

MINUTES FOR THE 1228th BOARD MEETING
STATE BOARD OF RETIREMENT

DATE: May 28, 2020

TIME: 10:06 A.M.

PLACE: One Winter Street – 8th Floor, Boston, MA

Pursuant to the Commonwealth’s Open Meeting Law Massachusetts General Law chapter 30A, §20, and subject to the Executive Order issued by Governor Baker on March 12, 2020, *Suspending Certain Provisions of the Open Meeting Law*, the meeting of the State Board of Retirement was called to order with the following Members participating remotely for all or part of the meeting: Treasurer & Receiver General Deborah B. Goldberg; Patricia Deal, Appointed Member; Francis Valeri, Elected Member; Theresa McGoldrick, Elected Member; Archie Gormley, Chosen Member.

Board staff present or participating remotely for all or part of the meeting were: Nicola Favorito, Deputy Treasurer/Executive Director; Melinda Troy, Senior Board Counsel; Lori Krusell, Assistant Board Counsel; Janice Coen, Executive Assistant; Kathryn Kougias, Finance Director; Mohammed Ali, Assistant Director of Finance; Kimberly Griffin, Manager of Information Systems; Paula Daddona, Communications & Outreach Manager; Chanese Brown, Disability Unit Manager; Zachary Pierce, Communications Coordinator; Zhuoxin Tan, Internal Auditor; Lisa Zale, Disability Case Counselor; Yonde Lombe, Paralegal; and Pamela Diggs, Paralegal.

Treasury staff participating remotely for all or part of the meeting were: Sarah Kim, Treasury General Counsel / Designee; Chandra Bork, Treasury Chief of Staff; Liz Gomes, Deputy Chief of Staff; Karen Guida, Treasury Internal Auditor; Elizabeth Zelnick, Treasury Legislative Affairs; Alethea Harney, Treasury Director of Communications; Emily Kowtoniuk, Deputy Legislative Director; and Karen Guida, Treasury Internal Auditor.

Members of the public were provided access to the meeting via a call-in number. Other parties participating remotely for all or part of the meeting were: Courtney Murray, Ernst & Young; Charlie Norko, Ernst & Young; Emilie Galatas, Ernst & Young; Debra Cammer-Hines, Ernst & Young; Brian Frese, KPMG; Manoj Punwani, Sagitec

There being a quorum present, the meeting was called to order at 10:06 A.M.

Treasurer Goldberg announced in accordance with the Commonwealth’s Open Meeting Law that any person may make a video or audio recording of an open session of a meeting of a public body, and she was obligated to inform participants of any recording at the beginning of the meeting. She then asked that anyone who is making any recording identify themselves as doing so. No person indicated that he/she was making a recording.

OPEN SESSION

Minutes of the 1227th Board Meeting

On a motion by Ms. McGoldrick and seconded by Mr. Gormley the Board voted unanimously to approve the Regular and Executive Session Minutes of the 1227th Board Meeting, April 30, 2020.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Gormley	Yes
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

Mr. Favorito informed the Board of the recent passing of Joan Schloss former Executive Director of the Massachusetts Teachers Retirement System. He noted Joan had served the public employee retirement community for over thirty-three years, twenty-eight at the MTRS. Mr. Favorito had known Joan for much of that time as a colleague and friend. She served as Executive Director from 2003-2015.

REPORT OF THE EXECUTIVE DIRECTOR

1. MSRB Operations

Mr. Favorito provided an update to the Board on the status of MSRB business operations since the closing of its offices as of Monday March 23, 2020.

Both MSRB offices remain closed with all staff working remotely. Treasury has extended the current remote work arrangement through Friday, June 19th. The current targeted reporting date for the first phase of workforce re-entry is June 22, 2020 for Treasury Department Heads to report. Thereafter, Managers/Supervisors would report approximately a week later, and then the remainder of Treasury staff would begin reporting back a week after on July 6, 2020 on a rotational basis, working both remotely and in-office.

