

**Massachusetts Teachers' Retirement Board
Meeting of May 31, 2019
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 BusinessTab 1
 Open and Executive Minutes of the Regular Meeting held on April 26, 2019

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

Potential Termination of Disability Benefit due to Section 91A Failure to File*Tab 2

Application for Termination RetirementTab 3

Request for Approval of Expenses for Network Disaster Recovery Infrastructure for FY20.....Tab 4

PRIT Update
 Dennis Naughton

Executive Director's Report.....Tab 5

**To be considered in Executive Session*

Next meeting scheduled for
June 21, 2019
9:00 a.m. – 12:00 p.m.

Minutes of the Meeting of May 31, 2019

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, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello. Chairman Wulfson had previously announced 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 April 26, 2019 were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Mr. Naughton. The motion carried 6-0.

VOTED: The Open and Executive minutes of the Board meeting held on April 26, 2019 are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Naughton, and seconded by Mr. Liston, to enter executive session to consider applications for disability retirement and potential termination of benefit 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
Dennis J. Naughton	Yes
Michael Ruane	Yes
Anne Wass	Yes

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

At 11:14 a.m. the Board reconvened into Open Session.

III. Open Session

A. TERMINATION RETIREMENT

Mr. Osimo presented the termination retirement of Bruce Lackey, a fifty-seven year old teacher from the New Bedford Public Schools, who retired effective July 14, 2018. Mr. Lackey resigned pursuant to a settlement agreement with the school district. Mr. Lackey has a total of 28.0 years of creditable service.

Mr. Osimo confirmed that while Mr. Lackey entered into a settlement agreement with the New Bedford Public Schools, and resigned pursuant to that agreement, his termination from the district was a clear certainty. Mr. Osimo also confirmed that there was no moral turpitude or collusion surrounding his separation from service. Mr. Osimo confirmed that Mr. Lackey meets the eligibility criteria for a termination retirement benefit.

On a motion made by Ms. Gorrie, and seconded by Ms. Wass, the Board voted 6-0 to approve the termination retirement application of Bruce Lackey.

B. REQUEST FOR APPROVAL OF EXPENSES FOR NETWORK DISASTER RECOVERY INFRASTRUCTURE FOR FY20

Susan Morgan, Chief Technology Officer and David Wright, Director of Network Services, joined the meeting to provide the Board with an update on the MTRS Network Disaster Recovery project. Mr. Wright reported that, as of May 2019, the implementation of the plan is 90% complete and will be fully operational by the end of June. He and Ms. Morgan further explained the actual implementation and operating costs in FY 2019 were less than the budget projection and provided the details behind the reasons for the savings. They noted the current service agreement with Smartronix, the Commonwealth's Amazon Web Services (AWS) vendor, expires on June 30, 2019 and must be renewed in order to continue to utilize the DR infrastructure. Ms. Glaster pointed out that this is not a new budget request

as the necessary funds were approved in the FY 2020 budget; rather, it is pursuant to the MTRS policy requiring Board approval on any vendor contracts exceeding \$50,000. Staff asked for the Board's approval to extend the service agreement with Smartronix through FY 2020, and then annually through FY 2022, contingent on budget approval for each fiscal year and provided that performance requirements are being met.

The Board asked questions and requested that a memorandum be forwarded to them each time the contract renewal takes place. On a motion made by Mr. Liston, and seconded by Ms. Gorrie, the Board voted 6-0 to approve the extension of the service agreement through FY 2020, and then annually through FY 2022, contingent on budget approval for each fiscal year and provided that performance requirements are being met.

C. PRIT UPDATE

Mr. Naughton, noting that the first quarterly report of the Pension Reserves Investment Management Board ("PRIM") was included in the board materials, summarized some of the highlights of the report. He provided the Board with an update on operational issues at PRIM, including the overwhelming number of applications received for open positions at the agency and the next phase of the Project Save initiative. The Board asked whether PRIM is being pressured to be socially active in their investments in light of recent developments in certain states and Mr. Naughton acknowledged that he expects that will be a topic of conversation in the future.

D. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster noted that included in the Board materials was a letter to the Secretary of Administration and Finance ("ANF") from John Parsons, Executive Director of the Public Employee Retirement Administration Commission ("PERAC"), which confirms the Commonwealth's Required Fiscal Year 2020 pension appropriation amount of \$2.842 billion, and provides the allocation details. The portion of the appropriation attributable to the MTRS is \$1.558 billion, or approximately 54.8% of the total. She pointed out that the separate listing of the amounts for PERAC administrative expenses, the employer contribution to the higher education

Optional Retirement Plan (“ORP”) and local COLA reimbursements is the result of the statutory changes that followed the work done on the exclusive benefit rule issues. Additionally, Ms. Glaster indicated that she has not heard anything further about the application for a closing agreement that ANF filed with the Internal Revenue Service last year.

2. Ms. Glaster stated the agency is still waiting for word from PERAC regarding the exit interview on their 2013-2017 audit, which had been expected by the end of May. Mr. Neilon confirmed that the delay lies with PERAC’s workforce and was not due to any known issues with the audit.
3. Ms. Glaster reported that she and Mr. Neilon provided written testimony, and she gave an oral summary of the testimony, at a hearing before the Joint Committee on Public Service on two of the bills filed by MTRS in this legislative session: the *RetirementPlus* transfer-in fix and the establishment of a special commission to study creditable service purchases. Ms. Glaster reported that Chairman Parisella asked a number of helpful questions regarding the R+ transfer bill. She also noted that the proposal for the special commission was timely as many of the other bills presented at the hearing that day dealt with new special requests to expand or amend service purchase provisions. Ms. Glaster distributed copies of the written testimony to the board members.
4. Ms. Glaster announced the second mailing of Benefit Verification Forms was sent out on April 19th to the approximately 5,700 non-responders from the first mailing. At the time of the board meeting, that number had been reduced to approximately 1,100 non-responders. The third and final mailing will be sent out in the first week of June. The agency will pull the monthly checks of any remaining non-responders starting in July.
5. Ms. Glaster informed the Board that the file containing the data for the 2018 annual statements is being run over the weekend, with the expectation that approximately 115,000 statements will be mailed out in the middle of June to the active and inactive members with funds on account. Included in the statements will be beneficiary forms for 47,000 members who do not yet have a beneficiary on file. Additionally, approximately 3,000 members who have not enrolled in the *MyTRS* application will not receive statements but instead will receive letters with instructions on how to enroll through Member Self Service in order to view their annual statements on their online accounts.
6. As previously reported, Ms. Glaster confirmed that the number of summer retirement applications received is maintaining at a higher level (15%) than

those received last year at this time. In order to reach the agency's service goals, Member Services staff, under the direction of Mr. Osimo, will be working overtime in the coming weeks.

7. Ms. Glaster reported that the last presentation of the agency's seminars on *Your MTRS Benefits* was completed the previous night, with the entire series receiving a total of over 2,000 members and guests in attendance. Board members commended the professionalism and helpfulness of the staff at these seminars and asked Ms. Glaster to praise the staff for their efforts.
8. Ms. Glaster noted that there are Employer training programs scheduled in the month of June, offered at both the Charlestown and Springfield office locations.
9. In providing an update to the Board on the status of finding a replacement for the retiring Director of Communications Sue Theil, Ms. Glaster reported that the open position has been posted on *MassCareers*, the Commonwealth's online tool for employment opportunities. In addition, the open position has been posted on the National Association of State Retirement Administrators' ("NASRA") website, the PERAC website, and was just recently posted on *LinkedIn*. Ms. Glaster had received around 40 applications so far and is hoping to wrap up the hiring process by mid-July. She will notify the board when a candidate has been selected.
10. Ms. Glaster announced the agency just posted an RFR for a print vendor for the upcoming Board election in the fall. The nomination period will begin this summer, and Ms. Glaster will share a detailed schedule with the board at the June meeting.
11. In celebration of the agency's 105th anniversary this upcoming July 1st, Ms. Glaster stated the agency's intentions to reach out to retirees that are 105 years old in hopes to interview them, noting that there are 90 retirees that are 100 years or older. In addition to this, commemorative t-shirts have been ordered for staff and Board members and will be distributed in June.

On a motion made by Ms. Wass and seconded by Mr. Liston, the Board voted unanimously to adjourn the meeting at approximately 11:57 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of May 31, 2019

- Agenda for May 31, 2019 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of April 26, 2019 MTRS Board meeting
- Memorandum and supporting documents pertaining to Termination Retirement application
- Memorandum pertaining to Update on MTRS Network Disaster Recovery Project and request for approval of FY 2020 operational cost