

Commission Meeting Minutes

January 14, 2026

Chairman Philip Y. Brown called the meeting (held at the PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:04 AM. Present for all of the meeting at the PERAC offices were Commissioners Kathleen Fallon and Richard MacKinnon. Present for all or part of the meeting but participating remotely were Chairman Philip Y. Brown, and Commissioners Michael Leung-Tat, James Guido, and Jennifer Sullivan. A quorum was maintained throughout the meeting. Because of remote participation on the part of some of the Commissioners, the Chairman explained that 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, Systems Architect Anthony Tse, Senior Associate General Counsel Felicia Barruffi, Associate General Counsel Daniel Taylor, and Compliance Director John Galvin.

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

Guests attending in person: Thomas Gibson representing the Middlesex County and Belmont Retirement Systems.

Guests participating remotely: John Brown representing the Middlesex County Retirement System, Francesco Daniele representing PRIM, Timothy Smyth representing the Boston Retirement System, and Lisa Lemieux from the general public.

Commissioner Kathleen Fallon made a motion to adopt the minutes of the Commission meeting of December 17, 2025. Commissioner James Guido seconded the motion, and a roll call vote was taken:

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

Legal Update

Felicia Baruffi reported on a recent decision of the Division of Administrative Law Appeals (“DALA”), Kristine Kennedy v. Boston Retirement Board & PERAC, CR-21-0282 (12/26/26). Ms. Kennedy is a disability retiree from the Boston Retirement System. She failed to file her 2019-2021 Annual Statements of Earned Income by April 15th of the relevant tax years. Ms. Kennedy was given multiple notices by both the Retirement Board and PERAC that she was not in compliance with the law. The Retirement Board notified Ms. Kennedy that they were having a hearing so she could show “good cause” for her failure to file. Unfortunately, she failed to appear for the hearing in December of 2021, and in July of 2022, her retirement allowance was terminated. In December of 2022, Ms. Kennedy filed all relevant documents for all relevant tax years. Her pension was reinstated. This

case involved her quest to receive a retroactive payment for the period of her pension's termination, which is not permitted by law. Chapter 32, Section 91A provides in pertinent part as follows:

A member shall not be entitled to recover a retirement allowance for any period during which the member's rights in and to his retirement allowance were terminated for failure to submit a statement to the commission under this section...

DALA cited this section of the law and found that Ms. Kennedy was not entitled to a retroactive payment. DALA also noted that Ms. Kennedy raised issues at the DALA hearing which might have risen to the level of "good cause," but those issues must be raised at the Retirement Board level as an initial matter. Ms. Kennedy failed to appear at the Retirement Board hearing.

Ms. Baruffi explained that Ms. Keenedy did not appeal this determination, so it is now a final decision of the Contributory Retirement Appeal Board ("CRAB").

Ms. Baruffi explained that another 91A case with similar facts had been decided in a similar manner by DALA, Ralph Matthes V. PERAC & Essex Reg. RB, CR-24-0721 (1/9/26). Finally, she updated the Commission on another matter, this one involving a member's appeal of the amount of interest to be charged on to a buyback purchase. The Petitioner in that case had failed to timely appeal the decision of DALA, depriving CRAB of jurisdiction. The Superior Court upheld CRAB's dismissal of the case for lack of jurisdiction. Gina DiBaro v. State RB, DALA, CRAB, & PERAC, 2485CV01438 (12/24/25).

Legislative Update

Patrick Charles reported that a hearing on an amendment to our Electronic Signature regulation was held remotely on January 7, 2026. The amendment to 840 CMR 28.00 would allow certain forms to be filed electronically without an otherwise required witness signature. He indicated that there were 12 attendees at the hearing and a number of questions were asked. As a result of the hearing, no further amendments to this regulation are recommended by the staff. Mr. Charles explained that the next step in the regulation process is to have the Commission vote to approve sending the amended regulations to the Legislature for their 45-day statutory review period, which may or may not result in the Legislature commenting on the regulation.

Commissioner James Guido made a motion to submit the proposed amended regulation 840 CMR 28.00, Electronic Signatures to the Legislature for their 45-day review period. Commissioner Richard MacKinnon seconded the motion, and a roll call vote was taken.

