

**Massachusetts Teachers' Retirement Board  
Meeting of August 24, 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 August Board meeting**

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

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

**Request for Approval of Expenses for Network Disaster Recovery Infrastructure ..... Tab 2**

**Proposed Amendment to Death Overpayment Recovery Policy ..... Tab 3**

**Request for Approval of Out of State Travel for Executive Director ..... Tab 4**  
NCTR Annual Conference, Washington, DC - October 6<sup>th</sup> - October 9<sup>th</sup>  
NPEA Annual Conference, Tucson, AZ - October 19<sup>th</sup> – October 24<sup>th</sup>

**PRIT Update**  
Dennis Naughton

**Executive Director's Report ..... Tab 5**  
Draft agenda for September Board meeting/Annual System Review & Constituents Forum

*\*To be considered in Executive Session*

Next meeting scheduled for  
September 28, 2018  
9:00 a.m. – 2:00 p.m.  
Board Annual System Review and Constituents Forum

# Minutes of the Meeting of August 24, 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 Jon Osimo, General Counsel James O'Leary, Associate General Counsel/Disability Case Manager Salvatore Coco, and Executive Assistant Helen Petruzziello.

The meeting was called to order at 9:00 a.m. The minutes of the previous Board meeting, held on July 27, 2018 were reviewed and approved as submitted on a motion made by Mr. Naughton and seconded by Mr. Liston. The motion carried 6-0-1, with Chairman Wulfson abstaining due to his absence from the July meeting.

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

The Chairman noted the recent Superior Court decision concerning the Giordano case included in the Legal Case Summaries, and questioned if there were any further steps that the Board could take. Mr. O'Leary stated that, due to the Superior Court's reliance on Bettencourt, referencing the 8<sup>th</sup> amendment and concluding that forfeiture for Mr. Giordano would be considered an excessive fine, any reversal of the decision would be highly unlikely and he advised against any further appeal.

### 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. 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 9:01 a.m. the Board went into Executive Session. The 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. REQUEST FOR APPROVAL OF EXPENSES FOR NETWORK DISASTER RECOVERY INFRASTRUCTURE

Susan Morgan, Chief Technology Officer, and David Wright, Director of Network Services, joined the meeting to request the approval of expenses for the MTRS Network Disaster Recovery (DR) Infrastructure. Ms. Morgan and Mr. Wright provided the reasons for the recommendation to host the DR infrastructure utilizing the statewide contract with Smartronix for Infrastructure as a Service (IaaS/ “cloud”) with Amazon Web Services (AWS). They noted that the approved FY 2019 operating budget amount for the network DR was based on the initial intent to use colocation; however, this option is no longer available through the Commonwealth’s Executive Office of Technology Services and Security. They also explained the IaaS DR infrastructure is a more cost effective option, removing the expense of replenishing the hardware every four to five years. They explained the first-year implementation and ongoing cost structure for IaaS. The Board asked questions concerning security issues, vulnerability testing and confirmation of independent auditing of AWS to ensure compliance with the Commonwealth’s service level agreement. The Board requested quarterly reports on the experience with the IaaS disaster recovery infrastructure. On a motion to approve the costs for MTRS to contract with Smartronix for IaaS/cloud with AWS to migrate, configure and test the MTRS Network Disaster Recover Infrastructure and provide managed services for a cost not to exceed \$375,000 in FY 19 made by Mr. Liston, and seconded by Mr. Naughton, the Board voted 7-0.

## **B. PROPOSED AMENDMENT TO DEATH OVERPAYMENT RECOVERY POLICY**

Mr. O'Leary presented the proposed amendment to the MTRS Death Overpayment Recovery Policy. After researching the subject and determining that the Board has the legal authority, Mr. O'Leary explained that when both members of a married couple are MTRS retirees, this amendment would allow the agency to offset the surviving spouse's benefit to collect an overpayment made to his or her deceased spouse. Mr. O'Leary made the recommendation that the policy be limited to situations where the surviving spouse knew or had reason to know of both 1) the death, and 2) the continued payment of the deceased spouse's retirement allowance. Ms. Glaster summarized the case that prompted this amendment in which there was an unreported retiree death, and there was a surviving spouse who was also an MTRS benefit recipient. The Board requested that this information be included in a future communication or publication to the membership. On a motion to approve the proposed amendment made by Mr. Liston, and seconded by Ms. Gorrie, the Board voted 7-0.

