

**Massachusetts Teachers' Retirement Board  
Meeting of July 27, 2018  
9:00 a.m. to 2:00 p.m.  
being held at:**

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

**Agenda for July Board meeting**

**Regular Matters of Business ..... Tab 1**  
    Open and Executive Minutes of the Regular Meeting held on June 22, 2018

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

**Termination Retirement ..... Tab 2**

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

**Request for Approval for Expenses for Change Orders ..... Tab 4**  
    #35 MyTRS Year 5 Enhancements  
    #36 MyTRS Java Web Start Installation

**Executive Director's Report..... Tab 5**  
    Letter to Congress Regarding Federal Legislation  
    FY 2018 Capital Gains Revenue – transfer to PRIT fund  
    September Board meeting agenda

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

*\*To be considered in Executive Session*

Next meeting scheduled for  
August 24, 2018  
9:00 a.m. – 12:00 p.m.

## Minutes of the Meeting of July 27, 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, 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 Petruzziello. Chairman Wulfson had previously communicated that he would not be in attendance and therefore, Vice Chair Favorito presided over the meeting.

The meeting was called to order at 9:00 a.m. The minutes of the previous Board meeting, held on June 22, 2018 were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Ms. Gorrie. The motion carried 6-0.

**VOTED: The Open and Executive minutes of the Board meeting held on June 22, 2018 are hereby approved as submitted.**

#### II. 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. 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

At 9:01 a.m. the Board went into Executive Session. The Vice Chairman stated that the Board would return to Open Session.

At 11:43 a.m. the Board reconvened in Open Session.

### **III. Open Session**

#### **A. TERMINATION RETIREMENT**

Mr. Osimo presented the termination retirement application of Stephen Morneau. The Board reviewed the materials and determined that Mr. Morneau was terminated involuntarily as his position was eliminated, he was not offered a similar position and there was no moral turpitude surrounding his termination. On a motion to approve the termination application made by Mr. Liston, and seconded by Ms. Wass, the Board voted 6-0.

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

*Ms. Glaster reminded the Board that this item was postponed from the May Board meeting due to time constraints.*

Ms. Glaster presented the proposed amendment to the Needham Bill Policy and explained that the amendment memorialized the practice of crediting amounts owed to the member against amounts owed to the system. Further, she stated that the policy was reformatted and updated so that the types of underpayments and overpayments are listed under the proper categories and the section on the rarely used *Vatalaro Formula* was removed. The Board asked some clarifying questions and, noting that they do not review or approve waivers for incorrect assessments pursuant to the Policy, asked that a summary be provided to the Board in a periodic report. On a motion to approve the proposed amendment made by Ms. Gorrie, and seconded by Mr. Liston, the Board voted 6-0.

#### **C. REQUEST FOR APPROVAL FOR EXPENSES FOR CHANGE ORDERS**

Susan Morgan, Chief Technology Officer, and David Wright, Director of Network Services joined the meeting and introduced Surendra Puttagunta, Director of Application and Data Services to the Board.

Ms. Morgan requested the Board's approval of the expenses for *Change Order #35, MyTRS Year 5 Enhancements* in order to purchase an additional 1,500 hours to make necessary enhancements to the *MyTRS* application in FY19. Ms. Morgan explained that \$295,500 had been allocated in the MTRS FY19 budget, based on the negotiated rate of \$197 per hour. She further stated that these enhancement hours will be used to make necessary changes to the *MyTRS* Employer Self Service and Member Self-Service modules as well as the *MyTRS* line of business application that is used by staff. Ms. Gorrie made a motion to approve the expenses for *Change Order #35, MyTRS Year 5 Enhancements*, in an amount not to exceed \$295,500, which was seconded by Mr. Liston. The Board voted 6-0 to approve the expenses.

Ms. Morgan requested the Board's approval of *Change Order #36, MyTRS Java Web Start Installation*, for expenses to replace the existing browser plugins currently in use with the V3/MyTRS application. Ms. Morgan explained that the current plugins are no longer supported, and therefore, will no longer receive security updates. Vitech will implement a new plugin-free solution called Java Web Start, which MyTRS will utilize to launch document and image viewers. Mr. Naughton made a motion to approve the expenses for *Change Order #36, MyTRS Java Web Start Installation*, in an amount not to exceed \$54,500, which was seconded by Mr. Liston. The Board voted 6-0 to approve the expenses.

#### **D. EXECUTIVE DIRECTOR'S REPORT**

1. Ms. Glaster noted that at the Board members' places she had distributed the draft notice to benefit recipients regarding the FY 19 Cost of Living Adjustment ("COLA"), and explained the inclusion of the payment in the July benefit payments.
2. Additionally, Ms. Glaster had distributed at the board members' places the latest PRIT Fund Monthly Report.
3. Ms. Glaster noted that the board materials included a copy of a joint letter sent by Mr. Favorito and herself on behalf of their respective retirement systems to Congressman Richard Neal, and copied to the Massachusetts delegation, conveying their opposition to the Public Employee Pension Transparency Act ("PEPTA") currently being circulated by Congressman Devin Nunes.

4. Ms. Glaster also included a copy of a letter from the Office of the Comptroller addressed to the Secretary of Administration and Finance (“ANF”) and the Chairs of the House and Senate Committees on Ways and Means providing notification of a transfer of excess capital gains tax revenue, pursuant to M.G.L., Section 5G of Chapter 29. She further explained that the excess funds are transferred to the Commonwealth Stabilization Fund; with 10% carved off and transferred in equal 5% amounts to the State Retiree Benefits Trust Fund (for OPEB funding) and to the PRIT Fund. Ms. Glaster stated that she had also received a subsequent notification of additional funds transferred, with the total amount transferred to PRIT and attributed to the MTRS equaling approximately \$15 million.
5. Ms. Glaster noted the inclusion in the board materials of the 3<sup>rd</sup> Quarter Mandatory Retirement Board Member Training Education Offerings offered by the Public Employee Retirement Administration Commission (“PERAC”).
6. Ms. Glaster summarized the pension related items in the Commonwealth’s FY 19 budget, and the Governor’s vetoes. Mr. Neilon explained the timing and approval process related to the Governor’s proposed amendment to the working after retirement legislation, changing the limit from 960 hours to 975 hours.
7. Ms. Glaster distributed last year’s Annual System Review agenda and detailed the plans for presentations for this year’s forum. Upon Ms. Glaster’s inquiry, the Board members provided feedback on last year’s meeting and agreed that they would prefer to continue with the same agenda and format at this year’s September meeting.
8. Ms. Glaster updated the Board on the status of the PERAC Audit. She stated that the audit is currently being conducted for years 2013-2017 and thus far has included a review of the board minutes and financial reports. PERAC plans to audit benefit calculations and processing next, however they are short-staffed with recent personnel changes.
9. Ms. Glaster informed the Board that she, Mr. Neilon and representatives from the legislative staff of the Massachusetts Teachers Association (“MTA”), the American Federation of Teachers-Massachusetts Chapter (“AFT-MA”), and the Boston Teachers’ Union (“BTU”) have had a series of meetings with legislators in attempts to get the House to approve the R+ legislation in the current formal session. Despite their best efforts to emphasize the importance of the passage before the start of the

upcoming school year, Ms. Glaster regrettably informed the Board that they have been told that “the outlook does not look good” and that plans must be made for next steps for potential passage in an informal session.

10. Finally, Ms. Glaster reiterated from Mr. Osimo’s quarterly member services report that all of the retirement applications with June 30th retirement dates that had been received “on time” have been processed to receive their first benefit payment in July.

#### **E. EXECUTIVE DIRECTOR PERFORMANCE EVALUATION**

A copy of each Board member’s evaluation of Executive Director Glaster’s FY 18 performance, which was discussed at the June 2018 board meeting, was included in the materials and was used as a reference in a review of Ms. Glaster’s compensation. The Board held a discussion, noting the positive performance reviews and the agency salary reserve of 3% approved at the May 2018 board meeting. On a motion to offer a 3.0% increase in compensation to Ms. Glaster made by Mr. Naughton and seconded by Ms. Gorrie, the Board voted unanimously to approve the motion.

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,

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Erika M. Glaster,  
Executive Director

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Date

**Documents used in MTRS Board meeting of July 27, 2018**

- Agenda for July 27, 2018 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of June 22, 2018 MTRS Board meeting
- Memorandum and supporting documents pertaining to Termination Retirement
- Memorandum and supporting documents pertaining to Proposed Amendment to Needham Bill Policy
- Memorandums pertaining to Approval of Expenses for Change Orders
- Board Member's individual performance evaluation forms of the Executive Director