

MINUTES FOR THE 1212th BOARD MEETING STATE BOARD OF RETIREMENT

DATE: January 31, 2019

TIME: 10:05 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: Deborah Goldberg, Treasurer & Receiver General; Theresa McGoldrick, Elected Member; Francis Valeri, Elected Member; Patricia Deal, Appointed Member; Archie Gormley, Chosen Member.

Board staff present for all or part of the meeting were: Nicola Favorito, Deputy Treasurer/Executive Director; Marianne Welch, Deputy Executive Director; Melinda Troy, Senior Board Counsel; Lori Krusell, Associate Board Counsel; James Salvie, Associate Board Counsel; Paula Daddona, Communications Coordinator; Janice Coen, Executive Assistant / Office Manager; Mohammed Ali, 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; Tamarra Desruisseaux, Employer & Board Reporting Manager; Anthony Sarnacchiaro, Reinstatement Manager; Thomas Mancini, Training Coordinator; Diane Scott, Classification Coordinator.

Treasury staff present for all or part of the meeting were: James MacDonald, First Deputy Treasurer; Sarah Kim, Treasury General Counsel; Susan Anderson, Treasury Hearing Officer; Emma Sands, Treasury Communications; Emily Kowtuniuk, Treasury Legislative Affairs.

Other parties in attendance for all or part of the meeting were: John Malone, Gartner; John Dunlap, University of Massachusetts; Matthew Gorzkowicz, University of Massachusetts; Nicholas Gula, Local 6350; James Donovan, Teamsters Local 25; Chester Ovesen, Jana Hollingworth and Elisabeth Szanto, SHARE; Janelle Quarles, CSU, UMASS; and State Police Trooper Robert Morales.

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

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 attendees of any recording at the beginning of the meeting. She 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 1211th BOARD MEETING: On a motion by Ms. Deal and seconded by Mr. Gormley the Board voted unanimously to approve the Regular and Executive Session Minutes of the 1211th Board Meeting, December 20, 2018.

(Ms. McGoldrick arrives)

ON ROLL CALL THE VOTE WAS AS FOLLOWS:

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

REPORT OF THE EXECUTIVE DIRECTOR

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

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 January pension payroll warrant successfully ran on January 23rd marking the start of the third year of MARIS processed payrolls. Staff had added 274 new retiree and survivor payees. The weekly disbursement warrant continues to be executed without issue.

She reported the end of calendar year annual processes successfully executed in MARIS include:

- 2018 IRS Form 1099-R's which were mailed this week
- 2018 GIC Member Annual Statements which are to be mailed by the GIC in February
- December 2018 local retirement board Cost of Living Adjustment (COLA) reimbursement payments

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, the Status Redesign enhancement project (introduced in the December Board meeting) was added to the roadmap. These enhancements address the outstanding status value and status effective date issues from the 2017 actuarial data reports, provide additional business status values in line with industry best practices and ensure their accuracy, allow for new reporting and provide the foundation for future improvements with no disruption to current system functions.

Finally, Ms. Griffin noted the MSRB and Gartner evaluated ongoing IV&V and support services needs for the MARIS Services SOW through fiscal year end. As a result of the evaluation, the MSRB amended services to include a Pension Subject Matter Expert (SME) from January 1st, 2019 through March 31st, 2019 to provide additional SME support for the 2018 Actuarial Reporting and Status Redesign enhancement project reporting to the MSRB SME.

Mr. Malone reported the emphasis on Actuarial and Status Redesign continues to affect the totals for PIR resolution (e.g., most PIRs will remain open, even if “resolved”, until testing occurs in February) but the IV&V team continues to work with the PMO and Sagitec to identify contributing causes and recommend solutions to increase productivity. The overall resolution rate of 88% (i.e., 88 Tickets/PIRs are closed/cancelled for every 100 opened) from October through December. This is 16% lower than the resolution rate observed from January to September of 2018 (104%) even though the number of Tickets/PIRs opened is lower.

Treasurer Goldberg and Ms. McGoldrick asked when the existing resources could resume focusing on other areas of the MARIS application to improve the resolution rates. Mr. Malone indicated the end of March and beginning of April should allow opportunity for improvement in the resolution of PIR’s and tickets as some of the current workstreams will be concluding.

Mr. Favorito noted that the challenge has remained to address the required tasks while also being mindful of maintaining budget limitations.

(Mr. Valeri arrives)

2. University of Massachusetts / Payroll Reporting – Specialty Pay

Mr. Valeri and Ms. McGoldrick updated the Board on recent follow up discussions with University officials since the December 2018 meeting. Mr. Valeri indicated that he, Ms. McGoldrick and Mr. Favorito had met with the University and following proposal was put forward which is agreeable in order to resolve the matter for active employees.

