

MINUTES FOR THE 1,268th BOARD MEETING

STATE BOARD OF RETIREMENT

DATE: September 28, 2023

TIME: 10:02 A.M.

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

There being a quorum, the September 28, 2023, meeting of the State Retirement Board (“Board”) was called to order at 10:02 a.m. by Treasurer & Receiver General Deborah B. Goldberg, Chair.

Treasurer Goldberg announced pursuant to the Commonwealth’s Open Meeting Law Massachusetts General Law chapter 30A, §20, as amended recently by Chapter 107 of the Acts of 2023, 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: Deborah B. Goldberg, Treasurer & Receiver General, Chair; 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: Kathryn Kougias, Executive Director; Sandor Zapolin, Deputy Executive Director/Chief Operating Officer; Micalie Baptiste-Merisier, Office Manager/Executive Assistant; Lisa Zale, Disability Unit Manager; Joisei Horton, Disability Benefits Support Analyst; Yande Lombe, Associate Board Counsel; Teneshia Lewis, Associate General Counsel; Pamela Diggs, Paralegal; Andrew Dickey, Paralegal; Paula Daddona, Assistant Director of Communications & Member Outreach; Zachary Pierce, Communications Coordinator, II; Ebenezer Shim, Communications Specialist; Diana Reyes, Assistant Director of Member Services; Sharon L. Sullivan, Budget & Finance Manager; Brendan McGough, Associate General Counsel, Stephanie Sicard, Assistant Director of Benefit Services.

Treasury staff that participated remotely for all or part of the meeting were: Sarah Kim, Deputy Treasurer/General Counsel; Alexa Michon, Legislative & Policy Analyst; Rachel Healey, Hearing Officer; Chandra Bork, Chief of Staff; Lizandra Gomes, Deputy Chief of Staff, DE&I Program Manager; Andrew Napolitano, Deputy Communications Director; Mary Wilkins, Communications Executive Assistant; Makayla Fucile, Special Assistant, Treasury; Emily Kowtoniuk, Legislative Director; Suzanne Morson, Executive Assistant.

Members of the public were provided access to the meeting via a call-in number. Those registered as attending were: Kristin Camilleri; Department of Correction, Erin O’Brien; Attorney Steve Columbus; James Budness; State Trooper Rameau; Linda Turner, MA State Police; Attorney Michael Akashian; Alexis Porcello; Jessica Hammond; Attorney Charles Casartello; Sgt. Joseph Hickey (MSP-EAU); Michael Trotsky, PRIM Executive Director and Chief Investment Officer of the Massachusetts Pension Reserves Investment Management Board; Francesco Daniele, PRIM

Director of Client Service; Seth Gitell, PRIM Chief External Affairs Officer; Attorney Alexis Porcello; Jessika Hammond.

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 August 31, 2023, 1,267th BOARD MEETING

On a motion by Mr. Gormley and seconded by Ms. McGoldrick the Board voted unanimously to approve the Open Session and Executive Session Minutes of the 1,267th Board Meeting, held on August 31, 2023.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

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

THE BOARD ENTERS INTO EXECUTIVE SESSION

At 10:05 a.m. the Board entered 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. Treasurer & Receiver General Deborah B. Goldberg, Chair 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. McGoldrick	Yes
Mr. Valeri	Yes
Mr. Gormley	Yes
Treasurer Goldberg	Yes

THE BOARD RECONVENES IN OPEN SESSION

At 11:10 a.m., Ms. McGoldrick left the meeting.

At 11:50 pm., Treasurer Golberg left the meeting. Deputy Treasurer/General Counsel Sarah Kim took over as Chair.

TAB 2- GROUP CLASSIFICATIONS

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

1. **Patrick Ball** – Chief Probation Officer, MA Trial Court
2. **Arthur Barnes** – Court Officer II, MA Trial Court
3. **Linda Brandin** – Probation Officer, MA Trial Court
4. **Gina DiResta** – Social Worker C, DCF
5. **Lisa Haag** – Probation Officer II, MA Trial Court
6. **Jean Kelly** – Social Worker I, DCF
7. **John MacGeachey** – Maintenance Worker, Worcester County Sheriff’s Department
8. **Sean Norris** – Assistant Chief Probation Officer, MA Trial Court
9. **Albert Proulx** – LPN II, Corrigan Mental Health Center, DMH
10. **Paul Sinkiewicz** – Transportation Officer, DYS

GROUP 2 (Board Review)

1. **Scott Andrade** – Facility Worker II, Taunton State Hospital, DMH

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

2. **Debra Bentley** – Residential Supervisor II, Southeastern Residential Services DDS

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

3. **Maryann Ridino** – Social Worker II, DCF

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

GROUP 2 HSC A/B (BOARD REVIEW)

1. **Jill Casey** – HSC I, DDS

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

GROUP 2 (RECONSIDERATION) (Board Review)