More than fifty-five MSRB staff members now have full vpn access which allows them remote access to their desktops and various applications (MARIS; OnBase) used to execute the various benefit requests. All staff are responding to emails and phone calls.

Weekly (disbursement) and monthly warrants continue to be executed regularly with no delays to affected members. The entire MSRB staff, with support from our partners at the Treasury Operations team in Chelsea, and Treasury IT are maintaining daily operations. For the months of March through May 700 new retirees and beneficiaries were added to the payroll and almost 750 disbursements totaling \$8.5m.

-Limited staff have been rotating into the Boston office daily for brief periods 1-2 days week to ensure various manual tasks are addressed. For example, scanning of incoming work and indexing them to staff queues allows work to continue remotely; sending out responses to member requests for information; issuing paper checks in those instances where they are required. Daily mail deliveries continue.

Weekly member and employer outreach consisting of multiple webcasts including SMART Retirement & Beyond presentations in conjunction with the SMART Plan continue. More than 1,100 people have registered with 95% attendance.

The third successful pilot of the accelerated payment program for new retirees whose benefits have been approved for payment was executed in mid-May. These members received their retro-active benefit payments (from their retirement date through April) ahead of the May pension warrant close rather than have them wait until the end of May and receive the retro benefits together with their first month's benefit payment. They then will receive their regular May benefit payment at the end of the month.

PERAC held its Commission meeting on May 13th. It was announced that due to the current challenges, remaining workload for the Actuarial Unit with developing local funding schedules, and remote work limitations faced by PERAC they would not be developing a January 1, 2020 actuarial valuation report for the MSERS, MTRS of for the combined Commonwealth system.

2. MSRB Organizational Assessment (Presentation by Ernst & Young)

Mr. Favorito introduced the team from Ernst & Young who would be presenting the draft Organizational Assessment Final Report.

He summarized the steps that had been taken to this point. At the end of March 2019, the MSRB and Treasury issued an RFQ for an organizational assessment, seeking bids from qualified vendors on the PRF61 statewide contract. Responses were due by May 2, 2019. Due to only receiving one response, the MSRB & Treasury decided to cancel the solicitation as was the prerogative at no cost or obligation to the MSRB.

The MSRB reissued a competitive RFR in late May 2019 and posted it on COMMBUYS open to any qualified vendor. The MSRB received eight responses. After scoring and reference checks by the combined MSRB / Treasury PMT, oral interviews were scheduled for three finalists.

The recommendation of the PMT was presented to the Board in October 2019 which authorized negotiations with Ernst & Young for purposes of finalizing a contract.

Ernst & Young kicked off their work in December with the MSRB with the original goal to present to the Board at the March 2020 Board meeting. That was deferred due to the public health crisis.

Presenting for Ernst & Young Debra Cammer Hines, Courtney Murray, Charlie Norko and Emile Galatas. They first reviewed objective of the engagement and the several steps and processes taken to obtain current state information related to the MSRB and its operations, including meeting with MSRB Managers as well as Treasury HR staff. They then summarized the project results which included areas of current MSRB strength, focus areas for improvement, key recommendations and an implementation approach targeting the next five-year period.

Board members engaged the EY team with several questions related to observations on process inefficiencies and ways to improve them. Treasurer Goldberg stressed the importance of ensuring continued 1:1 consultation by MSRB staff with members given the complexities of the plan and the importance of retirement security. Ms. McGoldrick highlighted the added burden placed on MSRB staff for education and outreach given the diminished and increasingly inexperienced HR personnel across state agencies due to staff reductions. Mr. Valeri asked about steps that could be taken to reduce the reliance on manual processes or changes that allow for increased automation for member transactions. Ms. Deal inquired about observations related to staff sufficiency and resource needs including the goal of a more robust Call Center. From a career development and employee maintenance standpoint the Board hoped that with the proper allocation of resources and adoption of some of the recommendations MSRB Managers would be able to devote more time to training and imparting knowledge.

Recommendations for initial areas to focus efforts included continued work on a member self-service portal to improve the member experience and improve automation, augmenting the role and responsibilities of the Call Center, establishing a dedicated data governance structure, targeted projects to eliminate any transactional back logs, increasing emphasis on employer engagement, an increased and dedicated HR presence that could focus on career development, an enhanced pay scale comparable with other systems, and realignment of certain organizational functions. EY also noted that while their work and report had been completed before the impact of the COVID 19 public health emergency an additional recommendation would include striving for balance of remote and in person operations.

(At 11:55 a.m. the Board entered into a recess and reconvened at 12:00 p.m. to resume the meeting.)

3. 2020 Benefit Verification Forms Discussion

The Board considered the presented options for the issuance of BVF's for 2020 which had been postponed during the current public health state of emergency, partly because of the MSRB's requirement that BVF's be notarized prior to being submitted by members. PERAC's regulations require BVF's or retiree affidavits be issued at least every two years.

Mr. Favorito informed the Board that he had written to PERAC in April requesting a waiver from the two-year requirement under the circumstances because the first round of BVFs are typically issued in May/ June. We informed PERAC that if circumstances permitted we would

look to issue the BVFs later in 2020. PERAC responded that the adoption of our approach was permissible.

Based on internal discussions, options considered included delaying until later in the year, deferring the BVFs until 2021, or issuing them currently without the notarization requirement. Mr. Favorito indicated that when staff accounted for competing projects, timing conflicts, etc. the option of issuing the BVFs in June without requiring notarization presented a viable option that would allow compliance with the regulations and least impact other operations.

Notarization of BVF's is not a requirement within PERAC's regulations. Also, the frequency of the MSRB's regular death matches reduces the risk the benefits being paid incorrectly after the passing of a member or beneficiary. Mr. Favorito hoped that not requiring notarization in this single instance will also address member health concerns and should allow members to turn them around quicker by completing the affidavit and returning the BVF.

After discussion the Board voted on a motion by Ms. McGoldrick and seconded by Mr. Valeri to issue the BVF's without the notarization requirement on a schedule determined by Board staff.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Gormley	Yes
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

4. YTD Fiscal 2020 Operating & Capital Spending Plans

Mr. Favorito reviewed with the Board to the YTD Fiscal 2020 Operating and Capital Spending Plans vs. actual expenditure reports (through April 30, 2020) which were included as part of the Agenda materials.

5. PRIM Update

Mr. Favorito reviewed performance results through the end of April 2020 related to the MSERS and former Turnpike Retirement System. PRIM reported a 4.46% increase in total fund assets for the month, -5.85% for the calendar year, with total fund assets of \$73.572b. Net asset values for the MSERS and MTAERS were \$27.6b and \$155m respectively.

PRIM Election Results

Mr. Favorito noted that Paul Shanley had won re-election to the PRIM Board as the elected representative of the MSERS in the recent election managed by PRIM. He received over 77% of the more than 19,000 ballots cast.

6. MARIS Update

The Board reviewed the memo provided by Ms. Griffin who participated in the meeting to address any questions. The Board was updated that with vendor contracts expiring June 30, 2020 the staff expected to present details at the next Board meeting describing how MARIS support and related services would be provided starting July 1st.

7. Board / Staff Communications

Mr. Favorito highlighted for the Board several member communications received over the past month which expressed their appreciation for staff efforts.

He then directed the Board's attention to the *Fiscal 2021 Commonwealth Pension Appropriation Notification* issued by PERAC to the Secretary of Administration & Finance reflecting the FY 2021 pension appropriation amount for the combined Commonwealth pension obligation. The total for the MSERS, MTRS, Boston Teachers and related funding obligations totals \$3.115b.

Lastly, Mr. Favorito noted the recent communication issued by PERAC highlighting available PERAC webinars and webinars broadcast by the National Council on Teacher Retirement (NCTR) that may be accessed for educational credits.

(The Board then moved on to individual agenda items)

MEMBERSHIP DATE

1. Yuri Iozzo

On a motion by Ms. Deal and seconded by Mr. Valeri the Board, based on the additional information presented by the member and UMass voted to approve establishing Mr. Iozzo's membership date as March 1, 2011.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Gormley	Yes
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

REQUEST FOR BENEFITS PURSUANT TO §105

1. Linda L. Pisano

On a motion by Ms. Deal and seconded by Ms. McGoldrick the Board voted to table Ms. Pisano’s request and to seek additional information related to the cost of implementing §105 and discussing it with the member.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Gormley	Yes
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

MILITARY SERVICE PURCHASE

1. Peter Mullin

On a motion by Mr. Gormley and seconded by Ms. Deal the Board, based on the information presented, to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Gormley	Yes
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

2. James Storer

On a motion by Ms. Deal and seconded by Ms. McGoldrick the Board, based on the information presented, to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Gormley	Yes
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

GROUP CLASSIFICATIONS

GROUP 2

Pursuant to the Board's Classification Policy the following are reported as approved for Group 2 Classification:

1. **Jocelyne Beauzile-Francois** – RN 2, Tewksbury Hospital, DMH
2. **Gary Bianchi** – Court Officer 2, MA Trial Court
3. **William Burgess** – Court Officer 3, MA Trial Court
4. **Candace Cioffi** – Paraprofessional/Instructional Aide, Shore Educational Collaborative
5. **Karen Fallon** – Social Worker D, DCF
6. **Kathleen Gallagher** – Social Worker C, DCF
7. **Mark Gordon** – Court Officer 3, MA Trial Court
8. **Gail Gullifer** – Recreational Therapist I, Hogan Regional Center, DDS
9. **Linda Hamelin** – Social Worker 2, DCF
10. **Christine Kowalchek** – Clinical Social Worker A/B, Forensic Transition Team, DMH
11. **Steven McKeown** – First Asst. Chief Probation Officer, MA Trial Court
12. **Brenda Mottram** – Social Worker 3, DCF
13. **Donna Snow** – Paraprofessional, Pilgrim Area Collaborative
14. **Joseph Zavala** – Probation Officer 2, MA Trial Court

GROUP 2

1. **Sandra Brannan** – Director of Classification & Treatment, Pondville Correctional Center, DOC
 - **Approved;** Motion to approve by Mr. Gormley, seconded by Mr. Valeri.
2. **Douglas Ducat** – Cafeteria Supervisor, DYS
 - **Tabled;** Motion to table by Ms. McGoldrick, seconded by Mr. Valeri.
3. **Sean Franchi** – Caseworker 2, DYS
 - **Approved;** Motion to approve by Mr. Gormley; seconded by Mr. Valeri
4. **Vincent Louissaint** – DSW 4, Hogan Regional Center, DDS
 - **Denied;** Motion to deny by Ms. Deal, seconded by Mr. Valeri.
5. **Thomas Mathis** – RN 3, Tewksbury State Hospital, DMH
 - **Approved;** Motion by Ms. McGoldrick, seconded by Mr. Valeri.

6. **Deborah Reardon** – Program Coordinator I, Tewksbury Hospital, DPH
 - **Denied**; Motion to deny by Ms. Deal, seconded by Ms. McGoldrick.
7. **Michele Sheridan** – Cook 2, DYS
 - **Denied**; Motion to deny by Ms. McGoldrick, seconded by Mr. Valeri.
8. **Robert Sullaway** – Clinical Social Worker D/MA Mental Health Center, DMH
 - **Approved**; Motion by Mr. Valeri; seconded by Ms. McGoldrick.

GROUP 2 RECONSIDERATION

1. **Neil Levy** – RN 5, Taunton State Hospital, DMH (Denied April 2020)
 - **Reconsideration approved**; Motion by Ms. McGoldrick, seconded by Mr. Valeri.
 - **Approved**; Motion by Ms. McGoldrick, seconded by Mr. Valeri.

