

MINUTES FOR THE 1,269th BOARD MEETING

STATE BOARD OF RETIREMENT

DATE: October 26th, 2023

TIME: 10:01 A.M.

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

There being a quorum, the October 26th, 2023 meeting of the State Retirement Board (“Board”) was called to order at 10:01 a.m. by Deputy Treasurer/General Counsel Sarah Kim.

Deputy Treasurer/General Counsel Sarah Kim 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: Sarah Kim, Deputy Treasurer/General Counsel; 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; Athila Soares-Nunes, 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; Carol Powers, Benefit Calculation Analyst III Sharon L. Sullivan, Budget & Finance Manager; Brendan McGough, Associate General Counsel, Jennifer Hunt, Associate Board Counsel; Kimberly Griffin Director of Information Systems & Technology; Pamela Forde, Reinstatement Unit Manager.

Treasury staff that participated remotely for all or part of the meeting were; Alexa Michon, Legislative & Policy Analyst; Rachel Healey, Hearing Officer; Chandra Bork, Chief of Staff Andrew Napolitano, Deputy Communications Director; Mary Wilkins, Communications Executive Assistant; Makayla Fucile, Special Assistant; 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: Ryan Quirk, Jeffrey Black – HSC A/B, DDS; SaraKate Matthews Personnel Officer I, Department of Correction; Erin O’Brien – Probation Officer, MA Trial Court

Deputy Treasurer/General Counsel Sarah Kim 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.

Deputy Treasurer/General Counsel Sarah Kim 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 September 28, 2023, 1,268th BOARD MEETING

On a motion by Mr. Gormley and seconded by Ms. McGoldrick the Board voted unanimously to approve the Open Session of the 1,268th Board Meeting, held on September 28, 2023 as follows

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

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

Ms. Kougias offered an amendment to the Executive Minutes, Request for Benefits Pursuant to Section 9, Tamar Anoush Bucci, Paragraph two, line one should read, “The applications for the *accidental death* show that...:

Motion made by Mr. Valeri, seconded by Ms. McGoldrick to approve as amended.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

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

THE BOARD ENTERS INTO EXECUTIVE SESSION

At 10:11 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. Deputy Treasurer/General Counsel Sarah Kim 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:

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

THE BOARD RECONVENES IN OPEN SESSION

TAB 2- GROUP CLASSIFICATIONS

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

1. **Barbara Kelleher** – RN II, Worcester Recovery Center & Hospital, DMH
2. **Colleen Furtado** – LPN II, Southeastern Residential Services, DDS
3. **John Nerich** – Chief Court Officer, MA Trial Court
4. **Timothy O’Leary** – Chief Court Officer, MA Trial Court
5. **Brenda Wells-Crowley** – Teacher Assistant, LABBB Collaborative

GROUP 2 (Board Review)

1. **Pamela Da Luz Carvalho** – Social Worker C, DMH

After discussion of the available information, the Board on a motion made by Ms. McGoldrick 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. McGoldrick	Yes
Ms. Kim	Yes

GROUP 2 HSC A/B (BOARD REVIEW)

1. **Jeffrey Black** – HSC A/B, DDS

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. McGoldrick	Yes
Ms. Kim	Yes

2. **Mary Spano** – HSC A/B, DDS

After discussion of the available information, the Board on a motion made by Ms. McGoldrick 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. McGoldrick	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. **Jill Casey**

Department Developmental Services
(Walter E Fernald State School)

Speech Therapist Assistant – 01/17/1984 -
01/09/1987

2. **Anne Killory**

Department of Children and Family

SW I - 06/23/1990 - 04/10/1993
SW III - 04/11/1993 - 08/12/2000
SW IV - 08/13/2000 - 12/15/2001

SW D - 12/16/2001 - 06/06/2008
SW C - 06/07/2008 - 06/07/2008
SW D - 06/08/2008 - 02/06/2016

4. Lisa Mendonca

Department of Public Health
(Lemuel Shattuck Hospital)

RN I – 10/17/1993 - 11/01/1994
RN II – 11/02/1994 - 11/23/1996
RN IV – 11/24/1996 - 01/15/2005

5. Erin O'Brien

MA Trial Court

Probation Officer - 06/19/89 - 04/06/01

GROUP 2 PRO-RATE (Tabled) (Board Review)

1. Brenda Fonseca

Department of Developmental Services

Habilitation Coordinator C – 09/23/2012 - 04/21/2018
Habilitation Coordinator II – 10/18/2015 - 04/28/2018
Residential Counselor C – 04/29/2018 - 09/12/2021

