

Commission Meeting Minutes

September 10, 2025

Chairman Philip Y. Brown called the meeting (held at the PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:03 AM. Chairman Brown acknowledged the other Commissioners present at the PERAC offices: Michael Leung-Tat, Kathleen Fallon, Kate Fitzpatrick, James Guido, and Richard MacKinnon. Commissioner Jennifer Sullivan 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, Actuary John Boorack, Director of Audits Caryn Shea, Compliance Manager John Galvin, Systems Architect Anthony Tse, and Communications Director Natacha Dunker.

PERAC Staff attending remotely: Fraud Prevention Manager Sandra King and Deputy Compliance Manager Sarita Yee.

Guests in attendance at the PERAC offices: Tom Gibson representing the Belmont and Middlesex County Retirement Boards, Jill Hersey, Executive Director of the Concord Retirement Board, and Sheila LaBarbera, Executive Director of the Berkshire County Retirement Board.

Guests participating remotely: William “Smitty” Pignatelli, Beth Matson, Francesco Daniele representing PRIM, Linda Champion of Murphy, Hesse, Toomey & Lehane, and Patrick Brock representing the Hampshire County Retirement Board.

Commissioner Richard MacKinnon made a motion to adopt the minutes of the Commission meeting of July 9, 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, Kate Fitzpatrick YES, James Guido YES, and Richard MacKinnon YES. Commissioner Jennifer Sullivan had no recorded vote. The minutes were adopted.

Berkshire County Retirement Board, Fifth Member Selection

The Berkshire County Retirement Board (“the Board”) has been unable to reach a consensus as to the appointment of the Fifth Member of the Board. Therefore, it falls to PERAC, pursuant to G.L. c. 34B, Section 19, to make that selection. Two candidates were brought forward for consideration: Beth Matson (“Ms. Matson”) and William “Smitty” Pignatelli (“Mr. Pignatelli”). The Commission had received the resumes of both candidates and other supporting documentation from the Board.

The Chairman announced that both candidates would be allowed to give a statement in support of their candidacy, and then answer questions posed by the Commissioners. The order of statements was decided via coin toss, with Mr. Pignatelli going first. Each of the candidates appeared remotely. Each of the candidates gave an opening statement. Each of the candidates answered the questions of the Commissioners.

The Chairman called for a vote of the Commission. He instructed that each Commissioner state the name of the candidate they wished to appoint to the Board. The results were as follows:

Commissioner Michael Leung-Tat:	Mr. Pignatelli
Commissioner Richard MacKinnon:	Mr. Pignatelli
Commissioner Kate Fitzpatrick:	Mr. Pignatelli
Commissioner James Guido:	Mr. Pignatelli
Commissioner Kathleen Fallon:	Mr. Pignatelli
Commissioner Jennifer Sullivan:	Mr. Pignatelli
Chairman Philip Y. Brown:	Mr. Pignatelli

The Chairman thanked each of the candidates for appearing and for their interest in and commitment to public service.

Commissioner Guido made a motion for the Commission to appoint Mr. William “Smitty” Pignatelli as the Fifth Member of the Berkshire County Retirement Board, with a term ending on June 30, 2030. Commissioner Richard 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, Kate Fitzpatrick YES, James Guido YES, and Richard MacKinnon YES. Commissioner Jennifer Sullivan had no recorded vote. The motion carried unanimously.

Administrative Sub-Committee Update

A meeting of the Administrative Sub-Committee was held before the Commission meeting. Administrative Sub-Committee Chairman Brown explained that the purpose of the meeting was to discuss a new regulation proposed regarding PERAC’s Electronic Signature Regulations. The Chairman asked Judith Corrigan to explain further.

Ms. Corrigan explained that, as many retirement boards transition from written to electronic forms, an issue has arisen regarding witness signatures. There are currently approximately eight forms which require witness signatures. The State Retirement Board raised the issue when it considered implementing software to accept electronic forms. The Board and PERAC’s IT director felt comfortable with issues around security. Thereafter, the PERAC Legal Unit attempted to discover how other retirement boards, both locally and nationally, were addressing the issue. The responses were varied. After receiving suggestions and examples from various attorney members of the National Association of Public Pension Attorneys (“NAPPA”), PERAC staff proposes adopting the following regulation which is based upon an investment regulation from the State of Washington:

Section 28.07 Witness Requirement Waived for Electronic Filings

- (1) If a prescribed form promulgated by PERAC requires the signature of a witness in written form, that requirement shall be waived in the case of a form submitted electronically, provided that a “security procedure” as defined in the definition portion of these regulations, is utilized.

Ms. Corrigan asked that the Commission consider voting to recommend this regulation so that the regulatory process may begin.

