Commission Meeting Minutes

May 13, 2026

Chairman Philip Y. Brown called the meeting (held at the PERAC Offices, 10 Cabot Road, Suite 300, Medford, MA 02155) to order at 11:02 AM. Present for all of the meeting at the PERAC offices was Commissioner Michael Leung-Tat. Present for all or part of the meeting but participating remotely were Chairman Philip Y. Brown, and Commissioners James Guido, Kate Fitzpatrick, and Jennifer Sullivan. Commissioner Richard MacKinnon and Kathleen Fallon were not in attendance. 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. 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 Actuarial Analyst Nate Geitz, Communications Director Natacha Dunker, Director of Audits Caryn Shea, Systems Architect Anthony Tse, Senior Associate General Counsel Felicia Barrufi, Associate General Counsel Daniel Taylor, Compliance Manager John Galvin, Chief Financial Manager Virginia Barrows, Fiscal Officer II Katie Bozzi, and Fiscal Officer I Loretta Lamoureux.

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

Guests attending in person: none

Guests participating remotely: Tim Smyth representing the Boston Retirement System and Attorney Linda Champion of Murphy, Hesse, Toomey and Lehane.

Commissioner Michael Leung-Tat made a motion to adopt the minutes of the Commission meeting of April 8, 2026. Commissioner Kate Fitzpatrick seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Kate Fitzpatrick YES, James Guido YES, and Michael Leung-Tat YES, and Jennifer Sullivan YES. The minutes were unanimously adopted.

Administrative Sub-Committee Update

An Administrative Sub-Committee meeting was held immediately prior to the Commission Meeting. Chairman Philip Brown, who is also the Chair of the Sub-Committee, reported that the purpose of the Sub-Committee meeting was to discuss extending the Executive Director's employment contract for two years ending on March 13, 2029. The Sub-Committee also included language in the employment contract to allow merit compensation based on the annual review of the Executive Director's performance evaluation.

Motion was made by Commissioner Kate Fitzpatrick to accept the recommendation from the Administrative Sub-Committee to approve a two-year extension to the Executive Director's employment contract and the amendment to the contract to include merit compensation language tied to the annual Performance Evaluation process. Commissioner Michael Leung-Tat seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Kate Fitzpatrick YES, James Guido YES, and Michael Leung-Tat YES, and Jennifer Sullivan YES. The motion was adopted.

Chairman Brown then explained that the Sub-Committee also reviewed the proposed Fiscal Year 2027 Operating Budget.

Bill Keefe discussed that the proposed Fiscal Year 2027 budget is an increase of $658,881 or 4.96% from Fiscal Year 2026. Mr. Keefe reported on various increases we are facing which are beyond our control such as fringe benefits, actuarial software, and chargeback costs to Commonwealth applications we use for financial, payroll, and human resource purposes. Mr. Keefe also highlighted some savings we achieved to reduce costs such as medical panel costs and IT contract support. He also noted that the proposed FY27 budget includes funding for a 4% salary pool which is consistent with current collective bargaining agreements. Mr. Keefe thanked the Finance Unit for putting together the budget, analyzing cost savings, and monitoring the agency's spending throughout the fiscal year.

Commissioner Michael Leung-Tat made a motion to approve the Fiscal Year 2027 operating budget. Commissioner Kate Fitzpatrick seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Kate Fitzpatrick YES, James Guido YES, Michael Leung-Tat YES, and Jennifer Sullivan YES. The motion was adopted.