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

Mr. Charles then reported that on December 16, 2025, the Legislature held the annual consensus revenue hearing. The Department of Revenue is projecting Fiscal Year 2026 revenue to land between \$43.459 billion and \$44.177 billion. That range spans from \$155 million below benchmark to \$563 million above the current benchmark. For FY27, DOR expects revenue growth between 1.2% and 3.1% over Fiscal Year 2026 levels. The Executive and Legislative branch must agree to a consensus number by January 13, 2026 and the Governor's budget is due by January 28, 2026.

Mr. Charles reported PRIM's returns for November 2025 were .60%. The calendar year to date return through November 30, 2025 was 12.10%. The fund balance as of November 30 was \$122.8 billion.

Mr. Charles reported that over 1,600 courses were completed by board members in 2025. The most popular courses attended were Cyber Security, including Cyber Security Insurance, with over 400 attendees in total.

Mr. Charles then reported that the Annual Disclosures have been sent to vendors for submissions to PERAC by March 1, 2026, the Statement of Financial Interests for Calendar Year 2025 has been sent to board members, and the Certificate of Eligibility has been sent out to board members for those members who begin service after April 2012.

Lastly, Mr. Charles reported that the Department of Revenue announced that \$4.062 billion had been collected in December 2025. This is \$283 million or 6.6% less than actual collections for December of 2024 and \$167 million or 4.0% below benchmark. Fiscal Year 2026 to date collections totaled approximately \$19.636 billion, which is \$375 million or 1.9% more than actual collections in the same period of FY2025. This is \$23 million or .1% above the year-to-date benchmark.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Brockton Retirement System Audit and follow-up audits for the Milford, Shrewsbury, and Watertown Retirement Systems. She indicated that the Brockton audit had one finding related to cash reconciliation. Ms. Shea explained the various follow-up audits conducted, reporting on whether the issues have been resolved or partially resolved from the findings reported on the initial audit. Ms. Shea then reported that the Audit Unit is preparing for the Annual Statement Training and continues to work with the IT Unit to automate the Audit process in PROSPER. Ms. Shea further discussed the status of other board audits as outlined in the Audit Tracking Log.

Executive Director's Report

Bill Keefe went over the staff activities that have occurred since the last Commission meeting on December 17, 2025.

He then reported that included in the Commission packet is an article relating to City of Quincy budget actions to meet the \$16 million pension appropriation. In addition, he discussed another article included in the Commission packet relating to the Quincy Retirement Board reclassifying a city hall security guard into a Group 4 pension group which is for public safety positions such as police and firefighters. The retirement board sought PERAC's opinion on this matter whereby they were advised that this worker remain in Group 1, however, the retirement board voted to classify this worker in Group 4. PERAC is working with the Board to ensure they are following the statutory requirements in this matter.

Mr. Keefe then reported that the Human Resources Division has an Employee Recognition Program for Executive Branch employees. He nominated two teams of PERAC employees for this recognition program for specific projects spearheaded by managers. Mr. Keefe named the recipients who were

recognized for their work. The first team worked on moving the agency to our current location. The second team worked on the online submission of 91A forms.

He then reported that included in the Commission packet is the Special COLA Commission report that was sent to the House & Senate Clerks by the statutory deadline date of December 31, 2025. He acknowledged the work of John Boorack and his staff for providing analysis and cost measures for the many recommendations provided. He also acknowledged other PERAC staff for organizing the meetings, preparing minutes, and putting the final report together for submission to the Legislature by December 31, 2025.

Kenneth Hill reported on the recent election of a board member to the Berkshire County Retirement Board. He reminded the Commission that county retirement board elections are not governed by Chapter 32. Therefore, they do not need to follow Chapter 32 or PERAC's regulations. These county boards have Advisory Councils which are made up of unit Treasurers and oversee the election process.

The most recent election was comprised of two candidates, incumbent Mark Bashara and challenger Alicia Dulin. The election was conducted entirely by mail, and the ballots were due on December 10, 2025. The tabulation was conducted on December 17, 2025. Ms. Dulin won the election. It was a close race.