Commissioner Richard MacKinnon made a motion to approve the proposed regulation and begin the regulatory approval process. Commissioner James 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, Kate Fitzpatrick YES, James Guido YES, Richard MacKinnon YES, and Commissioner Jennifer Sullivan 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 State Retirement Board Actuarial Valuation. Mr. Boorack acknowledged Actuarial Analyst Nate Geitz of his staff for the analysis and work performed in producing these results and Actuarial Consultant James Lamenzo for his assistance in reviewing the report. Mr. Boorack reported that the Unfunded Actuarial Liability (“UAL”) decreased slightly from the January 1, 2024 valuation results. The UAL decreased from \$14.1 billion to \$13.8 billion. The Funded Ratio increased slightly from 72.5% to 73.9% and there was an overall gain of approximately \$402 million, consisting of a \$146 million gain on the actuarial liability and a \$256 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.

Mr. Boorack discussed the request made by the Comptroller’s Office to provide necessary information by certain dates for the Annual Financial Reporting and Auditing Cycle for Fiscal Year 2025. He indicated that although these deadline dates are not firm, there is very little flexibility as the information requested is necessary to minimize potential impact of possible changes in federal funding. He has weekly meetings with the Comptroller’s Office to discuss the status of the information needed. He indicated that although we are asked for this information on a yearly basis, this is the first-year deadline dates were provided.

Mr. Boorack indicated that the Commonwealth Valuation Report is currently being worked on, and the results of this report will be reported on at the October 8, 2025 Commission meeting. He explained that the Massachusetts Teachers’ Retirement System (“MTRS”) valuation results are the last component of the Commonwealth report. He also told the Commissioners that based on reviewing the data thus far, averages for active members and retired members/beneficiaries seem consistent with last year. He further noted that he will focus on presenting the results for the MTRS at the October 8, 2025 meeting.

Legislative Update

Patrick Charles reported that the final FY26 budget, contained the amendment to the definition of “wages” that the Commission had filed as a stand-alone bill. This definition change makes clear that any accrued sick, vacation, and personal time used in the usual course of employment would be considered regular compensation, provided that the member was not also receiving Workers’ Compensation payments. This change means that anyone taking leave under the Paid Family Medical Leave Act (“PFML”) and using any accrued time to supplement those payments will have the accrued leave counted as regular compensation. PERAC issued PERAC Memorandum #21 of 2025 regarding this amendment.

Mr. Charles reported that Section 88 of Chapter 14 of 2025 extends the filing date for the reporting of the COLA Commission to October 15, 2025.

Mr. Charles had previously reported that the House budget included a provision allowing members of the MTRS and Boston Teachers, who had not opted into RetirementPlus a one-time opportunity to elect into Retirement Plus. The same provision allowed teachers who took a position with the State Department of Education to keep their RetirementPlus. The final conference committee report did not include this provision. However, on July 30, 2025, the House passed to be engrossed a stand-alone bill with the same provisions as had previously been included in the House version of the budget. House Bill 4361 is now with Senate Ways and Means.

Mr. Charles reported that on August 14, 2025, Governor Healey filed a supplemental budget which contained two sections relative to the State Police and their eligibility for the Violent Act disability provision that passed last session as Chapter 149 of the Acts of 2024. Section 18 and 19 of H4429 amend Chapter 32 Section 26 to make members of the State Police eligible for the provisions of Section 7 of Chapter 32 but only as to the provisions relative to the Violent Act disability.

Mr. Charles reported on the final Fiscal Year 2025 revenue totaling approximately \$43.708 billion, which is \$2.908 billion or 7.1% more than actual collections of Fiscal Year 2024, and \$2.10-1 billion or 5.1% above the year-to-date benchmark.

Mr. Charles noted that the Massachusetts Department of Revenue (“DOR”) reported July revenue of \$2.694 billion, \$7 million or .3% more than actual collections in July 2024. The benchmarks for Fiscal Year 2026 have not been set yet.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Belmont, Blue Hills, Chicopee, Lexington, Lowell, and Stoneham Retirement System Audits and the Cambridge Retirement System Follow-up Audit. Ms. Shea explained the various findings in the audits and noted that Chicopee had no findings. Ms. Shea reported that the follow-up audit of the Cambridge Retirement Board had one issue partially resolved and the other finding was resolved. Ms. Shea told the Commission that all the Annual Statements have been submitted and that the Audit staff has begun reviewing and analyzing the statements. She further indicated that PERAC’s new PROSPER Application intended to streamline the Annual Statement review process is working well, allowing less data entry and more analysis of the Annual Statements. Ms. Shea further discussed the status of other board audits as outlined in the Audit Tracking Log.

Compliance Update

John Galvin reported that to date all active and inactive board members have filed their Statement of Financial Interests for 2024.