## **C. REQUEST FOR APPROVAL FOR OUT OF STATE TRAVEL FOR EXECUTIVE DIRECTOR**

Pursuant to the provisions of the MTRS Official Travel Policy, Ms. Glaster requested the Board's approval to attend the National Council on Teacher Retirement ("NCTR") Annual Conference in Washington, DC from October 6th through October 9th. Additionally, Ms. Glaster asked for the Board's approval to attend the annual conference of the National Pension Education Association in Tucson, AZ from October 20th to October 24th. Ms. Glaster explained that as she is serving in her second year of a two-year term as immediate Past President on the NPEA Board of Directors, she is required to arrive the day before the conference begins and the additional night's stay and meal expense would be paid by the NPEA. On a motion made by Ms. Gorrie, and seconded by Mr. Liston, the Board voted 7-0 to approve the out of state travel of the Executive Director.

## **D. PRIT UPDATE**

Mr. Naughton, noting that the PRIT quarterly reports were at the Board members' places, summarized the results of the investments. He provided the Board with an update on operational issues at PRIM, including the efforts in staff diversification, the annual evaluation by the PRIM Board of Executive Director and Chief Investment Officer Michael Trotsky and the successful efforts of the Project Save initiative.

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

1. Ms. Glaster included a draft agenda for the September meeting of the annual system review and constituents forum and asked the Board members for their input on the segment involving management updates. The Board suggested including updates on legislative, forfeiture issues and cyber security.
2. Ms. Glaster reported that the PERAC audit for the period of 2013 to 2017 is continuing and Marybeth Shaughnessy Newell is serving as the agency's liaison.
3. Ms. Glaster noted that in Mr. Neilon's legislative summary he described actions taken at the end of the formal session on S. 2592, which ultimately failed to get out of the House Committee on Ways and Means. Ms. Glaster thanked the board members, notably Ms. Gorrie, for their efforts to get the measure passed. She stated that they received feedback from the Superintendent's association that the Speaker's staff found the bill confusing and therefore, re-worked the materials to explain each section of the bill. Ms. Glaster offered and distributed copies of the updated materials to the board members. Ms. Glaster also reiterated from Mr. Neilon's report that there was no change made in the working after retirement rules, and the limit remains at 960 hours.
4. Ms. Glaster informed the Board of a communication with recent MTRS retirees announcing the posting of new part-time call center positions in anticipation of the retirement of some long serving representatives, and in order to support the rollout of the creditable service feature of Member Self Service. The posting is on the Commonwealth's job site, MassCareers, with a closing date of August 31<sup>st</sup>.
5. Ms. Glaster reported that due to the ongoing construction at Hood Park, as of September 1, 2018, the landlord has announced further restrictions

on parking in the lot and warned that parkers without Hood Park-issued hangtags will be towed. The agency is advocating for additional visitor spots and the allowance for some type of temporary pass for members and employers who come in for seminars. So far, the landlord has indicated that visitors will be able to park only if there is an open visitor spot. The parking lot was recently restriped in order to gain some additional spaces, and more visitor spots are expected to be added. Ms. Glaster noted that pursuant to the lease there is guaranteed parking for the Board members on Board meeting days and the agency has provided the Board members' individual license plate numbers to the landlord. The Board expressed their concern for the effect that this restriction will have on visiting MTRS members and asked to be advised of any updates.

At 12:26 p.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 August 24, 2018**

- Agenda for August 24, 2018 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of July 27, 2018 MTRS Board meeting
- Memorandum pertaining to Request for Approval of Expenses for Network Disaster Recovery Infrastructure
- Memorandum and supporting documents pertaining to Proposed Amendment to Death Overpayment Recovery Policy
- Memorandum and supporting documents pertaining to Request for Approval of Out of State Travel for Executive Director