

**Massachusetts Teachers' Retirement Board
Meeting of November 16, 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 November Board meeting

Regular Matters of BusinessTab 1
 Open and Executive Minutes of the Regular Meeting held on October 26, 2018

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

Termination RetirementTab 2

Proposed Amendments to MTRS Data Classification Security PolicyTab 3

**Request for Approval of Expenses for Additional Required Services to be
Included in the Vitech Hosting Contract.....Tab 4**

Executive Director's Report.....Tab 5
 Proposed 2019 Board meeting schedule
 Copy of MTRS Legislative Filing for FY19

**To be considered in Executive Session*

Next meeting scheduled for
December 14, 2018
9:00 a.m. – 12:00 p.m.

Minutes of the Meeting of November 16, 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 Executive Assistant Helen Petruzzello.

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

The minutes of the previous Board meeting, held on October 26, 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 October 26, 2018 are hereby approved as submitted.

II. Executive Session

A motion was made by Ms. Wass, and seconded by Mr. Liston, to enter executive session to consider applications for disability and termination retirement. The Chairman stated the Board will then return to Open Session. 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
Michael Ruane	Yes
Anne Wass	Yes

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

At approximately 10:03 a.m. the Board reconvened in Open Session. At this point, Susan Morgan, MTRS Chief Technology Officer and David Wright, Director of MTRS Network Services, joined the meeting.

III. Open Session

A. PROPOSED AMENDMENTS TO MTRS DATA CLASSIFICATION SECURITY POLICY

Ms. Glaster requested the Board's approval of two proposed amendments to the MTRS Data Classification Security Policy. These minor changes update and clarify information contained in the policy. On a motion made by Ms. Wass, and seconded by Mr. Liston, the Board voted unanimously to approve the proposed amendments to the MTRS Data Classification Security Policy.

B. REQUEST FOR APPROVAL OF EXPENSES FOR ADDITIONAL REQUIRED SERVICES TO BE INCLUDED IN THE VITECH HOSTING CONTRACT

Ms. Morgan and Mr. Wright requested the Board's approval of funds for additional services to be included in the Vitech hosting contract, which was approved by the Board at the June 2018 Board meeting. These additional services, which were not known at the time of the initial procurement process, provide VPN connectivity from the hosting facility to the new network disaster recovery infrastructure and a necessary upgrade to VMware. Ms. Morgan and Mr. Wright addressed the Board's questions. On a motion made by Mr. Liston, and seconded by Mr. Naughton, the Board voted unanimously to approve the expenses for additional required services to be included in the Vitech hosting contract at a total two-year cost not to exceed \$1,730,000. Ms. Morgan and Mr. Wright left the meeting.

C. EXECUTIVE DIRECTOR'S REPORT

1. In the Board meeting materials, Ms. Glaster noted she included copies of the proposed schedule of monthly board meeting dates for the Calendar Year 2019 and asked for the board's approval. On a motion made by Ms. Gorrie, and seconded by Ms. Wass, the Board voted unanimously to approve the schedule of 2019 MTRS Board meetings. Ms. Wass and Mr. Naughton both indicated that they will not be present at the February board meeting. Also included in the materials was a copy of the three pieces of legislation that were filed on the Board's behalf.
2. At the board members' places were copies of the "MTRS Facts at a glance, 2018" sheet, updated with information as of the 1/1/2018 Valuation Report, which provides an overview of demographics, funding, investment performance and a summary of annual benefits paid, separated by counties of Massachusetts. Ms. Glaster explained that staff members use this as a handout when meeting with legislators or other interested parties. The Chairman requested that this document be placed on the MTRS website.
3. Ms. Glaster provided an update on the Direct Deposit issue, stating that she received a phone call from the detective in charge of the investigation of the case. He stated that after receiving the subpoenaed information from the bank, they were able to trace the perpetrator to North Carolina where she had made four separate, nearly identical, transactions at a national retail establishment. The next steps are to obtain the surveillance film of those transactions and to contact the parties affected to gather more information. The Board agreed that once the investigation is completed, they would like to send a certificate of appreciation to the detective.
4. Ms. Glaster informed the Board that the Public Employee Retirement Administration Commission ("PERAC") audit is still ongoing but should be completed by the end of this month and that, at this point, there have been no significant findings identified.
5. In providing an update on the latest news regarding the Exclusive Benefit Rule ("EBR") issue, Ms. Glaster reported that she received a call the day before the meeting from ANF General Counsel, Bob Ross, regarding the application for a closing agreement with the IRS. He explained that ANF's tax counsel, Mintz Levin, had questioned having both Mintz and Ice Miller on the application for the closing agreement with the IRS. Ms. Glaster explained the reasons that MTRS wants Ice Miller on the application. Mr.

Ross indicated he would follow up with his counsel and get back to Ms. Glaster.

6. In operational news, Ms. Glaster informed the Board that a test run of the Interim Disaster Recovery/Business Continuity Plan was performed on November 5th. Ms. Glaster explained the mock disaster scenario and reported that all testing of the various basic necessary functions in the event of a disaster were successfully completed.
7. In providing an update on the MTRS legal unit's progress made in filling the two vacancies left from two associate general counsels' recent resignations, Ms. Glaster reported that one candidate has been hired, and that background checks are being performed on the second position's selected finalist. Ms. Glaster expects that both candidates may start the Monday after the Thanksgiving holiday.
8. Ms. Glaster stated that while reviewing the MTRS Governance Policies, it was determined there was a need to update the MTRS Education Policy reflecting changes made pursuant to Chapter 176 of the Acts of 2011 and documenting PERAC's role via their online application *PROSPER* in the facilitation of the continuing education process. She asked if, at the same time, the Board would like staff to review and compare its current meal reimbursement limits contained in the MTRS Travel Policy with other agencies' practices/policies to see if an update is warranted. The Board members agreed and approved that suggestion.
9. Ms. Glaster announced that John Parsons, Deputy Director and General Counsel of PERAC, and a former MTRS Board member as designee for the State Auditor, was appointed by the Commission as the next Executive Director of PERAC, replacing Joe Connarton who will retire at the end of this calendar year.

On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted unanimously to adjourn the meeting at approximately 10:30 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of November 16, 2018

- Agenda for November 16, 2018 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of October 26, 2018 MTRS Board meeting
- Memorandum and supporting documents pertaining to Proposed Amendments to MTRS Data Classification Security Policy
- Memorandum pertaining to Request for Approval of Expenses for Additional Required Services to be Included in the Vitech Hosting Contract
- Proposed 2019 MTRS Board meeting schedule