Mr. Galvin reported that PRIM’s return for July 2025 was .60%. The calendar year to date return through July 31, 2025 was 6.21%. The fund balance as of July 31, 2025 was \$116.2 billion. He also reported that PRIM released its second quarter report with a record balance of \$115.5 billion for the fiscal year end of June 30, 2025, surpassing previous records. The PRIT Fund returned 9.6% to gain \$10.1 billion in fiscal year with all seven major asset classes posting positive returns for the first time in six years, and four of those outperformed their benchmarks.

Executive Director's Report

Bill Keefe went over the staff activities that have occurred since the last Commission meeting on July 9, 2025. He noted the staff training held regarding Workplace Safety presented by Chuck DiChiari, a Waltham Police Officer and discussed how well the presentation was and it provided excellent awareness on the topic. He reported that PERAC held an Administrators' training in Northampton with over twenty retirement board administrators in attendance. He further outlined the various board meetings he attended since the last Commission meeting.

Mr. Keefe informed the Commission that the 2024 Annual Report has been disseminated and is available on PERAC's website.

Mr. Keefe discussed the articles of interest that are included in the Commission packets. One article discusses pension forfeiture, one article discusses Post Traumatic Stress, and the last article was an interview conducted by the State House News with Commissioner Richard MacKinnon in July 2025.

Mr. Keefe also congratulated Commissioner Kate Fitzpatrick on her recent retirement from the Town of Needham after having served as their Town Manager for the past 35 years.

Mr. Keefe indicated that PERAC's Annual Emerging Issues Forum will be held on September 17, 2025 at the Doubletree Inn, Westborough, with over 230 individuals signed up to date. He also said the line-up of topics and speakers will be engaging and he is looking forward to the feedback.

Mr. Keefe discussed another recent Fraud Alert at a retirement system which took place after a fraudster pretended to be a retirement board employee and requested a change in their direct deposit bank. Although the board does not maintain direct deposit forms on their website, the fraudster did submit a direct deposit change form via e-mail along with a voided check looking to appear legitimate. Unfortunately, the employee the fraudster impersonated did not receive their paycheck. This issue was limited to this one incident, and the retirement board has now added protocols in their internal controls to ensure this doesn't happen in the future. He also noted that PERAC sent out Memorandum #22 of 2025 advising the retirement boards of this incident.

Mr. Keefe notified the Commissioners that the Fall MACRS Conference will be held from December 7-10, 2025 in Springfield, MA. The agenda will be available as we get closer to that date, but if any Commissioner is interested in attending please let us know so we may register them in a timely manner.

Commissioner MacKinnon made a motion to approve attendance at the Fall MACRS Conference held in Springfield, MA on December 7-10, 2025 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, Kate Fitzpatrick YES, James Guido YES, and Richard MacKinnon YES and the motion was adopted. Commissioner Jennifer Sullivan had no recorded vote.

The Chairman then announced that the next meeting of the Commission will be held on Wednesday, October 8, 2025 at 11:00 AM.

Commissioner Guido 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, Kate Fitzpatrick YES, James Guido YES, and Richard MacKinnon YES, and the motion was adopted. Commissioner Jennifer Sullivan had no recorded vote.

The meeting was adjourned at 12:10 P.M.

Commission Meeting Documents

Commission Agenda for the meeting of September 10, 2025
Commission Minutes dated July 9, 2025

Berkshire County Retirement System – 5th Member

Minutes of Berkshire County Board Meeting – June 25, 2025
Communication from Berkshire County Board Regarding Fifth Member Candidates
Communication from Berkshire County Board Regarding Candidate Endorsements

Administrative Sub-Committee

Proposed Regulation 840 CMR 28.07

Actuarial Update

State Retirement System Actuarial Valuation Results
State Commonwealth Valuation Report – As of 1/1/25
Communication from Comptroller's Office regarding financial reporting.

Legislative Update

Memorandum regarding Legislative updates
PERAC Memorandum #21/2025

Audit Update

Belmont Retirement System Audit
Blue Hills Retirement System Audit
Chicopee Retirement System Audit
Lexington Retirement System Audit
Lowell Retirement System Audit

Stoneham Retirement System Audit
Cambridge Retirement Board Follow-Up Audit
Audit Tracking Report

Compliance Update

Memorandum regarding Compliance updates
Mass PRIM PRIT Fund Performance Summer as of July 31, 2025
Globe Article – “State pension fund reaches new heights amid market turbulence.”

Executive Director’s Report

Staff Activities Memorandum
2024 Annual Report Cover
New Bedford Light Article – “Officers investigated for misconduct collect thousands in pension benefits.”
State House News Article – Q&A – SHNS Talks with firefighter’s union chief Richard MacKinnon
Emerging Issues 2025 Agenda
PERAC Memorandum #22/2025

Approved:



Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission