

MINUTES FOR THE 1213th BOARD MEETING
STATE BOARD OF RETIREMENT

DATE: February 28, 2019

TIME: 10:06 A.M.

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

The meeting of the State Board of Retirement was called to order with Members present for all or part of the meeting: James MacDonald, First Deputy Treasurer / Designee; Theresa McGoldrick, Elected Member; Francis Valeri, Elected Member; Patricia Deal, Appointed Member.

Board staff present for all or part of the meeting were: Nicola Favorito, Deputy Treasurer/Executive Director; Darrell Ronan, Director of Member Services; Melinda Troy, Senior Board Counsel; Lori Krusell, Associate Board Counsel; James Salvie, Associate Board Counsel; Paula Daddona, Communications Coordinator; Zachary Pierce, Communications Coordinator; Janice Coen, Executive Assistant / Office Manager; Kathryn Kougias, Finance Director, Mohammed Ali, Assistant Finance Director; Kimberly Griffin, Manager of Information Systems; Chanese Brown, Disability Unit Manager; Marceline Vilmont, Disability Unit; Lisa Zale, Disability Unit; Joisei Horton, Disability Unit; Pamela Diggs, Paralegal; Glenn Aissis, Training Manager, Thomas Mancini, Training Coordinator; LaTanya Minors, Survivor Benefits; Diane Scott, Classification Coordinator.

Treasury staff present for all or part of the meeting were: Sarah Kim, Treasury General Counsel; Caitlyn Gossett, Assistant General Counsel; Michael Bergquist, Treasury Legislative Affairs.

Other parties in attendance for all or part of the meeting were: John Malone, Gartner; John Kastrinos, Gartner; Piyush Jain, Sagitec; Suzanne Wall, Mass. Teachers Association; and State Police Trooper Nicholas Guarino.

There being a quorum present, the meeting was called to order.

Mr. MacDonald 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 he was obligated to inform attendees of any recording at the beginning of the meeting. He then asked that anyone present who is making any recording identify themselves as doing so. No person present indicated that he/she was making a recording.

MINUTES OF THE 1212th BOARD MEETING: On a motion by Ms. McGoldrick and seconded by Ms. Deal the Board voted unanimously to approve the Regular and Executive Session Minutes of the 1212th Board Meeting, January 31, 2019.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Favorito informed the Board that Michael Trotsky from PRIM who had been scheduled to present today was re-scheduled to the March meeting due to a scheduling conflict. Also expected to attend the March meeting are John Parsons the new PERAC Executive Director and James Lamenza the State Actuary.

1. Robert C. Minue / MARIS Implementation Update - Monthly Status Report

(Mr. Valeri arrives)

MSRB Manager of Information Systems Kimberly Griffin and John Malone of Gartner updated the Board on the MARIS implementation and related activities.

Ms. Griffin indicated that the February pension payroll warrant ran on February 21st. She reported 221 new retiree and survivor benefit payees were added to the MSERS pension payroll.

The IRS Form 1099-R file for 2018 member benefit payments was successfully delivered to the IRS completing the final process step.

The MARIS short-term roadmap (for the remainder of Fiscal Year 2019) is currently progressing to schedule with the support team focused on resolving the remainder of outstanding issues with upcoming annual processes (i.e., Actuarial Reporting and 3(8)(c) bills processing) and delivering planned enhancements (i.e., improved Benefit Estimate and reporting capabilities).

In addition, Phase 1 of the Status Redesign enhancement project is progressing to schedule in parallel with the 2018 Actuarial Reporting activities. Phase 1 addresses the outstanding member status value and status effective date issues from the 2017 actuarial data reports as well as provides business status values in line with industry best practices and ensures their accuracy.

Since the last Board meeting, the MARIS support team deployed one maintenance release (#41) to production. Release 41 included the 2019 IRS tax withholding rates, Post Retirement Deduction letters format and text changes, and batch processing enhancements that removed correspondence generation from employer contributions posting creating a separate correspondence batch job.

The Gartner Pension Subject Matter Expert (SME), brought on board to provide additional SME support for the 2018 Actuarial Reporting and Status Redesign enhancement project, is effectively supporting the team with test scenario execution

and data verification to the projects' defined schedule. The MSRB in conjunction with Treasury HR is actively recruiting candidates for the second MARIS BA position.

John Malone of Gartner reported on IV&V observations. He noted the MARIS support team is continuing development of MSRB's Actuarial data reports.

The Status Redesign will be completed in two phases; Phase 1 will focus on the activities necessary to deliver the Actuarial reports to PERAC by the end of March 2019, Phase 2 of the Status Redesign will extend the Status field changes to the rest of the MARIS, this is currently scheduled for April through July. Overall development for Phase 1 is progressing according to plan, the team has completed development and testing of the new business status.

While conducting analysis for the Actuarial process, a significant amount of employment history issues were identified. While some of the issues were caused by data conversion and will be addressed by the workstream, other issues are due to incorrect or incomplete information provided by employers; these may require a future, targeted initiative to address all issues with current data.

As previously reported, the IV&V team continues to observe a declining trend for the resolution of PIRs and Tickets. Currently there is an overall resolution rate of 77% (i.e., 77 Tickets/PIRs are closed/cancelled for every 100 opened) from October 2018 through January 2019. Forty-nine (49%) percent of Tickets/PIRs were resolved in January; this is 55% lower than the resolution rate observed from January to September¹ of 2018 (104%) and 22% lower than January 2018 in particular. This has yielded an overall increase of 106 Tickets/PIRs during Q4 of 2018 and January 2019, after 7 consecutive months of a net decrease.

Ms. McGoldrick asked of the average time to close PIR's and Tickets. Ms. Griffin and Ms. Ronan noted that times could vary depending on the complexity of a PIR or Ticket. Ms. Ronan added that generally Tickets are associated with individual member transactions and can be escalated and addressed more quickly as necessary.

2. YTD Fiscal 2019 Operating & Capital Spending Plans

Mr. Favorito referred the Board to the YTD Fiscal 2019 Operating and Capital Budgets vs. actuals reports (through January 31, 2019) which were included as part of the Agenda materials.

¹ May & June resolution trends are not included because of RTM analysis and resulting PIR closure's effect on resolution rates

3. One Winter Street Lease Extension

Mr. Favorito updated the Board on discussions with DCAMM and the Druker Company related to the One Winter Street premises and lease which will expire at the end of October 2019. While the MSRB had previously received a proposed extension of up to six years for the 8th Floor, the MSRB was waiting on a final schedule from DEP related to its giving up the 7th Floor due to consolidation as the MSRB was interested in utilizing part of that space. The MSRB had asked DCAMM and Druker to draft potential floor plans for the 7th Floor.

Mr. Favorito noted that the MSRB, DCAMM and Druker had met the prior week and agreed on next steps to learn from DEP whether they would be vacating by June 2019. At the same time the MSRB had received proposals that would include the 7th floor space once it became available. He asked the Board for authority to complete negotiations with Druker, as advised by DCAMM, consistent with the proposals that had been received that would extend the MSRB's lease for the 8th Floor and also include the 7th Floor option.

On a motion by Ms. Deal seconded by Ms. McGoldrick the Board voted to authorize staff to complete negotiations for the lease extension of One Winter Street – 8th Floor and for space on the 7th Floor consistent with the proposals that have been submitted

4. University of Massachusetts / Payroll Reporting – Specialty Pay

Mr. Favorito indicated that the MSRB and UMass had exchanged comments to a proposed letter of agreement outlining the terms agreed upon at the February Board meeting as directed by the Board. He was awaiting a response from UMass and expected the final version to be executed in the coming weeks.

5. Proposed Amendments to Board Regulations / 941 CMR 3.03 (Rollovers from MSERS) 941 CMR 3.04 (Rollovers into MSERS)

Mr. Favorito asked Mr. Salvie to summarize proposed amendments to two MSRB regulations which governed acceptable rollovers and distributions from the MSERS as well and payments to the MSERS for service purchases.

Mr. Salvie noted that the proposed changes would bring the regulations up to date in both areas and were consistent with the practices currently in place as permitted by IRS regulations. He added that due to periodic changes at the federal level the regulations should be reviewed regularly.

On a motion by Mr. Valeri seconded by Ms. McGoldrick, the Board voted to adopt the proposed amendments to 941 CMR 3.03 & 3.04 and authorize staff to effectuate the process for submission of the regulations to PERAC and the Office of the Secretary of State.

6. Section 60 / ORP Transfer Update

Mr. Favorito discussed with the Board further the ongoing ORP transfers pursuant to Section 60 of Chapter 176 of the Acts of 2011, as amended by Section 190 of Chapter 165 of the Acts of 2014. At the December 2018 meeting one of the issues discussed was whether the MSRB should revisit assessing interest costs on remaining creditable service and associated balance transfers. The Board authorized staff to determine under what circumstances interest could be assessed and work with the Department of Higher Education and Massachusetts Teachers Association to implement it.

In response to the Board's action the MTA on January 30, 2019 submitted correspondence and opinion arguing against the resumption of interest charges. As the materials did not come in time for the January meeting they were included this month.

Mr. Valeri inquired about the added cost / liability the transferees represented to the retirement system. Mr. Favorito indicated that he would request updated information from the State Actuary.

Ms. McGoldrick asked about the number of affected individuals with creditable service after December 31, 2013 who would be subject to additional interest charges. Mr. Favorito indicated that staff had been assembling the data after the December meeting and were hoping to finalize the information.

The Board asked Suzanne Wall of the MTA if she wished to address the Board. Ms. Wall thanked the Board and indicated she was in attendance to ensure that the MTA's concerns were discussed at the meeting.

7. PRIM Update

The January 2019 PRIM performance updates were reviewed by the Board.

8. Board Legal Update

The Board reviewed the memo prepared by the MSRB Legal Unit summarizing the recent decisions that have been received involving the MSRB.

9. Board / Staff Communications

Mr. Favorito reviewed recent Board communications including positive member emails related to customer service provided by the MSRB staff and the latest retiree February *eNews Bulletin*. The Board was shown the consolidated MSRB Pension Calculator which is available on the Boards website. The Board was informed that staff had developed a Board Member Reimbursement Form specific for the Board which will be used going forward.

THE BOARD GOES INTO EXECUTIVE SESSION. At approximately 10:55 a.m. the Board entered 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. The Board indicated that it would return to Open Session after the Executive Session.

Mr. Valeri made a motion to enter Executive Session. Ms. Deal seconded the motion.

ON ROLL CALL THE VOTE WAS AS FOLLOWS:

Mr. MacDonald	Yes
Ms. McGoldrick	Yes
Mr. Valeri	Yes
Ms. Deal	Yes

(Unless otherwise noted all votes taken in Executive Session were unanimous roll call votes)

BOARD RETURNS TO OPEN SESSION

(Roll call required)

THE BOARD COMES OUT OF EXECUTIVE SESSION: at 12:15, Ms. Deal made a motion to come out of Executive Session and return to Open Session. Ms. McGoldrick seconded the motion.

On roll call the vote was as follows:

Mr. MacDonald	Yes
Mr. Valeri	Yes
Ms. McGoldrick	Yes
Ms. Deal	Yes

(Unless otherwise noted, all votes taken are unanimous.)

REQUEST TO PURCHASE CONTRACT SERVICE

1. Eva Yutkins-Kennedy:
 - **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick

REQUEST TO RESCIND RETIREMENT BENEFITS

1. Patrick J. Donohue
 - **Approved**; Motion by Ms. McGoldrick, seconded by Ms. Deal

GROUP CLASSIFICATIONS

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

1. Miriam Andrews – Social Worker I, DCF
2. Julie Bennett – Chief Probation Officer, MA Trial Court
3. Mark Bernard – Probation Officer 2, MA Trial Court
4. Evelyn Carvalho – Direct Support Specialist, Educational Collaborative
5. Phyllis Comoletti – LPN I SE Residential Svcs., DDS
6. Mary Costanzo – RN 2, Wrentham Developmental Center, DDS
7. Deborah Crowley – Social Worker 2, DCF
8. Darlene Di Orio – Vocational Instructor C, Hogan Regional Center, DDS
9. Henry Geryk – District Engineering Inspector, Department of Fire Services
10. Michael Greenleaf – Chief Probation Officer, Milford District Court, MA Trial Court
11. Lynne Hash – Social Worker C, DCF
12. Lisa Hicks-Nolette – RN 2, Taunton State Hospital, DMH
13. Judith Kelley – RN 3, Taunton State Hospital, DMH
14. June Kelly – Court Officer, MA Trial Court
15. Kathleen McCarthy – Probation Officer 2, MA Trial Court
16. Anita Mitchell – RN/Nurse Supervisor, Hampden County Sheriff's Department
17. Deborah Mullett – Habilitation Coordinator I, Wrentham Dev. Center, DDS
18. Gina Perruzzi – MHW 3, Taunton State Hospital, DMH
19. June Pham – RN 2, Tewksbury Hospital, DMH
20. Elis Sanchez-O'Shea – Asst. Chief of Probation, MA Trial Court
21. Nancy Spry – LPN I, SE Residential Services, DDS
22. Michael Thurston – Social Worker 2, DCF
23. Sara Welch – Social Worker D, DCF

GROUP 2 TO BOARD

1. **Martha Arbelaez-Serna** – Word Processor, MA Parole Board
 - **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick
2. **Nellie DeMesa** – RN 2, Tewksbury Hospital, DPH
 - **Tabled**; Motion by Ms. Deal, seconded by Ms. McGoldrick
3. **Nancy Harand** – LPN 2, Soldiers Home Holyoke
 - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal
4. **Marie LePage** – LPN 2, Corrigan Mental Health Center, DMH
 - **Tabled**; Motion by Mr. Valeri, seconded by Ms. McGoldrick
5. **Christopher Shanahan** – Social Worker I, DCF
 - **Denied**; Motion by Ms. Deal, seconded by Mr. Valeri
6. **Kathleen Stoffel** – Habilitation Coordinator 3, DDS
 - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal
7. **Mona Tye** – Clinical Social Worker D, Tewksbury Hospital, DMH
 - **Approved**; Motion by Ms. McGoldrick, seconded by Mr. Valeri

GROUP 2 RECONSIDERATION TO BOARD

1. **Marie Lorquet** – RN 2, Lemuel Shattuck Hospital, DPH
 - **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick
(Denied at September 2018 Board meeting)

GROUP 2 TABLED TO BOARD

1. **Donna LeMay** – Rehabilitation Aide, Tewksbury Hospital, DPH
(Tabled at January 2019 Board meeting)
 - **Approved**; Motion by Ms. McGoldrick, seconded by Mr. Valeri
2. **Jorge Mota** – Group Worker 3, DYS
(Tabled at January 2019 Board meeting)
 - **Approved**; Motion by Mr. Valeri, seconded by Ms. Deal

GROUP 2 HSC A/B TO BOARD

1. **Marie Cushing** – HSC A/B, Brockton Multi-Service Center, DMH
2. **Lidia De la Cruz** – HSC A/B, DDS
3. **Nancy Fernandes** – HSC A/B, Metro Region, DDS
 - **Approved;** Motion to approve all three HSC A/B's by Ms. Deal, seconded by Ms. McGoldrick.

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

1. **Mary Clemmey-Turner** **Dept. of Mental Health - Taunton State Hospital**
Mental Health Worker I – 6/10/84 – 1/7/85
Mental Health Worker 2 – 1/8/85 – 3/4/87
Mental Health Worker 3 – 3/5/87 – 3/21/00
Mental Health Coordinator I – 3/22/00 – 8/8/01
Residential Supervisor A/B – 8/9/01 – 11/28/02
(SE Residential Program)
HSC/AB (MH Coordinator 2) – 11/29/02 – 11/30/16
(SE Residential Program)
2. **Cynthia Masse** **Dept. of Mental Health**
Mental Health Worker I, Worcester Recovery Center
6/10/84 – 1/7/85

GROUP 2 PRO RATE TO BOARD

1. **George Hutchinson** **Department of Correction**
Director of Treatment -
(Souza Baranowski Correctional Center)– 1/8/12 –
11/16/13
Deputy Superintendent-(MCI Shirley) – 11/17/13 – Present
 - **Approved;** Motion by Ms. McGoldrick, seconded by Ms. Deal

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

1. **Lester Bigelow** – CO/Corporal, Hampden County Sheriff's Department
2. **Anthony Boulette** – Sergeant, Worcester County Sheriff's Department

3. **Brian Brady** – Industrial Instructor 2, DOC
4. **Joseph Casey** – CO 2, DOC
5. **Mark Charles** – Jail Officer, Suffolk County Sheriff's Department
6. **Brian Coffey** – Senior CO, Middlesex Sheriff's Office
7. **Andrew Crawford** – Captain, Middlesex Sheriff's Office
8. **Donald Crowley** – CO/Captain, DOC
9. **Paul Darcy** – Jail Officer, Suffolk County Sheriff's Department
10. **Michael Duggan** – Assistant Deputy Superintendent, Plymouth County Sheriff's Department
11. **George Gikas** – Sergeant, Essex Sheriff's Department
12. **Kristina Gikas** – Assistant Superintendent/Command & Control, Essex County Sheriff's Department (Spousal)
13. **Patrick Haggan** – Assistant District Attorney, Suffolk D.A.'s Office
14. **Barry Keefe** – Assistant Deputy Superintendent, Norfolk County Sheriff's Office
15. **Alan Klammer** – CO, Plymouth County Sheriff's Department
16. **James Kleimola** – Industrial Instructor I, DOC
17. **Edward Kupiec** – CO/Corporal, Hampden County Sheriff's Department
18. **Mark Lowre** – Jail Officer, Suffolk County Sheriff's Department
19. **Robert McDaid** – Senior CO 2, Essex County Sheriff's Department
20. **Joanne O'Brien** – Jail Officer, Suffolk County Sheriff's Department
21. **Robert Opsitnick** – Assistant District Attorney, Northwestern D.A.'s Office
22. **Dewey Perry** – CO I, DOC
23. **Christopher Ryan** – CO, Hampden County Sheriff's Department
24. **William Shea** – Lieutenant, Plymouth County Sheriff's Department
25. **Michael Silba** – Environmental Police Officer/Sergeant, MA Environmental Police
26. **Stephen Silveria** – Industrial Instructor 3, DOC

GROUP 4 TO BOARD

1. **James McCarthy** – Maintenance Officer, Essex Sheriff's Department
 - **Approved Group 2 and Denied Group 4;** Motion by Ms. McGoldrick, seconded by Ms. Deal

GROUP 4 TABLED TO BOARD

1. **Peter Phillips** – Assistant Deputy Superintendent, Middlesex Sheriff's Office
(Tabled at January 2019 Board meeting)
 - **Tabled;** Motion by Ms. Deal, seconded by Ms. McGoldrick

GROUP 4 CORRECTIONAL PROGRAM OFFICER TO BOARD

1. **Lori Cresey** – Correctional Program Officer D, DOC
 - Approved, Motion by Ms. McGoldrick, seconded by Ms. Deal

GROUP 4 PRO RATE CORRECTIONAL PROGRAM OFFICER TO BOARD

1. **George Hutchinson** – **Department of Correction**
Correctional Program Officer A/B – 6/1/86 – 6/2/90
Correctional Program Officer C – 6/3/90 – 1/08/12
- **Approved;** Motion by Ms. McGoldrick, seconded by Ms. Deal

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

1. **Tyrone Dawkins** – Correctional Counselor/CO, Hampden County Sheriff's Office
2. **Wade DuBois** – CO/Lieutenant, Hampden County Sheriff's Department
3. **John Gaeta** – CO/Sergeant, Suffolk County Sheriff's Department
4. **Warren Lohnes** – CO, Worcester County Sheriff's Department
5. **Andrew Manzi** – CO/Corporal, Hampden County Sheriff's Department
6. **Charles Young** – CO, Barnstable County Sheriff's Office

**ON A MOTION BY MR. VALERI AND SECONDED BY MS. DEAL, THE BOARD VOTED TO
ADJOURN THE MEETING. THE MEETING ADJOURNED AT 12:35 P.M.**

**THE NEXT REGULAR BOARD MEETING OF THE STATE BOARD OF RETIREMENT WILL BE HELD
ON Thursday, March 28, 2019 at 10:00 A.M.**