

**MINUTES FOR THE 1208<sup>th</sup> BOARD MEETING**  
**STATE BOARD OF RETIREMENT**

**DATE:** September 27, 2018

**TIME:** 10:12 A.M.

**PLACE:** One Winter Street – 8<sup>th</sup> 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; James MacDonald, First Deputy Treasurer/Designee; Theresa McGoldrick, 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; Darrell Ronan, Director of Member Services; Melinda Troy, Senior Board Counsel; Kathryn Doty, Associate Board Counsel; Lori Krusell, 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; Joisei Horton, Disability Unit; Lisa Zale, Disability Unit; Pamela Diggs, Paralegal; Glenn Aissis, Training Manager; Diane Scott, Classification Coordinator.

Treasury staff present for all or part of the meeting were: Sarah Kim, Treasury General Counsel; Kathi Ann Reinstein, Legislative Affairs; Elizabeth Zelnick, Legislative Affairs; Chandra Allard, Treasury Communications.

Other parties in attendance for all or part of the meeting were: Manoj Punwani, Sagitec; Satish Kumar, Linnea Solutions.

*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. WCVB Channel 5 News indicated he was making a recording.*

**MINUTES OF THE 1207<sup>th</sup> BOARD MEETING:** On a motion by Ms. Deal and seconded by Ms. McGoldrick the Board voted unanimously to approve the Regular and Executive Session Minutes of the 1207<sup>th</sup> Board Meeting, held on August 30, 2018.

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

Ms. Goldberg	Yes
Ms. Deal	Yes
Ms. McGoldrick	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 Satish Kumar of Linnea updated the Board on the ongoing MARIS implementation and related activities.

The September pension payroll warrant closed with 456 new retiree, dependent and survivor payees being added. This is the 21<sup>st</sup> consecutive warrant. The weekly disbursement (refund / rollover) warrants were executed successfully. The September payroll included the annual dependent payee full time student verification for dependents 18 years of age and older.

As previously mentioned, MSRB and Gartner developed a MARIS Services Statement of Work (SOW) that defines ongoing support services and related development. MSRB submitted the SOW to Sagitec for their response. Since the last Board meeting, Sagitec presented their SOW response to MSRB. The response facilitated ongoing discussions around the MARIS roadmap, resource needs and associated pricing with the objective to deliver a finalized SOW by end of September highlighting recommendations for continued support.

MSRB in conjunction with Treasury HR has postings for MARIS Business Analyst and Software Engineer positions and have been actively interviewing candidates. MSRB extended an offer to a MARIS Business Analyst candidate who accepted with an October start date.

In addition, MSRB worked with Sagitec to identify a qualified Sagitec BA with previous pension solutions experience to join the MARIS implementation effective September 24th and is actively reviewing additional Sagitec BA resumes.

Ms. Deal and Ms. McGoldrick inquired if the MSRB continued to be satisfied with the response and work effort from Sagitec given the ongoing work streams. Ms. Griffin indicated that Sagitec was continuing to address issues as they arose and had been attentive with the addition of a new BA and the terms under which he would be engaged.

The MSRB and Production Support team delivered MARIS Support Release 36. The release brought functional improvements to MSRB and addresses support related issues including:

- Fiscal Year Reporting: delivery of high priority reports to support Fiscal Year End processing including Covered Payroll ER Distribution Report and Covered Payroll Employer Pension Reimbursement Report
- Benefit Verification: improvements to support suspending benefits for members who did not comply with the benefit verification request
- Operations support improvements in system functions including Buybacks, Disbursements, Benefit adjustments and calculations, and Pension Payroll

Mr. Kumar highlighted to the Board that since the last meeting MSRB, IV&V and the Production Support team continue with ongoing support activities including:

- Weekly triage meetings to prioritize application and data issues
- Weekly communications and status reports to stakeholders
- User and annual process support
- Ongoing data cleanse and conversion
- Requirements definition and development of in-progress and new workstreams including Buyback functionality improvements, Benefit Estimates enhancements, Fiscal Year End reporting capabilities and Actuarial Reports for 2018 data
- Project Governance activities including improvements to change management, SDLC processes and transition plans to onboard new MSRB staff

## **2. YTD Fiscal 2018 Operating & Capital Budgets**

Mr. Favorito referred the Board to the YTD Fiscal 2018 Operating and Capital Budgets vs. actuals (through August 31, 2018) which had been handed out as part of the Agenda materials.

## **3. Commonwealth Actuarial Valuation (January 1, 2018)**

Mr. Favorito informed the Board that PERAC at its meeting on September 12, 2018 approved the January 1, 2018 Commonwealth Actuarial Valuation Report. The final report had just been posted during the week. Hard copies were available to the Board.

In summary the combined funded ratio of the State Employees Retirement System (MSERS), the Massachusetts Teachers' Retirement System (MTRS), the Boston Teachers, and the state's cost of living reimbursements made to local systems is 56.9% or 56.7% (It was 56.7% in last's year's valuation). The funded ratio is the ratio of the value of the system's assets to its benefits already accrued.

The combined unfunded liability increased from \$39.6b to approximately \$41.3b.

(The MSERS funded ratio stands at 64.9%, the MTRS' improved from 52.1% to 52.4%)

The report notes the use of the 7.35% investment rate of return assumption which accounts for an additional \$1.52b in actuarial liability. No significant other assumption changes were noted beyond those identified in the MSERS valuation earlier this year (change in mortality tables for disability retirees; job group classification refinement; the use by Boston of a \$14k COLA base for retirees).

The combined membership of the three systems is 187,169 active; 133,995 retirees. The average annual overall retirement benefit for the MSERS is \$34,884; for the MTRS \$44,389.

#### **4. Benefit Verification Update**

Mr. Favorito informed the Board that there remained over 1,100 members who had not returned their forms since the final mailing was issued. The return date was today September 28<sup>th</sup>. Members not having responded by the close of the October warrant will be subject to having their benefits interrupted starting that month. Board staff will conduct further outreach to those remaining members.

#### **5. MSRB Section 91A Policy**

Mr. Favorito and the Board reviewed the draft Section 91A policy which had been distributed at last month's meeting and reflects the current Board practices. After further discussion and on a motion made by Ms. McGoldrick seconded by Mr. Gormley the Board voted unanimously to adopt the policy as submitted.

#### **6. MSRB Board Delegation Policy Amendment**

Mr. Favorito discussed amendments requested by the Board which would authorize staff to make determinations of certain *Needham* waiver requests under c.32, §5(c)(3). The amendment contained a maximum request of \$1,000 under which Board staff could decide a request. After discussion by the Board a motion was made by Ms. Deal and seconded by Mr. Gormley to approve the amended policy but increasing the limit to \$5,000 for *Needham* waivers that can be determined by Board staff. The motion was approved unanimously.

#### **7. MSRB Beneficiary Policy Amendment**

Mr. Favorito reviewed proposed changes to the Board's Beneficiary Determination Policy that would authorize staff to issue payments of a deceased retiree's or survivor's final pro-rated benefit payment to the appropriate beneficiary. The proposed policy amendment would authorize the Survivor Benefit Unit to issue a pro-rated payment to a current spouse where it is certified that no estate for the member exists, and if the spouse had been properly designated by the member as the sole beneficiary under Option B, or as the beneficiary under Option C. After discussion and on a motion made by Ms. McGoldrick seconded by Ms. Deal the Board voted unanimously to adopt the amendments to the policy.

#### **8. Benefit Calculation Unit Status Report**

Darrell Ronan the MSRB Director of Member Services updated the Board on current activities related to the Benefit Calculation Unit and its efforts in dealing with the continuing high volume of retirement applications. She noted that the group was able to add 456 new payees to the September pension payroll with a concentrated effort and the expansion of available overtime hours. They were targeting similar numbers for October and additional overtime is available through the month. Ms. Ronan explained some the

external factors faced by the unit in processing applications. The Board appreciated the information and felt is gained a better understanding of the process. They expressed their appreciation for the ongoing efforts from the unit.