Actuarial Update

John Boorack discussed the Other Post Employment Benefits ("OPEB") Summary Report dated May 2026 for Commonwealth Cities and Towns. Mr. Boorack indicated that this is PERAC's fourth OPEB report released since the first one in 2016. This report is an update from the 2021 report with Commonwealth cities and towns only. He discussed the Commonwealth's total OPEB liability is $15.5 billion with assets of $2.8 billion. The net OPEB liability is $12.7 billion (unfunded liability), with a funded ratio of 18.1%. The Cities and Towns (approximately 300) aggregate OPEB liability is $30.9 billion, with aggregate assets of $3.0 billion, aggregate Net OPEB Liability (unfunded liability) of $27.9 billion and aggregate funded ratio of 9.8%. Mr. Boorack indicated that about ½ of the plans have funded ratios less than 10%, about 1/3 of the plans have funded ratios between 10%-50% and 3 plans are fully funded. He also noted that 47 municipalities either have no plans, never provided data or haven't had valuations in at least 10 years.

Legal Update

Judith Corrigan presented on the Division of Administrative Law Appeals ("DALA") case of Karl Stinehart & Robert Landis v. Hampden County Regional Retirement System & PERAC, CR-24-0605, CR-24-0625 (Apr. 17, 2026), which dealt with whether employer payments to a deferred compensation plan constituted regular compensation. Ms. Corrigan explained that PERAC had argued the pension reform of Chapter 21 of the Acts of 2009 had eliminated the regular compensation status of these payments. However, in its decision, DALA relied on an outside statute, G.L. c. 44, § 67, which classified the deferred compensation payments as regular compensation. PERAC did not file an appeal in this matter; however, the Hampden County Retirement System did file an appeal with the Contributory Retirement Appeal Board ("CRAB").

Ms. Corrigan also presented on the matter of Michael McLaughlin v. Chelsea Retirement Board & PERAC, Lowell District Court, Docket No. 2211CV000803. Ms. Corrigan reported at last month's Commission meeting that the Lowell District Court let stand the determination of the Chelsea Retirement Board ("CRB") and PERAC that G.L. c. 32, § 15(7) should apply as the Court weighs the issue of whether Michael McLaughlin ("Mr. McLaughlin") should forfeit his pension following being convicted of crimes related to his position.

However, Ms. Corrigan reported that there was an error in the Court order as it implicated another case involving Mr. McLaughlin and another aspect of his possible pension forfeiture. The parties assented to a motion to vacate the final judgment. However, only one of the cases was vacated, leaving final judgment in one docket number and so Mr. McLaughlin filed an appeal of that decision in Superior Court. Ms. Corrigan explained that the parties were attempting to resolve this issue and allow the District Court case to proceed as that case needs to be completed first. Ms. Corrigan also explained that Mr. McLaughlin has additional cases pending at DALA regarding G.L. c. 32, § 15(1), but those cases have been stayed pending the outcome of the District Court cases. She also reported that the Actuary of the Commonwealth had been tasked by the Attorney General's office to determine the value of the possible forfeited pension.

Ms. Corrigan also reported on a State Ethics Commission investigation, In the Matter of Carlo DeMaria. The Ethics Commission Enforcement Division has initiated an adjudicatory proceeding against Mr. DeMaria, who served as Mayor of Everett from 2008 to 2026. The State Ethics Commission issued an Order to Show Cause alleging that Mr. DeMaria violated the conflict of interest law by improperly receiving longevity payments and concealing some of the payments. Ms. Corrigan explained that the allegations may ultimately cause the Everett Retirement Board to invoke G.L. c. 32, § 15(1) or G.L. c. 32, § 15(4) resulting in a possible forfeiture of Mr. DeMaria's retirement allowance, depending upon a variety of factors.

Felicia Baruffi provided the Commission with an update on the case of Drass v. Plymouth County Retirement Board & PERAC, CR-24-0361 (DALA Apr. 17, 2026), which involved the eligibility of a police officer to receive accidental disability retirement pursuant to G.L. c. 32, § 7. PERAC twice reviewed Mr. Drass' application and both times remanded it to the Plymouth County Retirement Board because Mr. Drass was injured when coming to work. Specifically, he slipped on ice in the police station parking lot and fell. Ms. Baruffi noted that DALA upheld PERAC's determination that Mr. Drass was not in the performance of his job duties when he slipped and fell. DALA relied on the CRAB case of *Morales v. Lawrence Retirement Board & PERAC*, CR-13-79. In that case, CRAB held "...cases have consistently found that in the context of police officers reporting to the station for duty sustaining an injury on the way into the station is considered part of the officer's travel into work and is insufficient to qualify for accidental disability benefits." Mr. Drass did not file an appeal of this decision and so it is a final determination of CRAB.

Ms. Baruffi also reported on the case of Kane v. Wellesley Retirement Board & PERAC, CR-25-0191 (DALA Apr. 3, 2026) concerning a G.L. c. 32, § 91A excess earnings issue for calendar year 2023. Ms. Baruffi explained that this was Mr. Kane's second DALA case concerning excess earnings, the first being for calendar year 2022. Mr. Kane again did not dispute the determination that he had excess earnings, but reiterated his arguments from the first DALA case, which was never appealed. DALA found that he could not relitigate the issues from the first appeal and if he objected to the decision, he should have filed an appeal. Mr. Kane did not appeal this decision and so it is a final determination of CRAB. However, Ms. Baruffi did explain that Mr. Kane has filed another appeal at DALA concerning his excess earnings for calendar year 2024.

Ms. Baruffi discussed the case of Zaleznik v. Newton Retirement Board & PERAC, CR-24-0602 (DALA Apr. 17, 2026), which dealt with whether a member could purchase prior elected official service time when they had not opted in to the retirement system within 90-days pursuant to G.L. c. 32, § 3(2)(a)(vi). Ms. Zaleznik was an elected member of the Newton School Committee from 2002-2009. During this time period, she never opted in to the Newton Retirement System ("NRS"). In 2011, Ms. Zaleznik started working full-time for the City of Newton and became a member of the NRS. In November 2011, she inquired about purchasing her prior elected official time. In October 2012, PERAC notified the NRS that Ms. Zaleznik was not eligible to purchase her prior elected official time. However, the NRS disagreed and determined that she could purchase her prior service. In December 2017, Ms. Zaleznik retired under a superannuation retirement allowance.

In 2024, PERAC was contacted and it was determined that Ms. Zaleznik should not have been allowed to purchase her prior elected official service. PERAC instructed that Ms. Zaleznik should receive a refund of the amount she paid for her prior service, the creditable service for that purchase should be removed, and if she no longer had ten years of creditable service, her retirement allowance should be stopped. In its decision, DALA affirmed PERAC's determination. DALA relied on the case of Anne Awad v. Hampshire County Ret. Bd., CR-08-621 (CRAB Dec. 19, 2014) in determining that there were "no acknowledged exceptions to the 90-day deadline for elected officials" that would have applied to Ms. Zaleznik in 2012 when she purchased her service. DALA concluded that pursuant to G.L. c. 32, § 20(5)(c)(2), the NRS was required to correct this error. Ms. Zaleznik has filed an appeal of this decision with CRAB.

Legislative Update

Mr. Charles reported that the Massachusetts House of Representatives ("the House") passed its version of the Fiscal Year 2027 budget which included a 3% COLA for the State and Teachers' Retirement Systems. Also in the House Budget were a number of provisions based upon the recommendations of the Special COLA Commission. The House Budget sets up a COLA Reserve Fund for State and Teachers' Systems which will receive 10% of any investment gains that are above the actuarial assumed rate of return, currently 7% in any year. There is a local option for other systems to adopt a COLA Reserve Fund to fund enhanced COLAs or COLA base increases. The COLA Reserve Fund will also be used to fund an enhanced COLA for members who retired prior to July 1, 2020, had at least 20 years of creditable service and a pension that is below 80 percent of the average salary in the respective system. Members who have retired for at least 10 years but less than 15 will receive an additional $100 per year. Members retired between 15-19 years will receive an additional $200 per year and members retired 20 or more years would receive an additional $300 per year.

