

**Massachusetts Teachers' Retirement Board
Meeting of January 26, 2018
9:00 a.m. to 12:00 p.m.
being held at:**

Massachusetts Teachers' Retirement System
500 Rutherford Avenue, Suite 210, Charlestown, MA

Agenda for January Board meeting

Regular Matters of BusinessTab 1
 Open and Executive Minutes of the Regular Meeting held on December 15, 2017

Applications for Ordinary and Accidental Disability Retirement* *Disability Folder*

**Update on Progress on Suspension of Disability Benefit
due to Section 91A Failure to File*Tab 2**

Executive Director's Report.....Tab 3

**To be considered in Executive Session*

Next meeting scheduled for
February 23, 2018
9:00 a.m. – 2:00 p.m.

Minutes of the Meeting of January 26, 2018

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James Salvie, Associate General Counsel/Disability Case Manager Salvatore Coco, and Executive Assistant Helen Petruzzello. Vice Chair Favorito presided over the meeting as Chairman Jeff Wulfson was absent. In addition, Joannah M. Quinn was absent.

The meeting was called to order at 9:00 a.m.

The minutes of the previous Board meeting, held on December 15, 2017, were reviewed and approved as submitted on a motion made by Ms. Wass and seconded by Ms. Gorrie. The motion carried 4-0-1, with Mr. Liston abstaining due to his absence from the December meeting.

VOTED: The Open and Executive minutes of the Board meeting held on December 15, 2017, are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Naughton, and seconded by Mr. Liston, to enter into executive session in order to review applications for disability retirement and Section 91A Potential Termination of Benefits. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes

At approximately 9:02 a.m. the Board went into Executive Session. The Vice Chair stated that the Board would return to Open Session.

At approximately 10:39 a.m. the Board reconvened in Open Session.

III. Open Session

A. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster noted the inclusion in the Board materials of PERAC Memorandum #5/2018 on Mandatory Retirement Board Member Training, which listed quarterly continuing educational opportunities for board members.
2. Ms. Glaster distributed a copy of the "Pensions" section of the Notes to the Basic Financial Statements in the FY2017 Commonwealth of Massachusetts Comprehensive Annual Financial Report (CAFR) addressing the exclusive benefit rule issues and the intention of the Executive Office for Administration and Finance (ANF) to file a closing agreement application regarding these issues with the Internal Revenue Service. Ms. Glaster added that while that filing did not happen by the end of CY 2017 as expected, the CAFR notes confirm ANF's commitment to submitting the application.
3. Ms. Glaster distributed the December 2017 Pension Reserves Investment Trust ("PRIT") update, and noted the extraordinary 17.66% one-year return.
4. Referencing the Board's questions at the September 2017 Constituents' Forum regarding State Actuary Jim Lamenzo's statement that he may recommend a reduction in the rate of return assumption for the 2018 valuation, Ms. Glaster reported that, pending approval of the Chairman, she invited Mr. Lamenzo to attend the February meeting to discuss with the Board the 2018 actuarial assumptions he is recommending to PERAC.
5. Ms. Glaster informed the Board that the Governor's FY19 Budget proposal was released, set at 40.9 billion dollars, and includes the full funding of the pension appropriation, a 3% cost-of-living adjustment (COLA) on the base of \$13,000 for retirees, and an initiative to limit the accrual of sick leave to 1,000 hours for state employees, "freezing" those who had already attained that amount to date. Ms. Glaster also noted the

establishment of three new trust funds, funded by gaming revenues, and highlighted that a portion of one of the funds is earmarked for a number of items including “long term pension liabilities.”

6. Ms. Glaster stated that the agency received very few calls on the recent news that the Group Insurance Commission was discontinuing three insurance carriers, which resulted in a tremendous outcry from state employees and retirees, as well as unions and associations, and ultimately caused GIC to announce they would reconsider their decision at their next Commission meeting on February 1st.
7. Ms. Glaster reminded the Board that the final interviews for the Commissioner of the Department of Elementary and Secondary Education position were taking place that day and relayed her hope that the successful candidate will retain Mr. Wulfson as his/her designee as Chairman of the MTRS Board. Board members agreed.
8. Acknowledging that the January meeting had been shortened from an extended meeting to a morning meeting schedule, Ms. Glaster informed the Board that the February meeting is expected to have an extended schedule and, as it will be the last Board meeting for Mr. Salvie, asked the Board members to plan on staying for lunch and a small celebration to honor Mr. Salvie’s career.

Mr. Favorito asked about the status of the Retirement Plus legislation and Mr. Neilon replied that the expectation is it will come out on the list of bills in the upcoming weeks and the delay is due to a change in the Chairs of the Committee. Additionally, the Board held a brief discussion on the status of the Pension Forfeiture legislation.

On a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted unanimously to adjourn the meeting at approximately 11:00 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of January 26, 2018

- Agenda for January 26, 2018 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of December 15, 2017 MTRS Board meeting