#### **9. MSRB Organizational Assessment**

Mr. Favorito presented to the Board a proposal for an organization assessment to be conducted. Funds had been set aside in the current fiscal year operating budget. The assessment would hope to assist with future strategic planning and a review of operations. Given current ongoing work streams, PERAC's audit, and annual end of year business needs the expectation is to execute the assessment during the first quarter of calendar 2019. After discussion and on a motion made by Mr. Gormley seconded by Ms. McGoldrick the Board voted unanimously to allow the Executive Director to proceed.

#### **10. PRIM Update**

The Board reviewed the monthly investment performance information provided by PRIM through the month of August 2018. MSERS assets stood at \$27.9b.

#### **11. Legal Update**

Mr. Favorito noted the memo compiled by the Legal Unit which contained summaries of any DALA and CRAB decisions which had issued since the last Board meeting. He noted to the Board the SJC would be hearing arguments in the *O'Hare* matter §15 matter this coming October 1.

#### **12. PERAC Audit (7/1/2013 – 6/30/17)**

Mr. Favorito informed the Board that PERAC audit staff had commenced its audit and have been on site for the past two weeks.

#### **13. Board Member Education**

Mr. Favorito reminded the Board of upcoming educational opportunities for Board members and staff. These included the MACRS conference in Springfield and educational opportunities highlighted in PERAC's memo issued earlier in the week.

**TREASURER GOLDBERG DEPARTED THE MEETING AT 11:25 A.M. MR. MACDONALD ASSUMED THE CHAIR.**

**THE BOARD GOES INTO EXECUTIVE SESSION.** At approximately 11:25 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.

**Ms. McGoldrick made a motion to enter Executive Session. Ms. Deal seconded the motion.**

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

Mr. MacDonald	Yes
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Gormley	Yes

**BOARD RETURNS TO OPEN SESSION**  
**(Roll call required)**

**THE BOARD COMES OUT OF EXECUTIVE SESSION:** at 12:40 P.M., Mr. Gormley 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
Ms. Deal	Yes
Ms. McGoldrick	Yes
Mr. Gormley	Yes

(Unless otherwise noted all votes taken are unanimous.)

**REQUEST FOR RETROACTIVE RETIREMENT DATE**

1. Richard Walsh
  - **Approved Request for Retroactive Retirement Date of May 7, 2018;** Motion by Ms. Deal, seconded by Ms. McGoldrick.

**REQUEST FOR RETIREMENT DATE CHANGE**

1. Anthony J. Lachowetz
  - **Approved;** Motion by Ms. Deal, seconded by Mr. Gormley.

**REQUEST FOR WAIVER OF OVERPAYMENT**

1. Catherine Paress
  - **Denied; Approved authorization for staff to enter into payment plan;** Motion by Ms. McGoldrick, seconded by Ms. Deal.
2. Craig Richov
  - **Approved;** Motion by Ms. Deal, seconded by Mr. Gormley.

### **REQUEST TO PURCHASE CONTRACT SERVICE**

1. Nahid Dayani
  - **Denied**; Motion by Ms. McGoldrick, seconded by Mr. Gormley.
2. Keith G. Esthimer
  - **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick.
3. Thomas McCollem
  - **Denied**; Motion by Ms. Deal, seconded by Mr. MacDonald.

### **REQUEST TO RESCIND RETIREMENT BENEFITS**

1. Paul Amoroso
  - **Approved Authority to Withdraw Retirement if Receive Request**; Motion by Ms. Deal, seconded by Ms. McGoldrick.

