

**MINUTES FOR THE 1230<sup>th</sup> BOARD MEETING**  
**STATE BOARD OF RETIREMENT**

**DATE:** July 30, 2020

**TIME:** 10:15 A.M.

**PLACE:** One Winter Street – 8<sup>th</sup> 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 held via the internet was called to order with the following Members participating remotely for all or part of the meeting and who were identified: Treasurer & Receiver General Deborah B. Goldberg; Patricia Deal, Appointed Member; Francis Valeri, Elected Member; Theresa McGoldrick, Elected Member; Archie Gormley, Chosen Member. All votes taken at the meeting were taken by roll call vote.

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; Zachary Pierce, Communications Coordinator; Chanese Brown, Manager, Disability Unit; Lisa Zale, Disability Case Counselor; Joisei Horton, Disability Case Counselor; Stephanie Medina, Disability Counselor; Diane Scott, Group Classifications Coordinator; Zhuoxin Tan, Internal Auditor; Yande Lombe, Paralegal; and Pamela Diggs, Paralegal.

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

Members of the public were provided access to the meeting via a call-in number; participants included Kathy Curran, Bethany DeMourra, Kelley Correia, William Frisch, Michael Grant, Robert Stephanian, and Audrey Wilcox. Other parties participating remotely for all or part of the meeting were: Manoj Punwani, Sagitec.

*There being a quorum present, the meeting was called to order at 10:15 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 to Treasury staff monitoring the public access platform. No person indicated that he/she was making a recording.*

*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 that the Board would adjourn today's meeting from Executive Session.*

## **OPEN SESSION**

### **Minutes of the 1229<sup>th</sup> Board Meeting**

On a motion by Ms. McGoldrick and seconded by Mr. Valeri the Board voted unanimously to approve the Regular and Executive Session Minutes of the 1229<sup>th</sup> Board Meeting, June 25, 2020.

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

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

### **REPORT OF THE EXECUTIVE DIRECTOR**

*(Mr. Gormley joins the meeting)*

#### **1. MSRB Operations**

Mr. Favorito updated the Board on the status of MSRB business operations.

The MSRB staff began reporting back to the Boston and Springfield offices on a rotational basis the week of July 6, 2020, working both remotely and in-office. General member telephone access has resumed between the hours of 9:00 a.m. and 3:00 p.m. There is no public access to either office.

MSRB senior staff developed schedules that seek to maintain acceptable physical distancing and resource levels for those staff members who are working on-site while remaining under the floor limits relayed by the building management. Although external concerns (public transportation, etc.) remain for some staff, those who have been comfortable coming into the office have generally displayed a good attitude and effort. Several staff have submitted requests to HR based on their own individual circumstances seeking to work only remotely for the foreseeable future.

During the week of July 20th plexiglass extensions were installed for the workstations on the 7th and 8th floors in Boston. Similar extensions will be installed for the workstations in Springfield.

Almost all MSRB team members have laptops and full vpn capability which allows them remote access to the various applications (MARIS; OnBase) we use to execute the benefit requests we receive.

Mr. Favorito reported that the Legislature had not acted upon an FY 2021 retiree COLA. No provision was included in the interim budget agreed upon by the Governor and the Legislature which provides funding of state operations through October 2020. The MSRB continues to monitor legislative activity.

Weekly (disbursement) and monthly (pension) warrants continue to be executed regularly without interruption. 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 period since the MSRB's office closed in March to the current week the Disbursement Unit has processed over 900 refunds / rollovers / transfers totaling more than \$15.5m. Since April the Call Center has handled over 35,000 calls and 9,000 emails.

Approximately 1,100 new retirees have been added to the pension payroll since closing of MSRB offices through this month.

Weekly member and employer outreach continue. Since initially going remote the Communications Team has hosted 50 webcasts some that have included SMART Retirement Seminars, MSRB Operational Updates, and our weekly Face Book Live webcast. More than 2,200 members have participated in the various webcasts.

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

## **2. Benefit Verification Update**

Mr. Favorito informed the Board that Benefit Verification Forms were mailed to all retirees the week of July 6, 2020. This is the first round of BVF's and have an initial response date of August 7, 2020. As previously authorized by the Board this year's BVF's require a witnessing of the member's signature and not a notarization. Approximately 6,000 BVF's have been returned thus far.

## **3. 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 June 30, 2020) which were included as part of

the Agenda materials. A surplus was reported for the close of the fiscal year in both operational and capital spending.

Separately the Board was provided information regarding steps taken by staff to reconcile an outstanding issue of reimbursement to the State Comptroller ("CTR") for accumulated payroll refund receipt vouchers ("PRRV") that were processed for the period of August 29, 2004 (FY2005) through August 20, 2019 (FY2019).

Mr. Favorito referred to the memo provided by MSRB Finance Director Kathryn Kougias outlining that PRRV's are generated for active Commonwealth employees who were and are members of the MSERS and are initiated by the employee's payroll agency. They represent a change or correction to a member's MSRB retirement deductions. If a correction is needed the MSRB processes an adjustment to the specific employee's retirement account to ensure that the member's accumulated retirement balance is correct. The adjustment results in the employee's payroll account being corrected and the CTR adjusting the member's payroll history. This also carries through so that the W2 is correct.

Prior to 2004, processing PRRV was a manual process between the Office of the Treasury ("TRE") and CTR. With the inception of the Commonwealth's MMARS system in FY 2005, the method of manually inputting PRRV was consolidated and a new process was created with the new account accounting system. Based on information provided through the Treasury, in the process of creating this new procedure, the CTR incorrectly coded the pension corrections to post to fund 0614 (a fund that is not related to the payment or receipt of pension funds) rather than fund 0500 (MSRB's pension fund). The CTR was notified of this error as early as September/October 2004.

There were multiple attempts to address the matter, but there was disagreement as the extent of the funds from the retirement system. The CTR notified the Treasury in August 2019 of its desire to resolve the cumulative matter after it appeared the statewide auditor brought the issue to the CTR's attention and strongly advised this be resolved. The TRE Chief Financial Officer included the MSRB Finance and Employer & Board Reporting Units in the discussion at that time.

Through the CTR's MMARS Warehouse system, a report was generated of each PRRV adjustment for the period in question. It comprised of approximately 14,000 accounts. MSRB aggressively tested the data provided and was able to support that an adjustment was warranted. Based on the accounts that were tested, the MSRB's Employer & Board Reporting team confirmed that the amount of \$2,283,471.67 was due to the CTR. The amount was transferred from PRIT to the CTR to resolve the issue.

Finally, the MSRB Finance Unit is working with Sagitec to develop a report that can be run on demand, or a specific time period in order to stay current when a PRRV has been processed. The adjustment and any financial impact to the member will be completed timely once reported by an agency.

#### **4. MARIS Update**

The Board was updated on Fiscal Year 2020 accomplishments as summarized by Ms. Griffin. These included efforts related to the Requirements Traceability Matrix (RTM) initiative (i.e. the post go-live requirements backlog) focused on delivering key MARIS improvements to support MSRB business operation needs and bring MARIS functional areas to a state of completion. The MARIS support team completed several workstream priorities set forth in Ms. Griffin's memo.

In addition, the MSRB initiated foundational infrastructure projects to ensure reliable / scalable systems through up-to-date software and vendor solutions, alignment to technology standards, and to position MSRB for FY 2021 strategic initiatives. Infrastructure projects included upgrading MARIS' operating system, converting MARIS correspondence to Microsoft's Open XML format, converting MARIS integrations from EOTTS' legacy secure file transfer software to their new Cloud based solution, and migrating MARIS systems and data from Sagitec data centers to Microsoft Azure Government Cloud.

Ms. Griffin's memo outlined strategic initiatives for Fiscal Year 2021 which include the design and launch of a Member Self Service portal providing enhanced member support, upgrade and re-hosting of MSRB's OnBase content management system, upgrade of MARIS' underlying code base from its current version, which is reaching end of life, to Version 6 with implementation of Version 6 usability and administration features, and continued data cleansing, standardization and refinement of governance controls to manage quality thresholds and maintenance support.