After discussion of the available information, the Board on a motion made by Mr. Valeri and seconded by Ms. McGoldrick voted to approve the request for the Habilitation Coordinator C & II.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

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

Further, on a motion made by Mr. Gormely and seconded by Ms. McGoldrick voted to deny the request for the Residential Counselor C 04/29/2018 - 09/12/2021.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

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

GROUP 4

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

1. **John Barry** – Sergeant, Suffolk County Sheriff's Department
2. **Jeffrey Bello** – Correction Officer I, DOC
3. **Donald Cornoni** – Correction Officer, Essex County Sheriff's Department
4. **Pascal D'Arco** – Corporal, Hampden County Sheriff's Department
5. **Kurt Demoura** – Correction Officer II, DOC
6. **Linda Dennis** – Correction Officer I, DOC
7. **Terrence Donovan** – Correction Officer, Essex County Sheriff's Department
8. **Steven Foulkrod** – Captain, Worcester County Sheriff's Department
9. **Donald Griffiths** – Correction Officer II, DOC
10. **James Hays** – Recreation Officer II, DOC
11. **Derek Markle** – Correction Officer I, DOC
12. **John McGee** – Corporal, Suffolk County Sheriff's Department
13. **Maureen Quinn Mahoney** – Parole Officer C, MA Parole Board
14. **Thomas Serafin** – Captain, Worcester County Sheriff's Department
15. **Joze Varela** – Correction Officer I, DOC
16. **Edward Welch** – Correction Officer, Norfolk County Sheriff's Department

GROUP 4 PRO-RATE

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

1. **Josh Bowdrige** **Middlesex County Sheriff's Department**
Correction Officer – 12/22/2002 - 08/03/2013
Sergeant – 08/04/2013 - 11/14/2015
Assistant Deputy Superintendent – 11/15/2015 - 09/15/2018
Assistant Superintendent – 09/16/2018 - 10/23/2021
2. **Loretta Lillios** **Middlesex District Attorney's Office**
Assistant District Attorney – 01/26/1998 - 07/28/2012
3. **Edward Moriarty** **Hampden County Sheriff's Department**
Correction Officer – 04/15/1992 - 08/13/1995
4. **Timothy O'Leary** **Worcester County Sheriff's Department**
Correction Officer – 01/04/1988 - 07/23/1989

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

1. **William Delaney** – Correction Officer, Suffolk County Sheriff’s Department
2. **Gregory Keating** – Officer I/Head Cook, DOC
3. **Arthur Lapham** – Correction Officer I, DOC
4. **Duane Noreau** – Correction Officer, Plymouth County Sheriff’s Department
5. **Stephen Taylor** – Correction Officer II, DOC

TAB 3: REPORT OF THE EXECUTIVE DIRECTOR

Section 91A Final 2022 Notification

Ms. Kougias reported to the Board the recent status of members who are non-compliant--26 members who have retired in accordance with Section 91A Disability have not complied. There are an additional 23 members who remain non-compliant for calendar year 2022.

Administration and recordkeeping processes

The findings of the procurement process to select a vendor for the 2023 1099R processing, printing, and mailing were presented to the Board. RR Donnelley (“RR D”) submitted a quote of \$71,958.74 and Standard Modern’s quote was \$59,679. Based on staff review a recommendation was made to select RR D; its pricing has been consistent and has demonstrated a high level of commitment in the past year’s production.

A motion was made by Ms. McGoldrick, seconded by Mr. Valeri to approve the recommendation to select RR D for the 2023 1099R processing, printing, and mailing.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

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

A brief discussion of the status of the bi-annual Benefit Verification procurement process ensued. As mentioned, PERAC has pending regulations relative to the process that could result in a change going forward. The Board will be informed as information becomes available.

Ms. Kougias informed the Board of the Fiscal Year 2023 Annual Report that will be presented to the Board at the November 2023 meeting for review and approval, and subsequent submission to PERAC by December 31, 2023.

Ms. Kougias brought to the Board's attention the delay in service deliverables for the PTG/Pension Pro+, the accounting software for the Board's general ledger, and other capabilities. PTG accepted responsibility for the delay. Chris Lodge, President and COO met with Ms. Kougias and committed to getting the job back on track and providing timely, consistent service to complete the conversion.

The dependent verification process was recently completed. This annual verification process is required by dependents between the age of 18-22 who receive a dependent allowance due to a death or disability. Its population is approximately three hundred dependents.