### **GROUP CLASSIFICATIONS**

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

1. **Robert Allan** – MHW 4, Lemuel Shattuck, MH Unit, DMH
2. **Cecilia Crawford** – Youth Service Group Worker I, DYS
3. **Jason Fennelly** – Counselor, Cape Cod Collaborative
4. **Francis Ferrara** – Elevator Inspector I, DPS
5. **Karen Fine** – Paraprofessional, Bi-County Collaborative
6. **Deborah Handler** – Occupational Therapist 2, Lemuel Shattuck Hospital, DMH
7. **Susan Jones** – Rehabilitation Counselor C, Worcester Recovery Center & Hospital, DMH
8. **Lisa Malynn** – Probation Officer 2, MA Trial Court
9. **Carol Negus** – Occupational Therapist I, Lemuel Shattuck Hospital, DMH
10. **Vincent Penna** – Chief Probation Officer, MA Trial Court
11. **David Pszeny** – Residential Supervisor I, NE Residential Services, DDS
12. **Mary Quirk** – Social Worker D, DCF
13. **Linda Rider** – LPN, Franklin County Sheriff's Office
14. **Joanne Riendeau** – LPN 2Wrentham Developmental Center, DDS
15. **Noemi Santiago** – Social Worker 2, DCF
16. **Jack Sylvia** – Social Worker 3, DCF
17. **Carmen Temme** – Social Worker D, DCF
18. **Francisco Vargas** – 1<sup>st</sup>. Assistant Chief Probation Officer, MA Trial Court
19. **Russell Wright** – Physical Therapist Assistant, Lemuel Shattuck Hospital, DPH

## **GROUP 2 TO BOARD**

1. **Steven Charon** – Associate Court Officer 2, MA Trial Court
  - **Denied**; Motion by Ms. Deal, seconded by Mr. MacDonald.
2. **Stephen DiPasquale** – Clinical Social Worker D, Worcester Recovery Center, DMH
  - **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick.
3. **Alma Domanowski** – RN, Tewksbury Hospital, DPH
  - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal.
4. **Patricia Harmat** – RN 3/Charge Nurse, Worcester Recovery Center & Hospital, DMH (Spousal)
  - **Approved**; Motion by Ms. Deal, seconded by Ms. McGoldrick.
5. **Eugene Hoy** – Rehabilitation Counselor C, MA Commission for the Blind
  - **Denied**; Motion by Ms. McGoldrick, seconded by Mr. Gormley.
6. **Marie Lorquet** – RN 2, Lemuel Shattuck Hospital, DPH
  - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal.
7. **Anne Moore** – LPN 2, Tewksbury Hospital, DPH
  - **Denied**; Motion by Ms. Deal, seconded by Mr. Gormley.
8. **Linda Morse** – Residential Supervisor C, NE Residential Services, DDS
  - **Tabled**; Motion by Ms. Deal, seconded by Ms. McGoldrick.

## **GROUP 2 TABLED TO BOARD**

1. **Amy Johnson** – RN 2, Taunton State Hospital, WRAP Program, DMH (tabled August 2018)
  - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal.

## **GROUP 2 RECONSIDERATION TO BOARD**

1. **Cynthia Gonsalves** -Cook 2, Forestry Camp in Brewster, DYS (denied July 2018)
  - **Reconsidered**; Motion by Ms. Deal, seconded by Mr. Gormley.
  - **Approved**; Motion by Ms. Deal, seconded by Ms. McGoldrick.



2. **Jeffrey Harmat** – RN 3/Charge Nurse, Worcester Recovery Center, DMH  
(denied August 2018)
  - **Reconsidered**; Motion by Ms. McGoldrick, seconded by Mr. Gormley.
  - **Approved**; Motion by Ms. McGoldrick, seconded by Mr. Gormley.
3. **Kathleen Kearney** - Clinical Social Worker D, Corrigan Mental Health Center, DMH  
(denied August 2018)
  - **Denied**; Motion by Ms. McGoldrick, seconded by Ms. Deal.

#### **GROUP 2 HSC/AB TO BOARD**

1. **Marilyn Smith** – Human Service Coordinator A/B, Central MA Area, DMH
  - **Approved**; Motion by Ms. McGoldrick, seconded by Ms. Deal.

#### **Pursuant to the Board’s Classification Policy the following is reported as approved for Pro-Rated Group 2 Classification:**

- |                                  |  |
|----------------------------------|--|
| 1. <b><u>Donald Devine</u></b>   | <b><u>Department of Developmental Services (DMR)</u></b><br>Recreational Therapist I – 1/8/87 – 2/28/87<br>MRW – 3/1/87 – 5/9/87<br>Recreational Therapist I – 5/10/87 – 8/13/88- 4/8/95   |
| 2. <b><u>Sandra Green</u></b>    | <b><u>Department of Mental Health</u></b><br>Case Manager 2, 10/17/93 – 11/6/99  |
| 3. <b><u>Donald Hardwick</u></b> | <b><u>Department of Mental Health</u></b><br>Mental Health Attendant I – 11/6/83 – 1/11/86<br>Mental Health Attendant 2 – 1/12/86 – 6/27/87<br>Mental Health Case Mgr. I – 6/28/87 – 6/30/88<br>Mental Health Coordinator 2 – 10/30/88 – 3/3/90<br>Mental Health Case Mgr. I – 3/4/90 – 12/22/90 |
| 4. <b><u>Fred Hurley</u></b>     | <b><u>Department of Youth Services</u></b><br>Group Worker I -7/6/84 – 3/9/85<br>MHW I – 6/18/89 – 9/18/89   |
| 5. <b><u>Marilyn Johnson</u></b> | <b><u>Department of Mental Health</u></b><br>Occupational Therapist I – 7/20/86 – 9/29/90<br>Occupational Therapist 2 – 9/30/99 – 6/27/00  |

## **GROUP 2 PRO RATE-HSC A/B and HSC C TO BOARD**

1. **Jill Bochman**                      **Department of Developmental Services**  
HSC A/B – 6/21/87 – 1/7/95  
HSC A/B – 7/14/02 – 1/27/13
  - **Approved**; Motion by Ms. Deal, seconded by Ms. McGoldrick.  
HSC C – 1/28/13 – 7/24/16
  - **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick.
2. **Sandra Green**                      **Department of Developmental Services** (DMR)  
HSC A/B – 11/7/99 – 1/2/10
  - **Approved**; Motion by Ms. Deal, seconded by Ms. McGoldrick.
3. **Daniel Lunden**                      **Department of Developmental Services**  
HSC A/B – 7/1/82 – 6/4/94
  - **Approved**; Motion by Ms. Deal, seconded by Ms. McGoldrick.  
HSC C – 6/5/94 – 5/7/00
  - **Denied**; Motion by Ms. Deal, seconded by Ms. McGoldrick.

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

1. **John Bonafini** – CO/Captain, Hampshire Sheriff's Office
2. **Jason Bristol** – Sergeant, Worcester Sheriff's Department (posthumous)
3. **Leonard Deschenes** – CO I, DOC
4. **Wayne DeSilva** – Assistant Deputy Superintendent, Plymouth County Sheriff's Department
5. **Thomas Kelly** – CO I, DOC
6. **William Mason** – CO, Suffolk County Sheriff's Department
7. **Andrew McCarthy** – Sergeant, Essex County Sheriff's Department
8. **James Mullens** – Industrial Instructor 3, DOC
9. **Anthony Salerno** – CO I, DOC
10. **Michael Schaaf** – CO I, DOC
11. **Kevin Springer** – CO, Suffolk County Sheriff's Department
12. **Christopher Tibak** – Sergeant, Essex County Sheriff's Department
13. **Charles Whelan** – Jail Officer/Lieutenant, Suffolk County Sheriff's Department

#### **GROUP 4 TO BOARD**

1. **Edward Driscoll** – CO, Middlesex Sheriff's Office

- **Approved**; Motion by Mr. Gormley, seconded by Mr. MacDonald.

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

1. **Joseph Annunziata** – CO 3, DOC
2. **Jason Barros** – CO 2, DOC
3. **Paul Cabral** – CO I. DOC
4. **Steven Connolly** – CO 2, DOC
5. **Rebecca Donahue** – CO 2, DOC
6. **William Howell** – CO 2, DOC
7. **David Mangold** – CO, Essex County Sheriff's Department
8. **Jose Pimentel** – Bristol County Sherriff's Department
9. **Christopher Waldron** – CO 2, DOC

**ON A MOTION BY MR. GORMLEY AND SECONDED BY MS. MCGOLDRICK THE BOARD VOTED TO ADJOURN THE MEETING. THE MEETING WAS ADJOURNED AT 1:11 P.M.**

---

**THE NEXT REGULAR BOARD MEETING OF THE STATE BOARD OF RETIREMENT  
WILL BE HELD ON Thursday, October 25, 2018 AT 11:30 AM.**