff attending remotely: Deputy Compliance Manager Sarita Yee.

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

Guests participating remotely: Francesco Daniele representing PRIM, Linda Champion of Murphy, Hesse, Toomey & Lehane, Patrick Brock representing the Hampshire County Retirement Board, John Brown representing Middlesex County Retirement Board and Uyen Tran.

Commissioner James Guido made a motion to adopt the minutes of the Commission meeting of September 10, 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, James Guido YES, Jennifer Sullivan YES, and Richard MacKinnon YES. The minutes were adopted.

Audit/Fraud Sub-Committee Update

Commissioner Fallon explained to the Commission that the purpose of the Audit/Fraud Sub-Committee meeting held right before the Commission meeting was to review proposed Fraud Posters that were prepared by the Communications Unit. The Sub-Committee was provided with two posters to choose from and to make a recommendation to the full Commission for the upcoming Fraud Poster campaign.

Ken Hill stated that these posters are sent to Retirement Boards, municipalities, Registry of Motor Vehicle locations, and state agencies throughout the Commonwealth to enable PERAC to receive anonymous tips and/or notifications of pension fraud. PERAC has a hotline and a dedicated email address for such reporting. He explained that every two years these posters are created by the Communications Unit. He commended the Communications Unit for all their hard work in producing these posters for distribution.

Commissioner Fallon discussed the two poster designs to choose from were Sports Team design with hands together stating, “Be a Team Leader Help Stop Pension Fraud” and a Fish with shark fin under water stating, “See Something Fishy, Don’t Tackle it Alone”. She said the vote was unanimous to recommend the Fish design to the full Commission.

Commissioner Fallon made a motion to accept the recommendation from the Audit/Fraud Sub-Committee and approve the Fish poster design for the Fraud Prevention campaign. Commissioner Sullivan 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, James Guido YES, and Richard MacKinnon YES. The motion carried unanimously.

Actuarial Update

John Boorack indicated that included in the Commission packet is the Draft report of the January 1, 2025 Commonwealth Actuarial Valuation. Mr. Boorack indicated that while analyzing the results for the Teachers’ Retirement System (“TRS”), an error was discovered in the January 1, 2024 Valuation Report in which liabilities were overstated. Mr. Boorack disclosed this error to the Commonwealth’s auditing firm and other state agencies, and those entities don’t believe the overstatement is material. Mr. Boorack indicated that the Valuation Report included in the Commission packet reflects the updated figures for TRS and that we will be revising both the January 1, 2024 Commonwealth Valuation Report and the January 1, 2024 Teachers’ Actuarial Valuation Report with corrected figures.

Mr. Boorack reported that the Unfunded Actuarial Liability (“UAL”) decreased slightly from the January 1, 2024 valuation results. The UAL decreased from \$41.9 billion to \$40.4 billion. The Funded Ratio increased slightly from 65.2% to 67.4% and there was an overall gain of approximately \$1.24 billion, consisting of a \$701 million gain on the actuarial liability and a \$537 million gain on the actuarial value of assets. He further reported on the actuarial disclosures noted in the report that was a requirement last year.

Commissioner Jennifer Sullivan commended the staff for immediately disclosing the error to the appropriate parties and handling the situation professionally. She also acknowledged the work involved in producing these reports and how these reports are important to the Administration when determining the fiscal condition of the Commonwealth. She further thanked Mr. Boorack and the team. Bill Keefe thanked Commissioner Sullivan for her comments and seconded them in complimenting Mr. Boorack for his professionalism and candor in addressing the past discrepancy.

Commissioner Kathleen Fallon made a motion to accept the results of the Draft Commonwealth Valuation Report dated January 1, 2025. Commissioner Leung-Tat seconded the motion and a roll call vote as follows:

Chairman Philip Brown YES, Commissioners Michael Leung-Tat YES, Kathleen Fallon YES, Jennifer Sullivan YES, James Guido YES, and Richard MacKinnon YES. The motion carried unanimously.

Legislative Update

Patrick Charles reported that PERAC's Regulation Policy #97-004 explains PERAC's process when holding hearings each time we propose creating or amending regulations. The policy which was first adopted in 1997 requires that multiple public hearings be held, along with a public comment period. We have found that when holding multiple hearings in various parts of the state, there has been scant attendance at the hearings. Since the pandemic, we have held hearings virtually allowing maximum access to people, regardless of geographical location, and this actually allows us to receive feedback in one hearing rather than in multiple hearings. He said the statute only requires a public comment period or a hearing, so by doing both we will continue to exceed the statute. He explained that we are in the process of filing amendments to the Electronic Signature Regulations 840 CMR 28.00 that was approved by the Commission last month and are now seeking a waiver to hold one hearing for this particular regulation process until we seek an amendment to Policy #97-004 at the next Administrative Sub-Committee meeting.

Commissioner Richard MacKinnon made a motion to approve the request to waive the multiple hearing requirements as outlined in Policy #97-004 for the current regulation process. 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, Jennifer Sullivan YES, James Guido YES, and Richard MacKinnon YES and the motion was adopted.

Mr. Charles then reported on the passing of Senator Edward Kennedy of Lowell, who represented the First Middlesex District consisting of Lowell, Dracut, Dunstable, Pepperell and Tyngsborough.

Mr. Charles reported that the Joint Committee on Public Service has been holding hearings on the remaining legislation filed. He indicated that the committee has a very active hearing schedule for the month of October that PERAC staff will be monitoring.

