MINUTES FOR THE 1,254th BOARD MEETING STATE BOARD OF RETIREMENT

DATE: July 28, 2022

TIME: 10:03 A.M.

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

There being a quorum, the July 28, 2022 meeting of the State Retirement Board ("Board") was called to order at 10:03 a.m. by Treasurer Deborah Goldberg, Chair.

Treasurer Goldberg announced pursuant to the Commonwealth's Open Meeting Law Massachusetts General Law chapter 30A, §20, as modified recently by Chapter 22 of the Acts of 2022, that the meeting of the Board was being held via the internet and was being called to order with the following Members who would be participating remotely for all or part of the meeting and who were identified at this time: Treasurer Deborah Goldberg, Chair; Maureen Valente, Appointed Member; Francis Valeri, Elected Member; Archie Gormley, Chosen Member. Unless otherwise noted, all votes taken at the meeting were taken by roll call vote.

Board staff that were present or participated remotely for all or part of the meeting were: Nicola Favorito, Deputy Treasurer/Executive Director; Melinda Troy, Director of Legal Services; Paula Daddona, Assistant Director of Communications & Outreach; Kimberly Griffin, Director of Information Systems & Technology; Rachel Grimaldi, Assistant Director of Benefit Calculations; Diana Reyes, Assistant Director of Benefit Calculations; Pamela Holloman, Disbursement Manager; Micarlie Baptiste-Merisier, Office Manager / Executive Assistant; Chanese Pearson, Manager, Disability Unit, Lisa Leary, Disability Benefits Support Analyst; Lisa Zale, Disability Benefits Support Analyst Zhuoxin Tan, MSRB Internal Auditor; Yande Lombe, Associate Board Counsel; Brendan McGough, Associate Board Counsel; Pamela Diggs, Paralegal; Athila Soares-Nunes, Paralegal; Zachary Pierce, Communications Coordinator, II; Ebenezer Shim, Communications Specialist; Maureen Sullivan, Benefit Calculation Analyst.

Treasury staff that participated remotely for all or part of the meeting were: John Durgin, Associate General Counselor; Elizabeth Morrocco, Associate General Counsel – Procurement Manager; Carla Kath, Director of Communications; Andrew Napolitano, Treasury Communications; Mary Wilkins, Communications Executive Assistant; Chandra Bork, Chief of Staff; Lizandra Gomes, Deputy Chief of Staff; Emily Kowtoniuk, Legislative Director; Rachel Healey, Hearing Officer.

Members of the public were provided access to the meeting via a call-in number. Those registered as attending were Kristyn Camilleri, DOC; Attorney Christine Narcisse and Bernard Eshun; Stephen Scanlon; Cynthia Ittleman; John McGuire

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 to Treasury staff monitoring the public access platform.

Treasurer Goldberg also announced that for those members of the public accessing the open portion of the Board meeting, that access will conclude when the Board enters Executive Session and resume when the Board returns from Executive Session.

MINUTES OF THE 1253rd BOARD MEETING

On a motion by Mr. Gormley and seconded by Ms. Valente the Board voted unanimously to approve the Regular and Executive Session Minutes of the 1,253rd Board Meeting, held on June 30, 2022.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Yes
Yes
Yes
Yes

THE BOARD ENTERS INTO EXECUTIVE SESSION

At 10:07 a.m. the Board entered into Executive Session to review applications for disability retirement, associated benefits, litigation strategy, and to also consider the reputation, character, physical condition, or mental health of individuals with business before the Board and to discuss the litigating position of the Board. Treasurer Goldberg indicated the Board would reconvene in Open Session after the Executive Session.

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

Each Board member confirmed that no other person was present with them and/or able to hear the discussion at the remote location.

EXECUTIVE SESSION CONCLUDES AND THE BOARD RETURNS TO OPEN SESSION

AGENDA ITEMS

GROUP CLASSIFICATIONS

<u>GROUP 2</u>

<u>Pursuant to the Board's Classification Policy the following are reported as approved for</u> <u>Group 2 Classification</u>

1. Sheron Adair	Social Worker II, DCF
2. Elizabeth Ceffalo	LPN II, Worcester Recovery Center & Hospital, DMH
3. Peter Cutting	Recreational Therapist II, Wrentham Dev.
	Ctr., DDS
4. Anne De Villier	Social Worker II, DCF
5. <u>Pauline Forman</u>	Social Worker II, DCF
6. Elaine Greene	Associate Probation Officer, MA Trial Court
7. Willie Jackson	Vocational Rehab Instructor A/B, Viability Inc., DDS
8. John Kimani	RN, Hogan Reg. Ctr., DDS
9. David MacMillan	Psychiatrist III, LSH, DMH
10. <u>Linda Madden</u>	Social Worker C, DCF
11. Julie A. Marshall	LPN I, Central Residential Services, DDS
12. Carol A. McCarthy	Social Worker, Suffolk County Sheriff's Department
13. <u>Bonnie Otto</u>	RN III, Wrentham Dev. Ctr., DDS
14. Joan Pare'	Social Worker II, DCF
15. Michael Rodrigues	Rehabilitation Counselor A/B, Taunton State Hos., DMH
16. James Sheridan	RN II, Wrentham Dev. Ctr., DDS
17. Lisa Wong	Chief Probation Officer, MA Trial Court

GROUP 2 (Board Review)

1. Diana M. Batch

Staff Interpreter, MA Commission for the Deaf and Hard of Hearing

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Mr. Gormley the Board voted to deny the request for Group 2 Classification.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

2. Susan Crowley

Program Manager, Shore Educational Collaborative

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

3. <u>Brian Hogan</u> Teacher E, DOC

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Mr. Gormley the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

4. Lisa Leland

Recreation Therapist III, Pappas Rehabilitation Hospital for Children

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Mr. Gormley the Board voted to approve the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

5. Gary Lemoine

Program Coordinator I, DYS

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

6. Kathleen Morrow

Instructional Aide, Hampshire Educational Collaborative

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Mr. Gormley the Board voted to table the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

7. Michael Spellman

Assistant Court Services Coordinator, Office of **Community Corrections**

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

GROUP 2 HSC A/B (Board Review)

1. Pamela Anderson-Livingston

Service Coordinator, Brockton Area Office, DDS

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Mr. Gormley the Board voted to approve the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes	
Mr. Gormley	Yes	
Mr. Valeri	Yes	
Treasurer Goldberg	Yes	

2. <u>Patricia Marie Lee</u> HSC A/B, Worcester Area Office, DDS

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Mr. Gormley the Board voted to approve the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

GROUP 2 TABLED (Board Review)

1. Julie Chamberlain

Program Manager, Shore Educational Collaborative

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

GROUP 2 PRO-RATED

<u>Pursuant to the Board's Classification Policy the following are reported as approved for Group</u> <u>2 Pro-Rated Classification</u>

. <u>Robert Canu</u>	Department of Developmental Services	
	Voc. Rehab. Counselor C – 12/16/01– 2/5/15	
2. Linda Salamone	Department of Developmental Services – Hogan and	

<u>NRS</u> LPN I – 04/29/01 - 09/14/17

GROUP 2 PRO-RATED SERVICE (Board Review)

1. Patrick DePalo

Department of Correction

Director of Security – 12/18/05 - 2/12/11 Deputy Sup. Of Operations – 2/13/11 – 1/10/15

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to approve the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

Department of Correction

Chief of Office of Investigative Services – 1/11/15 – 8/4/18

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

GROUP 4

<u>Pursuant to the Board's Classification Policy the following are reported as approved for Group</u> <u>4 Classification:</u>

1.	<u>Glenn D'Amato</u>	Correctional Officer, Worcester County Sheriff's
		Department
2.	<u>Cameron Davis</u>	Environmental Police Officer, Executive Office of Energy
		& Environmental Affairs (MA Environmental

Police)

3. James Foley	Captain, Essex County Sheriff's Department
4. Dawne George	Correction Officer II, Department of Correction
5. <u>William Grant</u>	Jail Officer-Lieutenant, Suffolk County Sheriff's
	Department
6. Michael Halvorsen	Sergeant, Worcester County Sheriff's Department
7. Manuel Martinez Jr	Correction Officer I, Department of Correction
8. Thomas Medrano	Jail Officer-Sergeant, Suffolk County Sheriff's
	Department
9. <u>Kenneth Menkello</u>	Correction Officer I, Department of Correction
10. Thomas R. Nigrelli	Correction Officer, Plymouth County Sheriff's
	Department
11. Robert Santos	Correction Officer, Department of Correction
12. <u>Edward Slattery</u>	Correction Officer I, Department of Correction
13. Edgardo Vargas	Jail Officer, Suffolk County Sheriff's Department
14. <u>Merri A. Walker</u>	Environmental Police (Captain), Executive Office of
	Energy & Environmental Affairs (MA Environmental
	Police)
15. <u>Charles White</u>	Jail Officer, Suffolk County Sheriff's Department

GROUP 4 (Board Review)

1. Mark Dunderdale

Assistant District Attorney, Plymouth County District Attorney's Office

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Mr. Gormley the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Yes Yes Yes Yes

Ms. Valente	
Mr. Gormley	
Mr. Valeri	
Treasurer Goldberg	

2. Ruth A. McLaughlin

Attorney in Charge, Committee for Public Counsel Services

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to deny the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente Yes

Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

GROUP 4 TABLED (Board Review)

1. Stephen Scanlon

ADS/Dir. of Internal Affairs, Worcester County Sheriff's Department

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to approve the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

GROUP 4 PRORATE

<u>Pursuant to the Board's Classification Policy the following are reported as approved for</u> <u>GROUP 4 PRORATE Classification:</u>

1. Jason M. HooksNorth Adams Police DepartmentPart Time Permanent/Reserve Officer8/16/99 - 5/7/04

GROUP 4 PRORATE (Board Review)

 I.
 Francis Murphy
 Middlesex Sheriff's O

 CO/Caseworker - 10/1

<u>Middlesex Sheriff's Office</u> CO/Caseworker - 10/11/88 – 7/12/93

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. Valente the Board voted to table the request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

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

- 1. Richard Cavalieri
- 2. Darel Oja
- 3. Troy A. Peterson
- 4. Phillip Van Tarver

Sergeant, Worcester County Sheriff's Office Captain, Department of Correction Corrections Officer, Barnstable County Sheriff's Office Jail Officer, Suffolk County Sheriff's Department

REPORT OF THE EXECUTIVE DIRECTOR

1. MSRB Operations

Mr. Favorito updated the Board on several operational items. As of July 5, 2022, the MSRB has been working under Telecommute Program which incorporates many aspects of the previous Pilot Hybrid Workplace Plan (PHWP) work arrangement previously in place. All employees completed a Telecommute Program Agreement ("TPA") and will continue to be required to report to the workplace a minimum of twice a week, with one of the days as a Monday or Friday. However, some MSRB units may require more than the minimum days/week based on business needs.

He informed the Board that Micarlie Baptiste-Merisier had joined the MSRB as its new Office Manager / Executive Assistant and is taking over the duties previously managed by Pam Holloman who is now leading the Disbursement Unit.

Mr. Favorito reminded the Board that notice of the Board member election had issued on July 22, 2022, with information on nominations. A broadcast email had gone out for active members, information related to the election would be included in the monthly retiree eNewsletter, and content were posted to the MSRB's web site. The nomination period closed on September 12, 2022.

Over 130 members accessed our drop off hours during the month of July through the week of 7/18/22. Some 436 members have visited to drop off materials and speak to MSRB staff since the beginning of March.

The July pension warrant closed on Friday afternoon July 22, 2022. Mr. Favorito noted that notwithstanding staff vacations, etc. 242 new payees were added to the pension payroll, of which 198 were retirees. Over \$232.6m in benefits were issued for the month.

For the month more than 93 benefit adjustments were completed associated with retroactive pay increases previously reported for existing retirees. For the calendar year more than 755 benefit adjustments have been completed. The Business Support Unit executed accelerated benefit payments for July to 81 new retirees totaling \$1.1m in gross retro-benefits approved for payment on July 15th. Thus far for calendar year 2022, 807 accelerated payments have been issued totaling over \$10.7m in retro payments.

Mr. Favorito reported that through the payroll period ending July 15, 2022, and with one additional warrant for the month yet to come, the MSRB Disbursement Unit processed 121 refunds / rollovers / transfers totaling approximately \$2.9m in net funds issued. Through the July 22, 2022, warrant the Disbursement Unit processed 1,400 refunds / rollovers / transfers for the year totaling over \$31m in net funds issued.

The Office of the Comptroller at the beginning of July transferred excess capital gains to the pension and state retiree benefits trusts. The MSRB received \$44,295,686.72. The MTRS received \$63,826,257.63 and the SRBTF received \$108,121,944.35.

June data indicated over 8,600 telephone calls fielded by MSRB staff that were made to the main department extensions. More than 5,800 calls were taken by the Call Center. More than 1,200 calls to our Member Account Management and Benefit Account Management Units. (This data does not take into consideration those calls made directly to staff extensions).

The MSRB received more than 1,800 emails to our Member Services / Call Center Unit in June 2022.

Mr. Favorito indicated the Communications & Outreach Team reported since the last Board meeting hosting 9 webinars. For 2022 they have hosted 46 webinars with 3,153 attendees. They also reported over 9,000 total views of videos across our various platforms, which includes Facebook, Twitter and YouTube.

Finally, as of the end of June 2022, 50,032 retirees/survivors subscribe to the monthly MSRB Retiree *eNews Bulletin*. This represents approximately 74.7% of our total retirees/beneficiaries.

2. <u>YTD Fiscal 2022 Operating & Capital Spending Plans</u>

Mr. Favorito reviewed information summarizing the YTD Fiscal 2022 Operating and Capital Spending Plans vs. actual expenditure reports (through June 30, 2022).

3. Benefit Verification Update

Mr. Favorito reported that more than 18,000 BVF's had been returned as of the end of the prior week to the MSRB's vendor. Members had until July 21, 2022 to return their BVF. A second mailing is scheduled to issue on or about August 19th.

4. 2021 Member Annual Statements

Mr. Favorito informed the Board that the active member Annual Statements were scheduled to be mailed by the middle of the coming week. Staff had encountered delays with the vendor around data transmission, proper formatting of the statements and ensuring the correct content was included.

5. 2021 Section 91A Initial Notification

Mr. Favorito updated the Board that just under 300 initial notices would be going out to MSERS disability retirees who according to PERAC had failed to submit their 2021 earnings statements by April 15, 2022. Subsequent mailings would follow for non-compliance.

6. PRIM Performance Update

The Board reviewed PRIM performance materials as of June 30, 2022.

PRIM total assets were reported at \$92.26b down from \$96.309b at the end of May 2022. The calendar year to date performance was reported as a decrease of -10.23% gross of fees, one year (fiscal year) performance stood at -2.95%. MSERS assets were reported at \$33.685b compared to \$35.126b as of May 31, 2022. Mass Turnpike assets were stated at \$160.5m.

Mr. Favorito noted that while the calendar year performance was emblematic of current financial market conditions PRIM's returns over the last ten-year period stood at 9.18%. Additionally, Treasurer Goldberg indicated that PRIM's committee meeting cycle was beginning next week, and she would be looking for additional insight from the team and its advisors.

7. Legislative Update

Mr. Favorito reported that the Governor had signed the Commonwealth's FY 2023 budget which included several retirement provisions. First, a one-time 5% retiree COLA effective July 1, 2022. Second, the budget included corrective language that would proscribes the retro-active impact of the SJC's most recent *Vernava* decision. The budget also included a \$100m transfer to the Commonwealth's Pension Liability Fund and a separate \$100m transfer to the SRBTF.

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Two notable retirement items that returned by the Governor with amendments to the Legislature were the proposed 5% retiree COLA for local retirement systems, and the changes to the appointment of the public safety designated seat on the PRIM Board.

8. MSERS January 1, 2022, Draft Actuarial Valuation

Mr. Favorito informed the Board that at its last meeting (July 13, 2022) the PERAC Commission reviewed preliminary results of the State Actuary related to the January 1, 2022 MSERS actuarial valuation. As expected, it reflected an improved funded ratio of 72.9% (up from 66.4%) and an unfunded actuarial liability of \$12.807b (down from \$15.334b). Mr. Favorito added the Actuary had previously discussed a potential change to the investment rate of return assumption from the current 7% to 6.85% looking ahead to the January 2023 valuation and work on updates to the triennial funding schedule..

9. 2022 Form-1099R Vendor Selection

Mr. Favorito invited Attorney Elizabeth Morocco, Treasury's Procurement Manager, to summarize the effort for securing a vendor to generate and mail the 2022 Form 1099R's. There was one response to an RFQ issued by Treasury, RR Donnelly.

RR Donnelly was evaluated based on its submission and past contracts for the MSRB's Form-1099R printing, processing, and mailing work. The MSRB had been satisfied with their services. The proposed price \$68,498.27 represented approximately a 5% increase in their cost over their most recent work for the MSRB, which was reasonable.

On a motion made by Mr. Valeri and seconded by Mr. Gormley the Board approved the recommendation to award the work to RR Donnelly.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

10. MSRB Legal Update

Mr. Favorito noted the case summaries of a recent DALA & CRAB and judicial decisions submitted by the Legal Unit in the Board's meeting materials.

11. Board Member Communications

Mr. Favorito informed the Board notification had issued last week of the upcoming Board Member election. The nomination period closes September 12, 2022.

Also, PERAC was resuming its Emerging Issues Forum in-person. It is scheduled for September 15, 2022, at Holy Cross. Registration has opened.

The Legislature and Governor had authorized an extension of the Open Meeting Law ("OML") exemptions permitting totally virtual meetings through March 31, 2023.

Lastly, Mr. Favorito asked the Board to review the remaining 2022 meeting dates to confirm they remained acceptable to the Board.

ADJOURNMENT

ON A MOTION BY MR. GORMLEY AND SECONDED BY MS. VALENTE THE BOARD VOTED TO ADJOURN THE MEETING.

THE MEETING ADJOURNED AT 12:04 P.M.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Ms. Valente	Yes
Mr. Gormley	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

THE NEXT REGULAR BOARD MEETING OF THE STATE RETIREMENT BOARD IS SCHEDULED TO BE HELD ON Thursday August 25, 2022 starting at 10:00 AM.

Documents Used at the State Board of Retirement Meeting of July 28, 2022

- Agenda for the July 28, 2022 Board Meeting. Supporting documentation for Agenda items as referenced therein.
- Open Session and Executive Session Minutes of June 30, 2022 Board Meeting