

**Massachusetts Teachers' Retirement Board
Meeting of June 22, 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 June Board meeting

Regular Matters of BusinessTab 1
Open and Executive Minutes of the Regular Meeting held on May 25, 2018

Fiduciary Counsel Report.....Tab 2

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

Update on Suspension of Disability Benefit due to Section 91A Failure to File*Tab 3

Request for Waiver of Overpayment.....Tab 4

Approval of MyTRS Hosting VendorTab 5

Executive Director's Report

Executive Director Performance Evaluation

**To be considered in Executive Session*

Next meeting scheduled for
July 27, 2018
9:00 a.m. – 2:00 p.m.

Minutes of the Meeting of June 22, 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 Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Michael Ruane, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James O'Leary, Associate General Counsel/Disability Case Manager Salvatore Coco, and Executive Assistant Helen Petruzzello. Dennis J. Naughton had previously communicated that he would be arriving late to the meeting.

The meeting was called to order at 9:00 a.m. The minutes of the previous Board meeting, held on May 25, 2018, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Mr. Favorito. The motion carried 6-0.

VOTED: The Open and Executive minutes of the Board meeting held on May 25, 2018 are hereby approved as submitted.

II. Open Session

A. FIDUCIARY COUNSEL REPORT

Mr. O'Leary introduced attorneys John Nixon and Lauren Appel of the Duane Morris, LLP law firm. Duane Morris was retained to provide independent legal counsel to the Board regarding the extent of its fiduciary duties with respect to the funded level of the plan. Mr. Nixon summarized the written report and the firm's opinion that these fiduciary duties are limited by the Massachusetts General Laws, and their scope does not include the funding of the system. Mr. Nixon took comments and answered numerous questions from the Board. The Chairman thanked Mr. Nixon for providing a clear and well-researched opinion, and instructed MTRS staff to

retain the report for future reference. The representatives left the meeting at 9:32 a.m.

III. Executive Session

A motion was made by Mr. Liston, and seconded by Mr. Favorito to enter into executive session in order to review applications for disability retirement, and receive an update on a suspension of disability benefits due to Section 91A Failure to File. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

At 9:33 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At 10:32 a.m. the Board reconvened in Open Session. Mr. Naughton had arrived during the executive session at 10:00 a.m.

IV. Open Session

B. REQUEST FOR WAIVER OF OVERPAYMENT

Pursuant to MGL Chapter 32, § 20(5)(c)(3), the Board reviewed and discussed the materials concerning the overpayment of retirement benefits to Patricia Harrison of \$109.25. The Board found that the error persisted for more than one year, was not the result of erroneous information provided by the member, and the member did not have reason to believe that the benefit amount was in error. On a motion made by Mr. Naughton and seconded by Ms. Wass, the Board voted unanimously 7-0 to approve the waiver. Noting the small amount of the overpayment, the Board held a discussion and made suggestions to include the overpayment collection process in future overpayment notices.

While awaiting the arrival of the meeting guests expected for the “Approval of MyTRS Hosting Vendor” agenda item, the Chairman asked Ms. Glaster to start the Executive Director’s report.

C. EXECUTIVE DIRECTOR’S REPORT

1. Ms. Glaster distributed to the Board hard copies of the Retiree edition of *The Advisor*, which was sent out in both electronic form via email and via US mail for those retired members who have not submitted their email addresses. In addition, Ms. Glaster distributed a compilation of the 23 responses received from members to the article on the Board’s support of legislation requiring the PRIT Fund to divest from ammunition and firearm manufacturers. Ms. Glaster stated that in addition to the emails, she received two phone calls, including one from a retired teacher advocating for arming educators, who taught at the Acushnet Middle School in 1993 when the school nurse was killed by a lone gunman. Ms. Glaster distributed the emails, both opposed to and in favor of the Board’s action, as well as the staff responses. Chairman Wulfson stated his intention to respond directly to one of the emails.

D. APPROVAL OF MYTRS HOSTING VENDOR

Susan Morgan, MTRS Chief Technology Officer, and David Wright, MTRS Director of Network Services, introduced Jim Mastalerz and Richard Witherow, representatives from Rolta AdvizeX. Rolta AdvizeX is the technical vendor contracted to assist the MTRS Procurement Management Team with the development of the RFR and the bid evaluation process, for the procurement of Hosting Facility Services and Managed Hosting Services for the MyTRS benefits administration system effective January 2019. This new procurement is necessary due to the expiration of the current Vitech contract on 12/31/18. Ms. Morgan provided background information, a summary of the procurement process, and the reasons behind the recommendation to contract with Vitech for the MyTRS facilities and managed hosting services. The recommendation is to utilize a colocation infrastructure for the next two calendar years in an amount not to exceed \$1,632,120, broken down as follows: \$804,000 in 2019, \$828,120 in 2020. On a motion made by Mr. Liston, and seconded by Ms. Gorrie, the Board voted 7-0 to approve the contract with Vitech. Ms. Morgan and the AdvizeX representatives left the meeting.

E. EXECUTIVE DIRECTOR'S REPORT *(continued)*

2. In resuming her report, Ms. Glaster noted that the latest PRIT update was at the Board members' places.
3. Ms. Glaster informed the Board that she recently learned that the Public Employee Retirement Administration Commission ("PERAC") will be conducting their next audit of the MTRS this summer, covering the period from July 2013 to June 2017. Ms. Glaster stated that she would update the Board with information about the focus of the audit at the July board meeting, after the Entrance Conference scheduled for June 25th.
4. Mr. Neilon provided an update on the progress of the R+ legislation, reporting that a June 11th meeting with staff from the Senate Ways and Means Committee resulted in a few technical amendments, mostly addressing date changes due to the passage of time since the original filing. After the meeting, the Senate Ways and Means staff sent a standard questionnaire to PERAC, asking for a cost analysis of the bill. The State Actuary, Jim Lamenzo, estimated an increase in the system's active actuarial liability of 0.5% as a result of the reclassification of members previously excluded from Retirement Plus. Mr. Neilon noted a similar reclassification happened with 5,400 members of the state retirement system last year. Ms. Glaster added that there are now 233 signed Agreements for Judgment out of the 489 total appeals. Board members expressed their concern of the possibility of the measure not being approved by the July 31st legislative session deadline and stated their intent to contact representatives from the Massachusetts Teachers Association ("MTA") to advocate for its expedited approval.
5. Upon her inquiry, the Board approved Ms. Glaster to send a joint letter on their behalf, in conjunction with the State Retirement Board, addressed to Congressman Richard Neal and copied to members of the Massachusetts congressional delegation, asking for their support in opposition to the Public Employee Pension Transparency Act ("PEPTA") which Congressman Devin Nunes of California is working to reintroduce.
6. In providing staff updates, Ms. Glaster notified the Board that Mr. O'Leary recently served on the MACRS legal panel at the latest MACRS

spring conference. Ms. Glaster was pleased to announce that Sam Coco will be awarded the Star Award, the agency's semi-annual employee recognition program, at the upcoming quarterly general staff meeting. Ms. Glaster also reported that three staff members recently completed the CORE training program, a Commonwealth of Massachusetts management training program. The staff members were Scott Cauley, Kristen Doherty and Jennifer Ligon.

F. EXECUTIVE DIRECTOR PERFORMANCE EVALUATION

Each board member brought their individual evaluations of Ms. Glaster's performance over the past year via the MTRB Executive Director Evaluation form (spring 2018) and provided a recap of their individual ratings. A copy of each evaluation will be included in the materials to be used in a review of the Executive Director's compensation at the July MTRS Board meeting.

At 11:45 a.m., on a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted unanimously to adjourn the meeting.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of June 22, 2018

- Agenda for June 22, 2018 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of May 25, 2018 MTRS Board meeting
- Memorandum pertaining to Fiduciary Counsel Report
- Memorandum and supporting documents pertaining to Request for Waiver of Overpayment
- Memorandum pertaining to Approval of MyTRS Hosting Vendor
- Board Member's individual performance evaluation forms of the Executive Director