- Waiver of repayment of unpaid contributions for affected employees that owe a total of \$500 or less for the period in question.
- Affected employees would be billed who owe more than \$500 in total unpaid contributions, but only for the period 2014 through the start of the deductions in January 2019.
- Standard repayment terms would apply to those owe contributions, i.e. lump sum payment or through payroll deductions. Repayment must be completed prior to a member’s retirement.
- Affected employees would be provided notice of the right to request a waiver, in accordance with section 20(5)(c)(3).

- UMass would remit a payment to the MSERS for the accumulated amount of investment returns that would have accrued based on the annual contributions that were not paid to the system from 2002-2018.
- UMass would reimburse the MSRB for the cost of time and labor to process and generate statements to the members who owe funds to the system
- Affected retirees would be addressed separately

Mr. Dunlap indicated the University supported the recommendation of the subcommittee and will work with the subcommittee and the executive director to finalize any remaining details that need to be agreed upon. He thanked Mr. Valeri, Ms. McGoldrick, Executive Director Favorito and the staff of the Retirement Board for the tremendous amount of time and attention they have dedicated to this issue over these past months. He also thanked the leadership of the public employee unions that represent impacted employees.

He added that a decision to focus on earnings back to the beginning of calendar year 2014 and a \$500 waiver provides a fair-minded balancing of interest that lessens the adverse impact on employees to a very significant extent. The University was also supportive of an appropriate contribution to the MSERS to offset investment returns that had been forgone on the funds that had not been contributed. He concluded that the University intends to send a follow up customized letter to all impacted employees on February 11 to inform them of the how much they owe – or don't owe as the case may be.

Treasurer Goldberg invited the union representatives in attendance to address the Board if they wished on the proposal. While generally indicating their support for the proposal, none had any comments for the Board but thanked them for their efforts.

A representative from UMass Dartmouth- IBPO representing the campus police inquired on the status of any determination whether certain types of pay would be "regular compensation". Mr. Favorito indicated that the pay for Narcan certification would be, but the clothing allowance payment would not be regular compensation. Separate correspondence from the Board was being finalized and would be issued to the University in the coming week addressing several other forms of specialty pay.

On a motion made by Ms. Deal and seconded by Mr. Gormley, the Board voted unanimously to adopt the recommendations of the sub-committee as reported and to direct staff to enter into an agreement with the University to effectuate the terms thereof.

3. YTD Fiscal 2018 Operating & Capital Budgets

Mr. Favorito referred the Board to the YTD Fiscal 2018 Operating and Capital Budgets vs. actuals reports (through December 31, 2018) which were included as part of the Agenda materials.

4. House 1 – MSRB Related Sections

Mr. Favorito highlighted retirement related sections in the recently filed House 1. These included the proposed retiree COLA increase of 3%, and stabilization fund transfers.

5. Legislative Filings

Mr. Favorito noted PERAC's annual COLA notice submitted to the Legislature.

6. Commonwealth OPEB Valuation

Mr. Favorito referenced the recently issued June 30, 2018 Commonwealth OPEB Valuation. It reflected a net unfunded liability totaling \$14.9b down from \$17.4b in 2017. The main reasons for the decrease were due to changes made to the discount rate, medical claims experience and mortality assumption.

7. PRIM Update

The November and December 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 decision that have been received involving the MSRB including the Supreme Judicial Court's decision in the State Retirement Board v. O'Hare. The Court has reversed the Board's determination that Mr. O'Hare's right to retirement benefits should be forfeited pursuant to §15(4).

9. Board / Staff Communications

Mr. Favorito reviewed recent Board communications including the retiree January *eNews Bulletin*, and the most recently issued Board member training opportunities.

10. BVF Status

Mr. Favorito reported there remained 179 retirees who had not submitted completed Benefit Verification Forms. The Board had previously suspended benefit payments starting in October 2018 for those not in compliance. Mr. Favorito requested the Board now vote to terminate benefits those who are not in compliance by the close of the February warrant on the 21st.

On a motion by Ms. Deal and seconded by Ms. McGoldrick the Board unanimously directed staff to terminate benefits to those members who do not submit and completed BVF by the close of the pension warrant on February 21, 2019.

Before the Board went into Executive Session, Treasurer Goldberg reported that she had asked Ms. Deal, who had accepted, her invitation to be re-appointed to the Board. Ms. Deal's current term concludes at the end of February 2019.

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

ON ROLL CALL THE VOTE WAS AS FOLLOWS:

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

TAB 2: BOARD RETURNS TO OPEN SESSION

(Roll call required)

THE BOARD COMES OUT OF EXECUTIVE SESSION: At 11:30A.M., Ms. McGoldrick made a motion to come out of Executive Session and return to Open Session. Mr. Gormley seconded the motion.

ON ROLL CALL THE VOTE WAS AS FOLLOWS:

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

(Unless otherwise noted all votes taken are unanimous.)

§91A- Report of the Hearing Officer

Board received an update on those members in non-compliance.

REQUEST FOR RETROACTIVE RETIREMENT DATE

1. Deanna Lovett
 - **Approved**, Motion by Ms. McGoldrick, seconded by Mr. Gormley.

REQUEST CONCERNING APPLICABILITY OF THE TWO-YEAR RULE

1. John Sorrentino
 - Attorney Troy briefed the Board on G.L. c.32, §3(6)(d) (“Two-year rule”) with regard to Mr. Sorrentino’s retirement application. Mr. Sorrentino had refunded prior service and had returned to state employment but for a period of less than two years and purchased his prior service before becoming an inactive member. After Board discussion, motion **to deny** Mr. Sorrentino’s request to retire by Ms. McGoldrick, seconded by Mr. Gormley.

REQUESTS TO PURCHASE CONTRACT SERVICE

1. Joanne Barros
 - **Denied**, Motion by Ms. McGoldrick, seconded by Ms. Deal. Mr. Valeri abstained.
2. Linda Singer
 - **Denied**, Motion by Ms. McGoldrick, seconded by Ms. Deal
3. Nancy Sullivan
 - **Denied**, Motion by Ms. McGoldrick, seconded by Ms. Deal
4. Jeffrey Woodworth
 - **Denied**, Motion by Ms. McGoldrick, seconded by Ms. Deal
5. Adrienne Zoghopoulos-Brown
 - **Denied**, Motion by Ms. McGoldrick, seconded by Ms. Deal

REQUEST TO RESCIND RETIREMENT BENEFITS

1. Alvin Laroche
 - **Approved**, Motion by Ms. Deal, seconded by Ms. McGoldrick

TAB 3: GROUP CLASSIFICATIONS

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

1. **Edward DaRosa** – Storekeeper 2, Bridgewater Correctional Complex, DOC
2. **Joseph DePina** – Court Officer, MA Trial Court
3. **Denise Farias** – Social Worker 1, DCF
4. **Susan Fermino** – LPN I, SE Area, On Grounds Residential Program, DMH (posthumous)
5. **Kimberly Gasque** – Probation Officer, MA Trial Court
6. **Lauretta Greene** – Paraprofessional, South Shore Educational Collaborative
7. **Jennifer Griswold** – Social Worker 3, DCF
8. **Catherine Hill** – Probation Officer, MA Trial Court (deferred)
9. **Debra Paradis** – Residential Supervisor A/B, Western Area Region, DDS
10. **Pearlie Pinkett** – Court Officer 3, MA Trial Court
11. **Jean Turley** – Chief Court Officer, MA Trial Court

GROUP 2 TO BOARD

1. **Darryll Brown** – DSW 3, Wrentham Dev. Center, DDS
 - **Approved**; Motion by Ms. McGoldrick, seconded by Ms. Deal
2. **Donna Courtney** – Head Clerk, Worcester Sheriff's Department
 - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal
3. **Donna LeMay** – Rehabilitation Aide, Tewksbury Hospital, DPH
 - **Tabled**; Motion by Ms. McGoldrick, seconded by Ms. Deal
4. **Jorge Mota** – Group Worker 3, DYS...TABLED
 - **Tabled**; Motion by Ms. McGoldrick, seconded by Ms. Deal
5. **Sheila Rutledge-Nuttall** – LPN 2, Tewksbury Hospital, DPH
 - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal

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

1. **Peter Barry** **Dept. of Children & Families**
 Social Worker I – 2/7/99 – 11/18/00
 Social Worker 3 – 11/19/00 – 12/15/01
 Social Worker C – 12/16/01 – 12/26/11
 Social Worker D – 12/27/11 – 5/2/15

2. **Cheryl Bloomer** **Dept. of Mental Health**
 RN 2, Gaebler’s Children Center – 7/21/85 – 3/1/87

3. **Emily Coderre** **Dept. of Developmental Services (DMR)**
 Teacher’s Aide – 9/7/80 – 8/31/81

4. **Karen Krawczyk** **Dept. of Mental Health**
 Psychiatric Support Worker -
 Westfield Area Mental Health Clinic – 8/19/85 – 12/31/86
 Mental Health Case Mgr. 2, Western MA Area
 1/1/87 – 6/24/89
 Adult Case Mgr. 2, Western MA Area, 6/25/89 – 6/30/01

5. **Victor Rodrigues** **MA Trial Court**
 Probation Officer - 1/3/2000 – 1/10/15
 Probation Officer 2 – 1/11/15 – present

GROUP 2 PRO RATE TO BOARD

1. **Cheryl Bloomer** **Dept. of Mental Health**
 RN 4 – Gaebler’s Children Center 11/1/87 – 11/3/90
 RN 4 – Medfield State Hospital – 10/16/94 – 2/17/01

- **Denied;** Motion by Ms. Deal, seconded by Ms. McGoldrick

2. **Emily Coderre** **Dept. of Developmental Services (DMR)**
 Service Coordinator I – 9/1/81 – 3/1/84

- **Denied;** Motion by Ms. Deal, seconded by Ms. McGoldrick

3. **Maureen Kirk**

Dept. of Developmental Services (DMR)

Program Coordinator 3/Risk Manager – 11/16/97 – 6/5/13

- **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick

4. **Pamela Rheaume**

Dept. of Children & Families

Social Worker I – 10/6/85 – 3/26/88

Social Worker 3 – 3/27/88 – 5/12/90

Case Reviewer -5/13/90 – 2/24/96

Social Worker 4 – 2/25/96 – 8/29/98

- **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick

GROUP 2 HSC A/B PRO RATE TO BOARD

1. **George Devlin**

Dept. of Mental Health

Case Manager (HSC A/B) 6/27/92 – 4/10/99

2. **Karen Krawczyk**

Dept. of Mental Health

HSC A/B – Western MA Area, HSC A/B, 7/1/01 – 4/30/05

- **Approved**; Board made one motion to approve both Group 2 HSC A/B Pro Rates to Board; Motion by Ms. McGoldrick, seconded by Ms. Deal

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

1. **Daniel Bennett**

D.A.'s Offices

Middlesex D.A.'s Office

Assistant District Attorney – 3/6/95 – 9/6/96

Assistant District Attorney – 1/8/07 – 1/5/11

Suffolk D.A.'s Office

Assistant District Attorney – 9/10/96 – 10/9/98

Middle D.A.'s Office

Assistant District Attorney – 1/6/11 – 1/31/15

2. **Victor Rodrigues**

Dept. of Correction

Correctional Program Officer A/B – 1/7/96 – 1/8/00

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

1. **Antone Almeida** – CO I, DOC
2. **Gregory Barry** – Assistant District Attorney, Berkshire D.A.'s Office
3. **Michael Calibani** - CO I, DOC (deferred)
4. **David Christian** – CO I, DOC
5. **Patrick Donohue** – CO, Worcester County Sheriff's Department
6. **John Franco** – Transitional Parole Officer A/B, MA Parole Board
7. **Gregory Jones** – CO I, DOC
8. **Robert Kinzer** – Assistant District Attorney, Berkshire D.A.'s Office
9. **Brian Kramer** – CO 2, DOC
10. **Richard Lemon** – CO 2, DOC
11. **Kevin Morris** – Parole Officer A/B. MA Parole Board
12. **Edwin Parris** – Jail Officer/Sergeant, Suffolk County Sheriff's Department
13. **Kenneth Perron** – CO 2, DOC
14. **Robert Pizzi** – CO/Lieutenant, Suffolk County Sheriff's Department
15. **Stephen Randall** – Assistant Deputy Superintendent, Norfolk Sheriff's Office
16. **Thoms Sharland** – CO I, DOC
17. **Harry Simonet** – CO, Hampden County Sheriff's Department (posthumous)
18. **Robert Tempesta** – Jail Officer, Suffolk County Sheriff's Department
19. **Antonio Vasquez** – CO 2, DOC
20. **William Viera** – CO 2/Sergeant, DOC
21. **Robert Zoebisch** – CO, Suffolk County Sheriff's Department

GROUP 4 TO BOARD

Marc Duprey – Assistant Superintendent I/Transportation/Communication Svcs. Bristol County Sheriff's Office

- **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal

Peter Phillips – Assistant Deputy Superintendent, Middlesex Sheriff's Office

- **Tabled**; 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. **Gary Copp** – CO I, DOC
2. **Tyrone Dawkins** – CO/Correctional Counselor, Hampden County Sheriff's Department
3. **Karen Doria** – CO/Sergeant, Suffolk County Sheriff's Department
4. **Keith Germain** – CO 2, DOC
5. **Jason Grasso** – CO I, DOC
6. **Robert Hudson** – CO I, DOC
7. **Fernando Jacome** – CO I, DOC
8. **Byron Locke** – Sergeant, Essex Sheriff's Department
9. **Andrew McCarthy** – Sergeant, Essex Sheriff's Department
10. **Scott Merwin** – CO, Berkshire Sheriff's Department
11. **Santiago Nieves** – CO I, DOC
12. **Gustavo Sepuveda** – CO, Essex Sheriff's Department
13. **Christopher Turner** – CO 2, DOC

**ON A MOTION BY MS. MCGOLDRICK AND SECONDED BY MS. DEAL, THE BOARD VOTED TO
ADJOURN THE MEETING. THE MEETING ADJOURNED AT 11:59 A.M.**

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