Mr. Charles also explained that the House adopted an amendment which would provide members of the Boston Teachers and Teachers' Retirement System with a new one-time opportunity to participate in Retirement Plus[1] if they have not done so previously. Also included in this amendment is a provision allowing teachers who took a position with the state Department of Education to rejoin the MTRS and make the contributions that would have been made had they been in Retirement Plus. A further amendment was included to permit judges the opportunity to purchase military service credit.

[1] For the Boston Teachers, this program is also referred to as the Teachers' Alternative Retirement Program or "TARP."

Mr. Charles reported that the Senate Ways and Means Committee released its version of the Fiscal Year 2027 Budget. Included in their budget is the 3% COLA for State and Teachers. It does not include any of the COLA reforms adopted in the House. The judicial pension veterans' buyback and the Retirement Plus language were also not included. The Senate is scheduled to begin debate on the budget May 19, 2026.

Mr. Charles then told the Commission that Department of Revenue (DOR) Commissioner Geoffrey Snyder announced that preliminary revenue collections for April 2026 totaled $7.366 billion, $526 million or 7.7% more than actual collections in April 2025, and $923 million or 14.3% above benchmark. The FY26 year-to-date collections totaled approximately $38.032 billion, which is $1.513 billion or 4.1% more than actual collections in the same period of FY2025, and $1.582 billion or 4.3% above the year-to-date benchmark.

Compliance Update

John Galvin reported that PRIM's returns for March 2026 were -3.57%. The calendar year returns through March 31, 2026 were -0.84%. The fund balance as of March 31 was $122 billion.

Mr. Galvin further reported that we have received 461 Statements of Financial Interest ("SFIs") from active board members. The SFIs were due on May 1, 2026. The deadline for the G.L. c.268B filers is June 1, 2026.

Mr. Galvin reported that the Securities and Exchange Commission ("SEC") and Commodity Futures Trading Commission ("CFTC") have proposed amendments to reduce reporting requirements for large hedge funds and private fund managers.[2] The proposal calls for raising the filing threshold to $1 billion in private fund assets under management from $150 million, and to $10 billion in private fund assets under management from $1.5 billion for hedge funds.

Audit Update

Caryn Shea reported that since the last Commission meeting, PERAC has released the Braintree and Milton Retirement System Audits and a follow-up audit of the Leominster Retirement System. She explained that both the Braintree and Milton Retirement Systems had findings. She then discussed the findings reported on both audits. Ms. Shea reported that the one finding from the Leominster follow-up audit has been resolved. Ms. Shea then told the Commissioners that Auditor Connor Allan will be presenting at the Spring MACRS Conference and that the Audit Staff have been reviewing Annual Statements submitted by the retirement boards. Ms. Shea then went through the status of other board audits as outlined in the Audit Tracking Log.

Executive Director's Report

Bill Keefe requested a moment of silence for the passing of Kevin Trainor who was a State Police Officer who died in the line of duty when he was struck by a wrong way driver on Route 1, the passing of PERAC Deputy Auditor Scott Henderson's mother, and the passing of Jim Vieira, the Fifth member of the Medford Retirement System.

---

[2] This involves a proposed amendment to the SEC's "Form PF." "PF" stands for Private Funds.

Mr. Keefe reported on the promotion of Nate Geitz to Senior Actuarial Analyst. Nate recently took his 6th Actuarial Exam and is awaiting the results.

Bill Keefe went over the staff activities that have occurred since the last Commission meeting on April 8, 2026. He highlighted that John Boorack attended the annual Enrolled Actuaries' Conference virtually. He reported that the Finance Unit continues to attend meetings for the Open/Close of the Fiscal Year. He discussed the presentations of the Legal Unit on Cases of Interest and the History of Call Firefighters & PIPOs. He told the Commissioners that over 50 Administrators attended the Directors' Conference held April 27-28, 2026, which he attended, and Felicia Baruffi, Ken Hill, Dan Taylor, and Patrick Charles presented remotely.