1. **Zon Egwuatu** – MHW IV, Worcester Recovery Center and Hospital, DMH

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Treasurer	Yes

Then on a motion made by Mr. Gormely and seconded by Mr. Valeri voted to approve this request.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

GROUP 2 PRO-RATE

Pursuant to the Board’s Classification Policy the following are reported as approved for Group 2 Pro-Rate Classification:

1. **Laura Brody**

Department of Children and Families

Social Worker I – 09/01/1991 - 05/13/1995
Social Worker III – 05/14/1995 - 09/01/1997
Social Worker IV – 09/06/1998 – 2/15/2001
Social Worker D – 12/16/2001 - 01/29/2005
Social Worker D – 01/27/2008 - 04/07/2012

GROUP 2 PRO-RATE (Board Review)

1. **Elizabeth Kingman**

Department of Correction

Records Manager – 07/15/2015-05/07/2022

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

GROUP 4

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

1. **Robert Boucher** – Correction Officer I, DOC - *Posthumous*
2. **Brennan Bulgar** - Correction Officer, Bristol County Sheriff’s Department
3. **Mark Cannistraro** – Correction Officer I, DOC
4. **Thomas Cassidy** – Correction Officer II, DOC
5. **David Charlonne** – Correction Officer I, DOC - *Posthumous*
6. **Paul Collins** – Correction Officer, Norfolk County Sheriff’s Office
7. **William Dineen** – Correction Officer/Lieutenant, Plymouth County Sheriff’s Department
8. **Stephen Grande** – Correction Officer/Sergeant, Plymouth County Sheriff’s Department
9. **Kevin Maunsell** – Environmental Police Officer, Executive Office of Energy & Environmental Affairs
10. **Mark O’Reilly** – Correction Officer II, DOC
11. **Jeffrey Padula** – Captain, DOC
12. **Eric Perry** – Correction Officer IV, Dukes County Sheriff’s Office
13. **Michael Ramponi** – Correction Officer, Norfolk County Sheriff’s Office
14. **John Resendes** – Correction Officer I, DOC
15. **Dean Richard** – Correction Officer III/Chef, DOC
16. **William Ryan** – Correction Officer, Berkshire County Sheriff’s Office
17. **Robert Salvas** – Correction Officer, Worcester County Sheriff’s Department – *Posthumous*
18. **Scott Tourigny** – Correction Officer I, DOC

GROUP 4 (Board Review)

1. **David Moffett** – Correction Officer, Hampshire County Sheriff’s Office

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

GROUP 4 (Tabled) (Board Review)

1. **Patrick Donohue** – Correction Officer, Worcester County Sheriff’s Department

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

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

GROUP 4 PRO-RATE

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

1. **John Crites** **Essex County Sheriff’s Department**
Correction Officer II – 12/01/1990 - 09/23/1999
2. **David Duarte** **Department of Correction**
Correction Officer I – 09/11/1983 - 06/30/1998
Correction Officer II – 07/01/1998 - 01/14/2012
Correction Officer III – 01/15/2012 - 10/03/2015

3. **Robert Higgins**

Department of Correction

Correction Officer I – 04/20/1986 - 04/10/1999

Correction Officer II – 04/11/1999 - 06/11/2011

Correction Officer III – 06/12/2011 - 09/22/2012

Captain – 09/23/2012 - 05/05/2018

20/50

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

1. **Amanda Burnham** – Captain, Essex County Sheriff’s Department - Approved
2. **Joseph Harris** – Captain, Hampden County Sheriff's Department- Approved

TAB 3: REPORT OF THE EXECUTIVE DIRECTOR

At 12:51 p.m., Treasurer Goldberg returned.

PRIM – Michael G. Trotsky, CFA

Guest speaker, Mr. Trotsky addressed the Board and discussed the PRIM team’s expertise, investment managers, portfolio, rates of return, and general economic indicators. He provided specifics on cash flow and the growth of the approximate \$98 billion dollar fund and its positive impact on the Unfunded Actuarial Liability (“UAL”).

The Board appreciated the informative discussion and Mr. Trotsky’s time today.

Business Operations Report

PERAC Actuarial Valuation Report as of January 1, 2023

A draft report was presented to the Board. At the time of publication, the final was not available but will be furnished as soon as possible. Ms. Kougias provided an overview of the valuation and highlighted points of interest, such as the 7.0% assumption used for the valuation, plan assets have grown faster than liabilities--the assets have grown 9.5 times versus the growth of liabilities at 6.6 times as of January 1, 2023, and risk variables were noted. At a future date, Ms. Kougias will extend an invitation to PERAC’s principals, Mr. Parsons and Mr. Boorack to offer more detail and entertain discussion from the Board.

Section 91A for calendar year 2022

Ms. Kougias informed the Board that 105 members who have retired in accordance with Section 91A disability have not complied. Outreach, in writing and via telephone calls, is being conducted by staff to encourage members who have not failed to act to comply with PERAC requirements.

Administrative/recordkeeping processes

The 1099R Request for Quote (“RFQ”) took place in September. A vendor recommendation will be presented to the Board at the October meeting for the processing of the 2023 1099R.

The RFQ process to select a vendor for the Benefit Verification bi-annual requirement is underway for the calendar year ending 2023.

PERAC has issued proposed regulations, Attestation of Retired Members and Beneficiaries, 840 Mass Code Regs 15.01, that would allow retirement boards to perform a data match based on recorded demographics to verify the status of retirees and beneficiaries who receive benefits. An approved procurement process would be used to contract with a third-party entity to do the work. Given this is a proposal, MSRB will continue with the current process.

MSRB Workforce Update

Ms. Kougias updated the Board on this past month’s actions related to staffing. Key positions continue to be vacant; SRB/TRE continue to work together to recruit, hire, and train. The predicament of understaffing directly impacts production and responsiveness to members. Overtime has been employed. Employee retention tools are under review, and TRE will undertake a classification study to evaluate salaries. SRB senior management continues its commitment to focus on staffing, retention, best practices, and workflow efficiencies. Specifically, to the disability work, we are engaging other retirement boards on their experience on outsourcing solutions. Early information shows that the outsourcing has been for the medical panel work rather than for processing applications.

Monthly Operations Data

Ms. Kougias reviewed and highlighted the year-to-date numbers through August (and September where available) for the monthly pension payment, accelerated payments, benefit adjustments, and distributions. First payments for retirees remained consistent in the past two months at 217. Benefit adjustments increased by 8%, and the number of distributions processed was up by almost 10%.

Telephone calls reflect an approximate 1,000 additional calls from July to August and walk ins have remained consistent in the last two months. The Outreach continues to be popular with the membership via Webinars and social media.

The FY2024 operating and capital spending reports were presented through August 30, 2023. There were no significant variances to report at this time when comparing the month to date spending to the approved FY2024 spending budgets.

Fiduciary Insurance Policy Renewal

A memorandum was presented to the Board with the details of the upcoming liability insurance for October 6, 2023, through October 6, 2024. Since a final cost was not available from the carrier at time of publication, an estimate of \$51,500 to \$52,500 plus \$125.00 carrier fee was presented to the Board for its approval. The policy has a limit of \$2,000,000 with a \$10,000 deductible amount. The final cost will be communicated to the Board once it is available.

A motion made by Mr. Valeri, seconded by Mr. Gormley to approve the estimated cost of \$51,500 to \$52,500 plus the \$125 carrier fee.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

PRIM Performance Update

A summary of the PRIT Fund assets and performance was accompanied by the full report for the Board's review. The fund has completed three successful quarters. Assets are at approximately \$98 billion as of August 31, 2023. The rate of return for the calendar year as of August 31 was 7.65 and for the one-month it was -.82.

Legal Update Memorandum

Ms. Kougas summarized the Legal Update Memorandum as prepared by Associate Counsel Yande Lombe. The four cases in brief are as follows:

Patrick Burke v. State Board of Retirement regarding a Group 2 classification. DALA affirmed the Board's decision related to the prorated work as HSC A/B and the request related to an HSC C position.

Robert Hollup v. Worcester Retirement Board & Contributory Retirement Appeal Board. This is an accidental disability retirement case. DALA reversed the Board's decision. The Board subsequently appealed to CRAB and CRAB disagreed with the DALA magistrate's decision.

The Appeal Court found that CRAB did not provide an adequate basis for rejecting the DALA decision and misapplied Vest v. Contributory Ret Appeals Bd. CRAB has filed a motion for reconsideration with the Appeals Court on the Vest issue.

Paul Loscocco v. State Board of Retirement regarding a termination retirement allowance case. DALA affirmed the Board's decision; CRAB affirmed DALA decision, and the member is not entitled to the allowance.

Dana Fowler v. State Board of Retirement regarding a Group 4 classification. DALA affirmed the Board's decision finding Mr. Fowler is not entitled to Group 4 classification.

Executive Director travel

Ms. Kougias requested approval to attend the MACRS 2023 conference from October 1 through October 4, 2023 in Springfield, Massachusetts. The Board was provided with an agenda and costs of the conference.

A motion made by Mr. Gormley seconded by Mr. Valeri voted to approve Ms. Kougias attendance at the MACRS 2023 conference for the dates and location noted:

ON A ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

Ms. Kougias informed the Board that she and Sandor Zapolin, Deputy Executive Director/Chief Operating Officer attended the PERAC Emerging Issues one-day forum on September 21, 2023.

ADJOURNMENT

On a motion by Mr. Valeri and seconded by Mr. Gormley the Board voted to adjourn the meeting at 1:10 p.m.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. Valeri	Yes
Mr. Gormley	Yes
Ms. Kim	Yes

The next meeting of the State Board of Retirement is scheduled for Thursday, October 26, 2023.