Mr. Charles noted that the September revenue figures were not available from the Massachusetts Department of Revenue ("DOR") for this month's reporting.

Mr. Charles discussed the article from the State House News that is included in the Commission packet detailing that the FY26 revenue figures may be significantly impacted by the Trump Administration's One Big Beautiful Bill (OB BB) which was signed into law on July 4, 2025. The Executive Director of DOR stated the OB BB will reduce state tax collected by more than \$650 million in FY26. Because the OB BB was signed into law the same day Governor Healey signed the FY26 budget, these provisions of the legislation were not considered.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Chelsea, New Bedford, Revere, and Salem Retirement System Audits. Ms. Shea explained the various findings in the audits. Ms. Shea told the Commission that Audit Staff continue to review and analyze the Annual Statements through the new PROSPER Application which is working out well. Ms. Shea further discussed the status of other board audits as outlined in the Audit Tracking Log.

Bill Keefe reported that the Audit Unit has produced 22 audits to date with 3 months left until the end of the year, surpassing where we were last year producing 20 audits for the year while continuing training for the most recent audit hires. He thanked the Audit Team and recognized Caryn Shea, Scott Henderson, and Elaine Pursley for their hard work.

Compliance Update

Mr. Galvin reported that PRIM's return for August 2025 was 1.98%. The calendar year to date return through August 31, 2025 was 8.31%. The fund balance as of August 31, 2025 was \$119.12 billion. Mr. Galvin also reported on the article included in the Commission packet that the Unified Agenda of Regulatory and Deregulatory Actions was issued with the Securities Exchange Commission ("SEC") setting forth their agenda. The SEC Chairman, Atkins noted "the agenda reflects our withdrawal of a host of items from the last Administration that do not align with the goal that regulation should be smart, effective, and appropriately tailored within the confines of our statutory authority." Mr. Galvin further noted that the agenda items released contain Chapter 32 items that we will be assessing and updating the Commission accordingly.

Executive Director's Report

Bill Keefe went over the staff activities that have occurred since the last Commission meeting on October 8, 2025. He noted that a staff outing at Camp Nihan was held on September 12, 2025, with various activities throughout the day. He explained that this event has been revived after a 20-year hiatus and was well received by the staff. He then noted that the Fiscal Department has been gearing up with many tests and trainings in preparation of the Commonwealth's new financial program MOSAIC scheduled to go live in January 2026. He further noted the various meetings John Boorack has held with retirement boards to discuss their valuation results. He discussed the most recent COLA Commission meeting and that other meetings will be scheduled in the coming weeks. He discussed the annual Emerging Issues Conference, which was held on September 17, 2025 with many in attendance and an excellent program. He also discussed the Cyber Insurance Session that was held for board staff and members, which was also well attended.

He further discussed the proposed Calendar Year 2026 Commission Schedule that is included in the Commission packet for review. He particularly noted considering changing the November 11, 2026 meeting and December 9, 2026 meeting due to November 11 being Veterans' Day and the Fall MACRS Conference ending on December 9, 2026. We will have a formal vote on the 2026 Commission Schedule at the November 12, 2025 meeting.

Mr. Keefe noted in the Commission packet is PERAC Memorandum #26/2025 highlighting the 4th quarter educational training schedule.

Lastly, Mr. Keefe noted that this year's NCPERS Legislative and Policy Conference will be held January 26-28, 2026, in Washington, DC for those who may be interested in attending.

Motion was made by Commissioner Richard MacKinnon to approve Commission Travel to attend the NCPERS Conference in Washington, DC from January 26-28, 2026, in accordance with PERAC's Travel Policy #97-002. Commissioner Guido 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, James Guido YES, and Richard MacKinnon YES and the motion was adopted.

The Chairman then announced that the next meeting of the Commission will be held on Wednesday, November 12, 2025, at 11:00 AM.

Commissioner Leung-Tat made a motion to adjourn the meeting. Commissioner MacKinnon 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, James Guido YES, and Richard MacKinnon YES and the motion was adopted.

The meeting was adjourned at 11:48 A.M.

Commission Meeting Documents

Commission Agenda for the meeting of October 8, 2025

Commission Minutes dated September 10, 2025

Audit/Fraud Sub-Committee

Fraud Poster Designs

Actuarial Update

Draft Commonwealth Valuation Report – As of 1/1/25

Legislative Update

Memorandum regarding request to waive a portion of PERAC Policy #97-004

Memorandum regarding Legislative updates

State House News Article – “New federal law will drop state’s tax take by \$650 million, DOR chief says”

Audit Update

Chelsea Retirement System Audit

New Bedford Retirement System Audit

Revere Retirement System Audit

Salem Retirement System Audit

Audit Tracking Report

Compliance Update

Memorandum regarding Compliance updates

Mass PRIM PRIT Fund Performance Summer as of August 31, 2025

US Securities and Exchange Commission Statement dated September 4, 2025

Executive Director’s Report

Staff Activities Memorandum

Draft 2026 Commission Meeting Schedule

PERAC Memorandum #26/2025 – 4th Quarter Education Schedule

NCPERS Legislative & Policy Conference – January 26-28, 2025, Washington, DC notice

Approved:

A handwritten signature in blue ink, appearing to read 'Philip Y. Brown', is positioned above the printed name.

Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission