

**Massachusetts Teachers' Retirement Board  
Meeting of May 25, 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 May Board meeting**

**Regular Matters of Business .....Tab 1**  
    Open and Executive Minutes of the Regular Meeting held on April 27, 2018

**Applications for Accidental Disability Retirement\* ..... *Disability Folder***

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

**Proposed amendment to Needham Bill Policy.....Tab 3**

**91(b) Overpayment .....Tab 4**

**FY 2019 Operational Budget.....Tab 5**

**PRIT Update**  
    Dennis Naughton

**Executive Director's Report.....Tab 6**

*\*To be considered in Executive Session*

Next meeting scheduled for  
June 22, 2018  
9:00 a.m. – 12:00 p.m.

## Minutes of the Meeting of May 25, 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, Dennis J. Naughton, 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 Disability Case Associate/Paralegal Marliquea Snow-Branch.

The meeting was called to order at 9:00 a.m. The Board paused for a moment of silence to honor Joannah Quinn, former designee to the MTRS Board from the State Auditor's Office, who tragically passed away on May 8, 2018.

The minutes of the previous Board meeting, held on April 27, 2018, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Ms. Wass. The motion carried 7-0.

**VOTED: The Open and Executive minutes of the Board meeting held on April 27, 2018 are hereby approved as submitted.**

#### II. Open Session

##### A. 91(b) OVERPAYMENT

Mr. O'Leary provided the Hearing Officer's report on the recovery of excess earnings from retired member, Frances Bowen Sanford. Pursuant to MTRS Board Governance Policy 2.0, *Hearing Officer Procedures and Subpoena Authorization concerning issues under G.L. c. 32, §91*, the Board chose not to review the hearing officer's decision.

### III. Executive Session

A motion was made by Ms. Wass, and seconded by Mr. Liston, 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:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

At 9:05 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At 12:00 p.m. the Board reconvened in Open Session. Mr. Liston left the meeting.

### IV. Open Session

#### B. PROPOSED AMENDMENT TO NEEDHAM BILL POLICY

Due to time constraints, this item was postponed to a future board meeting.

#### C. FY19 OPERATIONAL BUDGET

Executive Director Erika Glaster presented the FY 19 Operational Budget for the Board's approval. The proposed FY 2019 budget totals \$15,018,230, which represents a 2.38% increase from the previous year's budget. Ms. Glaster answered questions from the Board. Chairman Wulfson stated that he could not support the proposed 3% salary reserve. Board members expressed appreciation for the detailed memorandum explaining the budget and noted support for the salary study proposed therein. On a motion made by Mr. Naughton, and seconded by Ms. Wass, the Board voted 5-1, with Chairman Wulfson voting against the motion, to approve the FY 19 Operational Budget totaling \$15,018,230.

## D. PRIT UPDATE

Mr. Naughton provided the Board with an update on recent activity at the PRIM Board. Chairman Wulfson stated that he cannot say enough about the excellent job that PRIM does for the system. The Board concurred with the statement, and Ms. Gorrie added that she was impressed with PRIM's efforts to increase diversity and inclusion when hiring new staff members that was reported in the PRIM Board Quarterly Update.

## E. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster included in the Board materials a copy of the testimony written by the Chairman, on the Board's behalf, supporting the recent Gun Divestment legislation filed by Senator Creem and Representative Erhlich in conjunction with Treasurer Goldberg, which was delivered by Ms. Glaster and Mr. Neilon to the Joint Committee on Public Service at the hearing held on Wednesday, May 2<sup>nd</sup>.
2. At the Board members' seats, Ms. Glaster distributed copies of sample Annual Statements set to be mailed out in the upcoming weeks. She explained a new initiative directed toward members who have not yet completed their online enrollment, stating that those members will receive a letter with instructions on how to complete that process including the notice that once they are enrolled, they will be able to view their annual statement online in the MyTRS system. Upon the Board's questioning, Mr. Neilon estimated that about three percent of the membership will receive this notice.
3. Additionally, Ms. Glaster had distributed the PRIM Board Quarterly Update (First Quarter) 2018 to the Board members.
4. Ms. Glaster updated the Board on the status of the draft application for a closing agreement pertaining to the system's exclusive benefit rule issues prepared by ANF's counsel Alan Bianchi of Mintz Levin, reporting on May 10<sup>th</sup>, parties discussed the draft with Ice Miller and sent suggested edits. Ms. Glaster will continue to keep the Board posted of any developments.
5. As a follow up to last month's meeting on the reversal of PERAC's original instructions regarding the implementation of the *Vernava* decision for active members, Ms. Glaster reported that PERAC had

confirmed that there would be no further changes to their instructions, and communication was sent to employers on May 4<sup>th</sup> instructing them to resume withholding retirement deductions on the supplemental sick or vacation pay for members who are receiving workers compensation.

Ms. Glaster also noted that for accidental disability retirees, the PERAC guidance on *Vernava* has not changed and staff are in the process of determining the impact on current applications.,

6. Ms. Glaster stated that now that the Senate has published its budget, work is underway to set up the next round of meetings on S. 2209, the R+ legislation, with the hope of passage in this session.

At 12:24 p.m., on a motion made by Mr. Naughton and seconded by Ms. Wass, the Board voted unanimously to adjourn the meeting.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date

**Documents used in MTRS Board meeting of May 25, 2018**

- Agenda for May 25, 2018 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of April 27, 2018 MTRS Board meeting
- Memorandum pertaining to 91(b) Overpayment
- Memorandum and supporting documents pertaining to FY 2019 Operational Budget