Training initiatives

The Board was informed of potential training resources available through PERAC, Sagitec, and Treasury HR. Technical, management and interpersonal skills training are needed. This support will help to refresh staff skills and to train new team members. Ongoing training is an important component of a successful organization.

MSRB Workforce Update

Ms. Kougias communicated to the Board that an employee retention proposal was submitted to the Treasury. Discussion is anticipated, and SRB appreciates Treasury's support of its effort to address staffing challenges. We will update the Board accordingly. The status of open positions was presented for the Board's information. Treasury has reported that a professional recruiter has been hired.

Board members McGoldrick and Valeri expressed concern about the staffing constraints and its impact on service. They offered their experiences and uptick of interaction with members regarding service. Both acknowledged the staff's commitment and hard work.

Monthly Operations Data

Ms. Kougias reviewed and highlighted the year-to-date numbers through September, and October where available, for the monthly pension payment, accelerated payments, benefit adjustments, and distributions. First payments for October were 264; this is an improvement when compared to the past two months. Benefit adjustments show a steady increase in completion and the number of distributions processed shows an increase from September although there is a decline in the year-over-year numbers in each category.

Telephone calls reflect an approximate 3,700 additional calls when comparing Q2 to Q3. An average of 30,000 calls are received each quarter. Outreach continues to be popular with the

membership via Webinars and social media. The fourth quarter schedule was released the week of October 23.

The FY2024 operating and capital spending reports were presented through September 30, 2023. The first quarter of FY2024 shows operating expenses are underbudget at 12.56%. The capital expenses for the first quarter are at 3%.

A summary of the PRIT Fund assets and performance was accompanied by the full report for the Board's review. Assets are at approximately \$95 billion as of September 30, 2023. The rate of return for the calendar year as of September 30 was 4.95% and for the one-month it was -2.52. A long-term investment strategy helps to tolerate extreme highs and lows of the market.

Information Systems / IT update

Kim Griffin presented to the Board an update on Information Systems & Technology since June 2023. The Estimated Initial Benefit Payment ("EIBP Program is scheduled to resume testing the last week of October.) Training is scheduled to introduce those who will be doing the testing and to familiarize them with the EIBP Program. The testing will run through the end of December. At this time, it is anticipated that just under 30% of monthly applications will meet the defined eligibility criteria for the first quarter launch. SRB will continue to improve the rate as experience is gained that will ultimately benefit new retirees. Mr. Valeri noted to Ms. Kougias his disappointment of the more conservative rate discussed today versus the 40-45% rate that was communicated in December 2022. Ms. Griffin explained a scenario, one example of why the rate has declined over time.

Ms. Griffin provided an overview of the Member Self-Service Project and its Portal Implementation Request for Response ("RFR") development. The Project Manager, Joanna Kolis and Business Lead Andrew McCarthy from the MTX Group have met with business managers to understand the product. The MSS core project team—Sandor Zapolin, Stephen McIsaac, Kim Griffin, Mike Clancy, Joanna Kolis, and Andrew McCarthy meet regularly to advance the endeavor. It is anticipated that the RFR will be posted in December.

Legal Update Memorandum

Ms. Kougias summarized the Legal Update Memorandum as prepared by Associate Counsel Yande Lombe. The eight cases included the following: membership eligibility, anti-spiking, contract service purchase, heart presumption, Accidental Disability Retirement, two Group Classifications, and retirement date.

Election Schedule

The Election Schedule was reviewed for the Board's information. Points of interest are the Notice of Election will be issued November 17, 2023; Nomination papers will be available November 20 and are due back December 28, 2023. If it is determined that there will be an election, subsequent dates will be adhered to as presented in the 2023-24 Election Schedule.

Board Communications

The recently published PERAC schedule for Mandatory Board training – 4th Quarter 2023 was included for the Board’s information. It also included new administrator training scheduled for November 14, Danvers, MA, and other Online Training available.

Ms. Kougias mentioned the 2022 PERAC Comparative Analysis dated September 2023 and a future opportunity to have the principals of PERAC attend to discuss.

It was noted that the October 2023 Retiree eNews Bulletin was included for the Board’s review.

ADJOURNMENT

On a motion by Mr. Valeri and seconded by Mr. Gormley the Board voted to adjourn the meeting at 11:46 a.m.

ON THE ROLL CALL THE VOTE WAS AS FOLLOWS:

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

The next meeting of the State Board of Retirement is scheduled for Thursday, November 30, 2023.