As previously mentioned, the MSRB in conjunction with Treasury Legal Counsel finalized an amendment to Sagitec for continued MARIS Product services (i.e. Neospin Framework licensing and maintenance), Hosting services and application development services for the 2021 fiscal year. The MSRB negotiated a 5.3% hourly rate discount for onshore experienced personnel as well as a discount below FY 2020 rates for onshore new personnel. The MSRB also negotiated a minimal hourly rate increase for the offshore development personnel (there had been no rate increase in FY 2020).

#### **5. Furlough Policy Amendment**

The Board was provided proposed changes to the current MSRB policy governing the impact of furloughs on members' creditable service. Ms. Troy summarized the proposed changes and indicated Board staff felt the need to update the policy based on the continuing inquiries and variations to traditional furlough practices the MSRB had been receiving from employer and members on the matter. The Board was asked to consider the proposed changes and the policy would be brought back at the next Board meeting for action.

## 6. PRIM Update

The Board reviewed market performance information provided by PRIM through June 30, 2020. For that one-year period PRIM's rate of return was 2.38% with total assets of \$74.985b, of which \$28.203b represented the MSERS. Treasurer Goldberg and Ms. McGoldrick summarized recent PRIM sub-committee meetings which re-iterated PRIM's ongoing liquidity to support monthly benefit payments.

## 7. Legal Update

The Board was directed to the case summaries provided by the MSRB Legal Unit.

## 8. Board / Staff Communications

Mr. Favorito highlighted the several member communications received over the past month which expressed appreciation for staff responsiveness and service.

(The Board then moved on to individual agenda items)

*All items considered unanimous:*

## AGENDA ITEMS

### REQUEST PURSUANT TO SECTION 90G ¾

1. Chukuma Azuonye
  - **Approved;** Motion by Ms. Deal; seconded by Mr. Valeri.

### REQUEST FOR BENEFITS PURSUANT TO SECTION 105

1. Linda L. Pisano (Tabled in May 2020)
  - **Approved;** Motion by Ms. McGoldrick; seconded by Mr. Gormley.

*Mr. Valeri temporarily left the meeting due to technical issues.*

### CONTRACT SERVICE PURCHASE

1. William Frisch (Tabled in June 2020)
  - **Approved;** Motion by Mr. Gormley, seconded by Ms. Deal. Mr. Frisch participated by listening remotely.

## **GROUP CLASSIFICATIONS**

### **GROUP 2**

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

1. **Patricia Bellotti** – Chief Court Officer, MA Trial Court
2. **Leitta Brooks** – Probation Officer, MA Trial Court
3. **James Concannon** – Senior Community Corrections Probation Officer, MA Trial Court
4. **Patrick Connolly** – Assistant Chief Court Officer, MA Trial Court
5. **Nancy Danforth** – Probation Officer, MA Trial Court
6. **Katherine Davini** – Education Specialist D, Division of Inmate Training & Education, DOC
7. **Thomas Donovan** – Assistant Chief Court Officer, MA Trial Court
8. **Heather Flavin** – Probation Officer 2, MA Trial Court
9. **Valerie Fluitt** – Social Worker 3, DCF
10. **Patrick Foley** – Chief Probation Officer, MA Trial Court
11. **Elaine Greene** – Associate Probation Officer
12. **Susan Kahlbaugh** – Institution School Teacher/Teacher C, DOC
13. **Brian LaBelle** – Social Worker 3, DCF
14. **Susan McDonough** – Probation Officer 2, Barnstable Superior Court
15. **Theresa McGinness** – RN 3, Hogan Regional Center, DDS
16. **Michael Monteiro** – Occupational Therapist I, Worcester Recovery Center & Hospital, DMH
17. **Gordon Mullett** – Habilitation Coordinator I, Wrentham Developmental Center, DDS
18. **Paula Nimkar** – Assistant Chief Probation Officer, MA Trial Court
19. **John Picarello** – Court Officer 3, MA Trial Court
20. **Susan Shearer** – Social Worker 4, DCF
21. **Mabel Skelton** – Probation Officer 2, MA Trial Court
22. **Mary Snyder** – Probation Officer 2, MA Trial Court
23. **Kevin Terrii** – Social Worker 3, DCF
24. **James Welch** – Steward, Bristol County Sheriff's Department

### **GROUP 2**

1. **Peter Conlon** – MHW 4, Taunton State Hospital, DMH
  - **Approved**, Motion by Ms. Deal, seconded by Ms. McGoldrick.
2. **Karen Cotton** – Clinical Social Worker 2, Brockton Multi Service Center, DMH (deferred)
  - **Approved**, Motion by Ms. McGoldrick, seconded by Mr. Gormley.

*Mr. Valeri returns to meeting.*

3. **Gloria Ellis** – RN 2, Lemuel Shattuck Hospital, DPH
  - **Approved**, Motion by Mr. Valeri, seconded by Ms. McGoldrick.
4. **Denise Hoyle** – 911 Telecommunicator, Essex Sheriff’s Department
  - **Denied**, Motion by Ms. Deal, seconded by Ms. McGoldrick.
5. **Lyudmila Lavrenchuk** – CNA, Holyoke Soldier’s Home
  - **Approved**, Motion by Ms. McGoldrick, seconded by Mr. Gormley
6. **Anna Novik** – CNA, Holyoke Soldiers Home
  - **Approved**, Motion by Mr. Valeri, seconded by Mr. Gormley.
7. **Edward Ryan** – Regional Program Manager, MA Probation Service, MA Trial Court
  - **Denied**, Motion by Ms. McGoldrick, seconded by Ms. Deal
8. **Doris Santana** – CNA, Holyoke Soldiers Home
  - **Approved**, Motion by Mr. Gormley, seconded by Ms. Deal

**GROUP 2 RECONSIDERATION**

1. **Ramona Alicea** – CNA, Holyoke Soldiers Home
  - **Reconsideration approved**, Motion by Ms. McGoldrick, seconded by Mr. Gormley
  - **Approved**, Motion by Ms. McGoldrick, seconded by Mr. Gormley
2. **Laura Bachand** – LPN 2, Holyoke Soldiers Home
  - **Reconsideration approved**, Motion by Mr. Gormley, seconded by Ms. McGoldrick
  - **Approved**, Motion by Mr. Gormley, seconded by Ms. McGoldrick

**GROUP 2 TABLED**

1. **Esteban Castillo** –Nursing Assistant I, Western MA Hospital, DPH
  - **Denied**, Motion by Ms. McGoldrick, seconded by Mr. Gormley

*Mr. Valeri temporarily left the meeting due to technical issues.*

2. **Kathleen Hickey** – Clinical Social Worker 2, Worcester Recovery Center, UMASS Medical School
  - **Approved**, Motion by Ms. McGoldrick, seconded by Ms. Deal







CO 3 – 10/3/93 – 10/2/94  
Captain – 10/3/94 – 9/25/99

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

1. **Robert Bashaw** – CO I, DOC
2. **Justin Bernardo** – CO I, DOC
3. **Orlando DePass** – Jail Officer, Suffolk County Sheriff’s Department
4. **Samuel Maldonado** – CO, Barnstable County Sheriff’s Office
5. **Vincent Morgano** – CO, Berkshire County Sheriff’s Office
6. **Stephen Souza** – CO I, DOC

**THE BOARD ENTERS INTO EXECUTIVE SESSION**

*At 11:40 a.m. the Board entered into 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. Treasurer Goldberg indicated the Board would not reconvene in Open Session after the Executive Session and will adjourn the meeting at the conclusion of the Executive Session.*

**Mr. Valeri made a motion to enter Executive Session, Ms. McGoldrick seconded the motion.**

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

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

**EXECUTIVE SESSION CONCLUDES AND ADJOURNMENT**

**ON A MOTION BY MS. MCGOLDRICK AND SECONDED BY MR. VALERI, THE BOARD VOTED TO ADJOURN THE MEETING.  
THE MEETING ADJOURNED AT 1:35 PM.**

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

Ms. Deal	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, August 27, 2020 starting at 10:00AM.**

Documents Used at the State Board of Retirement Meeting of July 30, 2020

- Agenda for the July 30, 2020 Board Meeting. Supporting documentation for Agenda items as referenced therein.
- Open Session and Executive Session Minutes of June 25, 2020 Board Meeting