He further discussed the proposed CRAB supplemental budget item, which is an attempt to address the current backlog of CRAB cases. The proposal is to increase membership on CRAB by adding additional representatives from the Commissioner of Public Health and PERAC. This would have a detrimental effect on PERAC's operations, particularly in the Legal Unit. He explained that adding members like this will not actually reduce the backlog of cases. The AG's office hiring and directing additional staff to help draft CRAB decisions would address this backlog.

Mr. Keefe also brought up another bill regarding Economic Development, H. 5386 which would direct PRIM to transfer from the pension fund between \$50-\$100 million to a fund for economic development for the State at the discretion of the Secretary of Economic Development. Retirement boards are concerned about using pension funds for this purpose. We will continue to monitor this, and we have expressed concern with Administration and Finance Legal Counsel. There will be a hearing on this bill on Tuesday, May 19, 2026.

Mr. Keefe reported that we will again participate in the Department of Revenue's Municipal Fellowship Program. This program is designed to get students in Community Colleges interested in local government services. John Boorack, Ken Hill, Patrick Charles, and Bill Keefe will present on the retirement piece of public service.

Mr. Keefe reminded the Commission of the upcoming MACRS Conference being held from May 31-June 3, 2026 in Springfield, MA.

Mr. Keefe discussed the article included in the Commission packet regarding a PTSD disability retirement application filed by a New Bedford Police Officer and approved by the New Bedford Retirement Board and PERAC.

The Chairman then announced that the next meeting of the Commission will be held on Wednesday, June 10, 2026, at 11:00 AM.

Commissioner Michael Leung-Tat made a motion to adjourn the meeting. Commissioner Kate Fitzpatrick seconded the motion, and a roll call vote was taken as follows:

Chairman Philip Brown YES, Kate Fitzpatrick YES, James Guido YES, Michael Leung-Tat YES, and Jennifer Sullivan YES. The motion was adopted.

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

Commission Meeting Documents
Commission Agenda for the meeting of May 13, 2026
Commission Minutes dated April 8, 2026

Administrative Sub-Committee Update
Executive Director's Amended Employment Contract
Memorandum to Administrative Sub-Committee Members RE: Fiscal Year 2027 Proposed Budget
Fiscal Year 2027 Proposed Budget
Memorandum from Comptroller's Office RE: Proposed Fiscal Year 2027 Fringe Benefit Rate

Legal Update
Karl Stinehart & Robert Landis v. Hampden County Regional Retirement System & PERAC, CR-24-0605, CR-24-0625 (April 17, 2026)
Michael McLaughlin v. Chelsea Retirement Board & PERAC, Lowell District Court, Docket No. 2211CV00080 (4/21/26)
In the matter of Carlo DeMaria, State Ethics Commission (4/26/26)
Drass v. Plymouth County Retirement Board & PERAC, CR-24-0361 (4/17/26)
Kane v. Wellesley Retirement Board & PERAC, CR-25-0191 (4/3/26)
Zaleznik v. Newton Retirement Board & PERAC, CR-24-0602 (4/17/26)

Legislative Update
Memorandum regarding Legislative updates

Compliance Update
Memorandum regarding Compliance updates
PRIM's PRIT Fund Performance Summary as of March 31, 2026
Securities and Exchange Commission Press Release - Fact Sheet – Proposed Amendments to Form PF

Audit Update
Braintree Retirement System Audit
Milton Retirement System Audit
Leominster Follow-up Audit
Audit Tracking Report

Executive Director's Report
Staff Activities Memorandum
H. 5377 – supplemental budget Governor filed on April 14, 2026 sent to Ways and Means
New Bedford Light Article – "City contesting PTSD retirement of police officer"

Approved:

Philip Y. Brown, Chairman
Public Employee Retirement
Administration Commission