Mr. Bashara contacted PERAC with two complaints regarding the election. The first complaint had to do with Dulin postcards relating to the election that were found at the Berkshire County Retirement Board offices. The Board staff were responsible for the tabulation of the election. The other complaint was an e-mail that was sent by the Vice Chair of the Advisory Council using her governmental e-mail address to all the Treasurers on the Advisory Council as well as other governmental officials endorsing Ms. Dulin. Mr. Bashara told PERAC that he reported this to the Ethics Commission as well as to PERAC. PERAC began an investigation and followed up with correspondence to the Board and Mr. Bashara. PERAC found that the postcards were not an issue, as the election occurred entirely by mail and was concluded by the time anyone could have seen the postcards, which the Board was preparing to return to Ms. Dulin. However, the second complaint about the use of a governmental e-mail endorsing a particular candidate was an issue. PERAC reached out to the Board and advised them to pause the seating of the elected member until a thorough investigation could be conducted. The Retirement Board Attorney also advised the Retirement Board of the same and conducted an investigation. The Advisory Council held a meeting at which the investigation was presented. The Council voted that the e-mail did not alter the election, certified the election results and named Ms. Dulin the new elected member of the Board.

The Board's attorney recommended that the Berkshire County Retirement Board create a sub-committee to handle elections in the future and to mirror the policies in place at the Middlesex County Retirement Board. PERAC is looking to propose legislative changes to avoid this situation from occurring again.

Mr. Keefe then turned his attention to the memoranda issued since the last Commission meeting that are included in the Commission Packet. Mr. Keefe highlighted that the First Quarter Education Memorandum includes a list of presentations to be presented by PERAC staff which includes Veterans' Buyback, Annual Statement Training, and the Administrators' training in Norwood. Mr. Keefe also discussed Memorandum #1/2026 which sets the interest rate applied on accumulated total

deductions and accrued interest. He indicated that every year the agency receives calls about how low the interest rate is set and how members feel that they could make more money managing the funds on their own. Given the many questions on this topic, a video was produced by Actuary John Boorack clarifying this concern. The video has been posted to PERAC's website and was played at the Commission meeting.

The Chairman then announced that the next meeting of the Commission will be held on Wednesday, February 11, 2026, at 11:00 AM.

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

Chairman Philip Brown YES, Commissioners James Guido YES, Michael Leung-Tat , YES, Kathleen Fallon YES, Richard MacKinnon YES, and the motion was adopted. Commissioner Jennifer Sullivan had no recorded votes.

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

Commission Meeting Documents

Commission Agenda for the meeting of January 14, 2026

Commission Minutes dated December 17, 2025

Legal Update

Kristine Kennedy v. Boston Retirement Board & PERAC, CR-21-0282

Legislative Update

Memorandum regarding Legislative updates

Audit Update

Brockton Retirement System Audi

Milford Retirement System Follow-up Audit

Shrewsbury Retirement System Follow-up Audit

Watertown Retirement System Follow-up Audit

Audit Tracking Report

Executive Director's Report

Staff Activities Memorandum

Performance Recognition Award Recipients

Special Commission Report on the Cost-of-Living Adjustment for members of the State Employees and Teachers' Retirement Systems.

PERAC Memorandum #36/2025 – 1st Quarter 2026 Education

PERAC Memorandum #37/2025 – Tobacco Company List

PERAC Memorandum #1/ 2026 – 2026 Interest Rate

PERAC Memorandum #2/2026 - Anti-Spiking Calculation Pursuant to Section 106 for Union Members

PERAC Memorandum #3/2026 - 2026 Limits under Chapter 46 of the Acts of 2002

PERAC Memorandum #4/2026 - 2026 Limits under Section 23 of Chapter 131 of the Acts of 2010

PERAC Memorandum #5/2026 - COLA Notice

PERAC Memorandum #6/2026 - 840 CMR 10:10(3) & 10:15(1)(c)–Annual Review of Medical Testing Fee

Patriot Ledger Article – *Taxes rise, reserve funds fall as Quincy City Council concludes term*

Patriot Leger Article – *Quincy security guard to get a police pension. Why it raises questions*

Approved:



Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission