

**MINUTES FOR THE 1,255<sup>th</sup> BOARD MEETING**  
**STATE BOARD OF RETIREMENT**

**DATE:** August 25, 2022

**TIME:** 10:01 A.M.

**PLACE:** One Winter Street – 8<sup>th</sup> Floor, Boston, MA

There being a quorum, the August 25, 2022, meeting of the State Retirement Board (“Board”) was called to order at 10:01 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; Theresa McGoldrick, Elected 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; Micalie Baptiste-Merisier, Office Manager / Executive Assistant; Chanese Pearson, Manager, Disability Unit, Lisa Leary, Disability Benefits Support Analyst; Lisa Zale, Disability Benefits Support Analyst; Joisei Horton, Disability Benefits Support Analyst; Sandra Doctor, Call Center; Kathryn Kougas, Director of Finance; 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.

Treasury staff that participated remotely for all or part of the meeting were: John Durgin, Associate General Counsel; Elizabeth Morrocco, Associate General Counsel – Procurement Manager; Carla Kath, Director of Communications; Andrew Napolitano, Treasury Communications; 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 Patrick DePalo, Department of Correction; Sara Kate Matthews, Department of Correction; Michael Chapman, DOC, and Attorney Steven Ballin.

*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 1254<sup>th</sup> 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 1,254<sup>th</sup> Board Meeting, held on July 28, 2022.

#### **ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

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

### **THE BOARD ENTERS INTO EXECUTIVE SESSION**

*At 10:05 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, Ms. McGoldrick seconded the motion.**

#### **ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

Ms. Valente	Yes
Mr. Gormley	Yes
Ms. McGoldrick	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.

*At 11:29 a.m. the Board concluded Executive Session and voted to reconvene in Open Session.*

Ms. Valente made a motion to conclude the Executive Session and reconvene in Open Session, Ms. McGoldrick seconded the motion.

**ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

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

**EXECUTIVE SESSION CONCLUDES AND THE BOARD RETURNS TO OPEN SESSION**

**AGENDA ITEMS**

**GROUP CLASSIFICATIONS**

**GROUP 2**

**Pursuant to the Board's Classification Policy the following were reported as approved for Group 2 Classification**

1. **Maria Bairos** Paraprofessional, South Coast Educational Collaborative
2. **Gloria Bardsley** Occupational Therapist II, CRS, DDS
3. **Mark Barry** Elevator Inspector, Division of Professional Licensure, Office of Public Safety and Inspections
4. **Kathryn Chadwick** Special Education Teacher Assistant, CASE Collaborative
5. **Kathleen Gallagher** Social Worker III, DCF
6. **Joan Leavitt-Brooks** Probation Officer II, MA Trial Court
7. **Richard Olendzenski** Social Worker, DCF
8. **Suzan Schwartz** Occupational Therapist I, Tewksbury Hospital, DMH

**GROUP 2 (Board Review)**

1. **Natalie J. Bunker** RN, Tewksbury Hospital, DPH

After discussion of the available information, the Board on a motion made by Ms. McGoldrick and seconded by Mr. Valeri 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

2. **Gerry B. Chapman** Director of Facility Maintenance, NCCI – DOC

After discussion of the available information, the Board on a motion made by Ms. Valente and seconded by Ms. McGoldrick 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

3. **Gertrude Gilbert** Staff Interpreter, Mass. Commission for the Deaf & Hard of Hearing

After discussion of the available information, the Board on a motion made by Mr. Valeri and seconded by Ms. McGoldrick 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

4. **Joyce Shultz** Lab Tech, Worcester County Sheriff's Department

After discussion of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. McGoldrick 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

**GROUP 2 TABLED (Board Review)**

1. **Kathleen Morrow** Instructional Aide, Collaborative for Educational 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 approve the request.

**ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

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

**GROUP 2 PRO-RATED**

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

1. **Leslie Miller** **Department of Developmental Services – WDC**  
Recreational Therapist – 01/03/82 - 09/29/84
2. **Karen Rego** **Department of Children and Families (deferred)**  
Social Worker I – 6/11/95 – 11/29/97  
Social Worker III – 11/30/97 – 12/2/00  
Social Worker IV – 12/3/00 – 12/29/01  
Social Worker D – 12/30/01 – 11/3/12

**GROUP 4**

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

- |   |   |
|---|---|
| 1. <b><u>William Andrade</u></b>        | Correction Officer, Department of Correction                        |
| 2. <b><u>James Chilton</u></b>          | Correction Officer, Department of Correction                        |
| 3. <b><u>Timothy Flamos</u></b>         | Correction Officer, Plymouth County Sheriff’s Dept.                 |
| 4. <b><u>Robert H. Fournier Jr.</u></b> | Correction Officer I, Department of Correction                      |
| 5. <b><u>James Gonzales</u></b>         | Sergeant, Essex County Sheriff’s Department                         |
| 6. <b><u>Dennis Kelly</u></b>           | Corrections Officer, Norfolk County Sheriff’s Office                |
| 7. <b><u>Joseph Lyons</u></b>           | Recreation Officer I, Department of Correction                      |
| 8. <b><u>Edward Melanson</u></b>        | Captain, Essex County Sheriff’s Department                          |
| 9. <b><u>David Moore</u></b>            | Correction Officer, Hampden County Sheriff’s Dept                   |
| 10. <b><u>Daniel M. Pereira</u></b>     | Industrial Instructor III, Department of Correction<br>[posthumous] |
| 11. <b><u>Ronald Proulx</u></b>         | Correction Officer, Department of Correction                        |
| 12. <b><u>Matthew David Symmes</u></b>  | Correction Officer, Department of Correction                        |
| 13. <b><u>Phillip Waldron</u></b>       | Lieutenant, Middlesex Sheriff’s Office                              |

**GROUP 4 (Board Review)**

- |                               |   |
|-------------------------------|---|
| 1. <b><u>Robyn Clarke</u></b> | Assistant Superintendent VI, Essex County Sheriff’s<br>Department |
|-------------------------------|---|

After review of the available information, the Board on a motion made by Ms. McGoldrick 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

**GROUP 4 Correction Program Officers (Board Review)**

- |                                 |                                     |
|---------------------------------|-------------------------------------|
| 1. <b><u>James Morrison</u></b> | Correction Program Officer A/B, DOC |
|---------------------------------|-------------------------------------|

After review of the available information, the Board on a motion made by Ms. McGoldrick 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

2. **Michela Matthews** Correctional Program Officer A/B, DOC

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

**ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

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

**GROUP 4 PRO-RATE (Board Review)**

1. **Marybeth Robichaud** **Barnstable County Sheriff's Office**  
Matron – 07/30/90 – 01/24/94  
County Screener/ Mass Boot Camp 1/25/94 – 09/30/94  
Electronic Monitoring Coordinator 10/01/94 – 09/24/95  
Boot Camp Screener/ Bracelet Program & Earned Good Time Coordinator/ County Inmate to State Min. Coord - 09/25/95 – 9/14/97  
Electronic Monitoring Coordinator 9/15/97 – 6/30/11  
Re-entry Coordinator – 07/01/11 – 06/21/17

After review of the available information, the Board on a motion made by Mr. Gormley and seconded by Ms. McGoldrick to approve for group 2 classification the Matron position.

**ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

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

After review of the available information, the Board on a motion made by Ms. McGoldrick and seconded by Mr. Valeri to deny for group 2 classification for the remainder of the positions listed above.

**ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

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

**GROUP 4 PRO-RATE TABLED (Board Review)**

1. **Francis Murphy**                      **Middlesex Sheriff's Office**  
CO/Caseworker - 10/11/88 – 7/12/93

After review of the available information, the Board on a motion made by Ms. McGoldrick 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

**20/50**

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

1. **Kathleen Delaney**                      Correction Officer – Lieutenant, Suffolk County Sheriff's Department
2. **Sean Farren**                              Correction Officer, Middlesex Sheriff's Office
3. **Ryan Lees**                                Correction Officer – Sergeant, Suffolk County Sheriff's Department
4. **Abner Martinez**                        Correction Officer I, Department of Correction
5. **Stephen Reasoner**                      Correction Officer, Bristol Sheriff's Department



6. **Marc Viveiros** Lieutenant, Bristol County Sheriff's Department

**20/50 (Board Review)**

1. **Josh Bowdridge** Director of Lowell Community Counseling Center,  
Middlesex Sheriff's Office

After review of the available information, the Board on a motion made by Ms. McGoldrick 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
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Treasurer Goldberg	Yes

**REPORT OF THE EXECUTIVE DIRECTOR**

1. **MSRB Operations**

Mr. Favorito summarized several items related to MSRB operations for the Board.

He noted that the Office of the Comptroller at the end of July transferred additional excess capital gains to the pension and state retiree benefits trusts pursuant to G.L. c.29, §5G. The MSERS received \$7,428,859.98. The MTRS received \$10,704,345.42 and the State Retiree Benefits Trust Fund (OPEB) received \$18.133m.

For FY 2022 \$126.255m was transferred to the Commonwealth's Pension Liability Fund split proportionately between the MSERS (\$51,724,546.70) and the MTRS.

Mr. Favorito reported that the August pension warrant closed on Wednesday August 24, 2022. He noted 300 new payees were added, including 247 retirees. Total new payees for 2022 was 2,427. For the month of August over \$234m in benefits are being issued.

For the period since last pension warrant close through August 18, 2022 some 77 benefit adjustments were completed associated with retro-active pay increases previously reported for existing retirees. For the calendar year more than 832 benefit adjustments have been completed.

Ms. McGoldrick expressed her thanks to the staff for working through the adjustments given the number of retirees impacted and the challenges raised in finalizing them by the MSRB staff given the dearth of experienced HR / Payroll staff.

Mr. Favorito added that accelerated benefit payments for August were issued to 123 new retirees totaling \$1.9m in gross retro-benefits approved for payment on August 15th. Thus far for calendar year 2022, 920 accelerated payments have been issued totaling over \$12.6m in retro payments.

Through the payroll period ending August 19, 2022, the MSRB Disbursement Unit processed 209 refunds / rollovers / transfers totaling approximately \$3.7m in net funds issued. Through the August 26, 2022, warrant the Disbursement Unit will have processed 1,728 refunds / rollovers / transfers for the year totaling over \$37.5m in net funds issued.

Mr. Favorito noted that senior staff was monitoring the impact of the MBTA's Orange Line and partial Green Line shutdowns on staff access to the Boston office. The MSRB is working under Telecommute Program and employees 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.

Some 90 members accessed our drop off hours during the month of August through 8/19/22. More than 525 members have visited to drop off materials and speak with MSRB staff since the beginning of March.

## **2. YTD Fiscal 2023 Operating & Capital Spending Plans**

Mr. Favorito updated the Board and directed their attention to the information summarizing the YTD Fiscal 2023 Operating and Capital Spending Plans vs. actual expenditure reports (through July 31, 2022).

## **3. Benefit Verification Update**

Mr. Favorito reported that more than 61,000 BVF's had been returned to date through the MSRB's vendor. Staff were working through some 6,800 forms returned with changes; 1,956 rejected forms; 51,660 forms were completed. The second mailing is contingent on the submitted changes being processed by staff.

## **4. PRIM Performance Update**

The Board reviewed PRIM performance materials forwarded to the MSRB as of July 31, 2022. Treasurer Goldberg and Ms. McGoldrick commented on the most recently held PRIM Board meeting of August 2, 2022.

PRIM reported its total assets at \$95.781b up from \$92.26b at the end of June 2022. The calendar year to date performance was reported as a decrease of -7.36% gross of fees, one year performance stood at -.58%. MSERS assets were reported at \$34.745b, slightly up from \$33.685b as of June 30, 2022. Mass Turnpike assets were stated at \$165.6m.

## 5. Legislative Update

Mr. Favorito reported that there had not been any further development on the proposed change to the appointment of the public safety designated seat on the PRIM Board since the Governor had returned language in the state budget to the Legislature.

Two retirement related items had been signed into law. Chapter 134 of the Acts of 2022 modified the Retirement Plus program administered by the Teachers Retirement System originally enacted in 2000 to address transfer into the MTRS and to afford certain MTRS members a limited second opportunity to participate if they did not previously opt-in.

Chapter 147 of the Acts of 2022 allows for the limited inclusion of payments made to public retirees and employees in lieu of taking vacation time and allows such payments to be considered “regular compensation”, unless paid in the last three years of employment. The legislation applies only to members in service and having received payment in lieu of vacation leave prior to May 1, 2018.

## 6. MSRB Legal Update

From among the cases reported Mr. Favorito asked Mr. McGough to summarize for the Board the recently issued DALA decision in the matter of Michael Dufresne et al v. State Board of Retirement, Division of Administrative Law Appeals, CR-19-0572, CR-19-0573, CR-19-0584, CR-19-0585, CR-19-0589, CR-19-0592, CR-19-0595, CR-19-0605, CR-19-0607 (July 29, 2022).

These consolidated appeals related to the underpayment of retirement deductions associated with UMass’ failure to take deductions from certain types of specialty pay dating back to at least 2002.

In 2018, it was discovered that certain deductions were erroneously not taken, and the Board, after a process that involved the formation of a sub-committee and many conversations with UMass, decided to waive all deductions owed prior to 2014, and then for all those who still owed deductions from the time period 2014-2019, to waive all amounts under \$500. The Board denied further waivers. The nine Petitioners were part of the impacted UMass employees who owed over \$500 from 2014-2019 and had their request for further waivers pursuant to G.L. c. 32 §20(5)(c)(3).

DALA held that the Board’s denials were not arbitrary and capricious and affirmed the denial of further waivers. DALA found, in part, under G.L. c. 32 §20(5)(c)(3), the Board’s authority to grant waivers was permissive, not mandatory, and that while the Petitioners were all eligible for a waiver, they were not entitled to a waiver. DALA noted the standard of review for a Board decision to grant or deny a waiver request was whether the Board abused its discretion, meaning the decision was arbitrary and capricious or “lacking any rational explanation that reasonable persons might support.” In this case, DALA noted that the

Board’s decision was rational and proper, and the Board considered several factors including the time, effort, and resources it would take to collect the underpayments from employees, and he specifically took note of how the Board spent “months in discussions with various stakeholders and months considering a decision.”

Mr. Favorito acknowledged the efforts of Mr. Valeri and Ms. McGoldrick who had participated on the Board sub-committee created at the time with MSRB staff who worked with UMass in reaching a viable solution.

**7. Board Member Communications**

Mr. Favorito reminded the Board about PERAC’s Emerging Issues Forum being resumed in-person. It is scheduled for September 15, 2022, at Holy Cross.

Also, the nomination period for the ongoing Board election closes on September 12, 2022.

**ADJOURNMENT**

**ON A MOTION BY MS. MCGOLDRICK AND SECONDED BY MR. VALERI THE BOARD VOTED TO ADJOURN THE MEETING.**

**THE MEETING ADJOURNED AT 12:21 P.M.**

**ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:**

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

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**THE NEXT REGULAR BOARD MEETING OF THE STATE RETIREMENT BOARD IS SCHEDULED TO BE HELD ON Thursday September 29, 2022 starting at 10:00 AM.**

Documents Used at the State Board of Retirement Meeting of August 25, 2022

- Agenda for the August 25, 2022 Board Meeting. Supporting documentation for Agenda items as referenced therein.
- Open Session and Executive Session Minutes of July 28, 2022 Board Meeting