Treasurer Goldberg departed at 12:55pm, Ms. Kim assumed the Chair.

2. **Anne Nialetz** – Hearing Officer 3/Social Worker 3, DCF (Denied April 2020)
 - **Reconsideration approved**; Motion by Ms. McGoldrick, seconded by Mr. Valeri.
 - **Approved**; Motion by Ms. McGoldrick, seconded by Mr. Valeri.

GROUP 2 HSC AB

1. **Brian Simpson** – HSC A/B/Homeless Outreach Team, DMH
 - **Approved**; Motion by Ms. Deal, seconded by Mr. Gormley

GROUP 4

Pursuant to the Board’s Classification Policy the following are reported as approved for Group 4 Classification:

1. **Michael Arbec** – CO 2, DOC
2. **James Belair** – CO 3, DOC
3. **Kent Blethen** – CO, Plymouth County Sheriff’s Department
4. **Donald Boucher** – CO, Plymouth County Sheriff’s Department
5. **Wesley Boutelle** – Industrial Instructor, DOC
6. **Kevin Brand** – Industrial Instructor, DOC
7. **Michael Carton** – CO 2, DOC (posthumously)
8. **Kenneth Cholette** – CO I, DOC
9. **Paul Cramm** – Industrial Instructor 2, DOC
10. **Sean Donnelly** – CO, Middlesex Sheriff’s Office
11. **John Ellis** – Senior CO, Middlesex Sheriff’s Office

12. **John Faherty** – CO/Sergeant, Plymouth County Sheriff’s Department
13. **John Farragher** – CO/Sergeant, Suffolk County Sheriff’s Department
14. **Antonio Franco** - CO I, DOC
15. **Michael Gallant** – CO, Worcester County Sheriff’s Department
16. **Matthew Gore** – CO I, DOC
17. **Joseph Harrison** – Sergeant, Worcester County Sheriff’s Department
18. **Christian Hutt** – CO I, DOC-369985 (OD approved)
19. **Richard Jaworski** – CO 3, DOC
20. **Brian Ladeau** – CO 2, DOC
21. **Alfred Lafleur** – CO, Bristol County Sheriff’s Department
22. **David Lauziere** – Industrial Instructor 3, DOC
23. **Dana Lymon** – CO, DOC
24. **Susan MacDonald** – CO I, DOC
25. **Matthew Mahoney** – CO/Corporal, Suffolk County Sheriff’s Department
26. **David McCann** – CO I, DOC
27. **Darryl McCauley** – CO I, DOC
28. **Edward McGonagle** – Captain, DOC
29. **Scott McMillan** – CO/Asst. Deputy Superintendent, Worcester County Sheriff’s Department
30. **Steven McTomney** – CO I, DOC
31. **James Mellen** -CO I, DOC
32. **Marianne Miller** – CO I, DOC
33. **Kathleen O’Gorman** – Senior CO/Sergeant, Middlesex Sheriff’s Office
34. **Edmond Pavia** – CO 3/Lieutenant, DOC
35. **Louis Poncia** – Sergeant, Suffolk County Sheriff’s Department
36. **Edward Rogers** – CO I, DOC (deferred)
37. **Pamela Scanlan** – CO I, DOC
38. **James Storer** – CO I, DOC
39. **Robert Sweeney** – Industrial Instructor 2, DOC
40. **Ronald Tello** – CO I, DOC
41. **Francis Thompson** – Lieutenant, Suffolk County Sheriff’s Department
42. **Jason Wendover** – CO I, DOC (posthumously)

GROUP 4

1. **Susan Goodwin** - CO/Security Director, Hampden County Sheriff’s Department
 - **Tabled**; Motion to table by Ms. McGoldrick, seconded by Mr. Valeri.
2. **Paul Mathias** – CO/Head Cook, DOC
 - **Approved**; Motion by Ms. Deal, seconded by Ms. McGoldrick
3. **John Ostapow** – Maintenance Electrician/Engineer, Bristol County Sheriff’s Department
 - **Tabled**; Motion by Ms. McGoldrick, seconded by Mr. Gormley

GROUP 4 CORRECTIONAL PROGRAM OFFICER

1. **Richard Donati** – Correctional Program Officer A/B, DOC
 - **Approved**, Motion by Ms. McGoldrick, seconded by Mr. Valeri.
2. **Ann-Marie Giampietro** - Correctional Program Officer C, DOC
 - **Approved**, Motion by Ms. McGoldrick, seconded by Mr. Valeri.
3. **Thomas Newell** - Correctional Program Officer C, DOC
 - **Approved**, Motion by Ms. McGoldrick, seconded by Mr. Valeri

GROUP 4 CPO PRO-RATE RECONSIDERATION

1. **Pamela Maceachern** Department of Correction
Correctional Program Officer A/B – 7/21/85 – 11/28/87
Correctional Program Officer C – 11/29/87 – 4/14/90
 - **Reconsideration approved**; Motion by Mr. Gormley, seconded by Ms. McGoldrick
 - **Approved**; Motion by Ms. Deal, seconded by Mr. Valeri.

GROUP 4 PRO-RATE

1. **Keith Rogers** **Hampden County Sheriff's Department**
CO/Prison Steward – 10/27/03 – 3/17/07
CO/Shift Supervisor – 3/17/07 – 12/21/09
CO/Prison Steward – 12/22/09 – 8/04/12
 - **Reconsideration approved**; Motion by
 - **Approved**; Motion by

(At 12:55 p.m. Treasurer Goldberg departed the meeting; Designee and Treasury General Counsel Sarah Kim assumed the Chair.)

Pursuant to the Board's Classification Policy the following are reported as approved for 20/50 Classification:

1. **Bruce Beckwith** – CO, Berkshire County Sheriff's Office
2. **Jacqueline Burgo-Centeio** – CO 2, DOC
3. **Robert DaSilva** – Captain, Bristol County Sheriff's Office
4. **Steven Dias** – Lieutenant, DOC
5. **Jeremy Grosz** – CO, Berkshire County Sheriff's Office
6. **Andra Johnson** – CO I, DOC
7. **William Keyes** – CO, Plymouth County Sheriff's Department
8. **Daniel LeBlanc** – CO I, DOC
9. **Peter Nieuwenhuzen** – CO I, DOC

10. **Maria Torres** – CO, Berkshire County Sheriff's Office

(OPEN SESSION CONCLUDES)

THE BOARD ENTERS INTO EXECUTIVE SESSION

At 1:15 PM, the Board entered Executive Session to review applications for disability retirement, associated benefits, and to also consider the reputation, character, physical condition or mental health of individuals with business before the Board. The Board will adjourn the meeting at the conclusion of the Executive Session and will not return to Open Session.

(Roll Call Vote Required)

Mr. Valeri made a motion to enter Executive Session. Mr. Gormley seconded the motion.

ON ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Deal	Yes
Mr. Gormley	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Ms. Kim	Yes

EXECUTIVE SESSION CONCLUDES AND ADJOURNMENT

(Roll call required)

**ON A MOTION BY MR. VALERI AND SECONDED BY MS. DEAL, THE BOARD VOTED TO ADJOURN THE MEETING.
THE MEETING ADJOURNED AT 2:00 PM.**

ON ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Deal	Yes
Mr. Gormley	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Ms. Kim	Yes

THE NEXT REGULAR BOARD MEETING OF THE STATE RETIREMENT BOARD IS SCHEDULED TO BE HELD ON Thursday, June 25, 2020 starting at 10:00AM.

Documents Used at the State Board of Retirement Meeting of May 28, 2020

- Agenda for the May 28, 2020 Board Meeting. Supporting documentation for Agenda items as referenced therein.
- Open Session and Executive Session Minutes of April 30, 2020 Board Meeting