

**Massachusetts Teachers' Retirement Board
Meeting of June 21, 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 June Board meeting

Regular Matters of Business Tab 1
 Open and Executive Minutes of the Regular Meeting held on May 31, 2019

Application for Accidental Disability Retirement* Disability Folder

Recommendation from KPMG, Technical Advisory Services, on V10 Upgrade..... Tab 2

Request approval for V3 8.1 License and Support Agreement..... Tab 3

Annual Review of Executive Session Minutes Pursuant to M.G.L. c. 30A, § 22(g)(1)..... Tab 4

Review of "Needham Bill" Policy Tab 5

Request for Waiver for Overpayment Tab 6

Executive Director's Report..... Tab 7
 MTRS Board Election 2019

**To be considered in Executive Session*

Next meeting scheduled for
July 26, 2019
9:00 a.m. – 2:00 p.m.

Minutes of the Meeting of June 21, 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 Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, 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. Mr. Naughton was absent due to personal reasons.

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

The minutes of the previous Board meeting, held on May 31, 2019 were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Ms. Wass. The motion carried 5-0-1, with Chairman Wulfson abstaining due to his absence from the May meeting.

VOTED: The Open and Executive minutes of the Board meeting held on May 31, 2019 are hereby approved as submitted.

Awaiting the arrival of the spouse representing the Accidental Disability Retirement applicant, the Board considered the agenda items out of their original order listed on the agenda.

II. Open Session

A. ANNUAL REVIEW OF EXECUTIVE SESSION MINUTES PURSUANT TO M.G.L. C. 30a, §22(G)(1)

Pursuant to M.G.L. c. 30A, §22(g)(1), which requires the Board to periodically review their executive session minutes to determine whether continued non-disclosure is warranted, Mr. O'Leary examined the Board's approved

executive session minutes for the period from February 2018 through April 2019. After review, Mr. O'Leary recommended and stated the reasons why disclosure of these minutes would defeat the lawful purposes for which the executive session was entered.

On a motion made by Ms. Gorrie, and seconded by Ms. Wass, the Board voted 6-0 to approve the recommendation to not disclose the executive session minutes.

B. REVIEW OF "NEEDHAM BILL" POLICY

Upon the Chairman's request at the February 2019 Board meeting, this policy was brought up for further review and discussion. At the time, the Chairman had questioned whether a process could be established to forestall a waiver request where the amount to be recovered was diminutive. After a discussion, the Board determined that it would not make any changes to the current policy.

C. REQUEST FOR WAIVER FOR OVERPAYMENT

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed and discussed the materials concerning the overpayment of retirement benefits to Richard Descenza in the amount of \$1,024.32. The Board found that the error persisted for more than one year, was not the result of erroneous information provided by the member, and determined that the member did not have knowledge of the error and did not have reason to believe that the benefit amount was in error. On a motion made by Mr. Liston, and seconded by Ms. Gorrie, the Board voted 6-0 to approve the request for waiver for overpayment.

ACCIDENTAL DISABILITY RETIREMENT

Mr. O'Leary introduced Charles Tynan, the spouse representing an MTRS member in her application for Accidental Disability Benefits, with the consideration of an Ordinary Disability application in the alternative. He was accompanied by his son. Ms. Glaster introduced Anthony Garas, Principal from the Locke Middle School, who had been subpoenaed to appear as a witness.

Chairman Wulfson noted that there were procedural matters for the Board to take up before they could consider the application. Mr. Tynan had asserted that the Board lacked jurisdiction to make a decision on the application because, in his opinion, the MTRS had failed to obtain waivers from the Public Employee Retirement Administration Commission ("PERAC"). Mr. Tynan insisted that the "Board will be required in open session to prove it has a line of waivers..." After a review of the dates and events in the processing of the member's application, and determining that the Board had jurisdiction, the Chairman stated his inclination to take up the matter and proceed. The Chairman informed the Board that the member would not appear but would be represented by Mr. Tynan, pursuant to G.L. c. 32, §17. After determining that the member had granted Mr. Tynan the approval to represent her in the application, the Board allowed him to speak on behalf of the member.

Referring to correspondence received from Mr. Tynan requesting that the matter be addressed in open session, the Chairman asked Mr. Tynan whether he wanted to testify in Executive Session or Open Session. The Chairman cautioned that if the hearing was heard in Open Session, his wife's documents would all then be considered "public documents." Mr. Tynan requested that the hearing be conducted, and recorded, in Open Session.

D. Kathleen Tynan

Mr. Coco presented the Accidental Disability Retirement ("ADR") application of Kathleen Tynan, a sixty-year old former teacher from the Billerica Public Schools. Ms. Tynan has approximately twenty-four years and one month of creditable service. In the alternative, Ms. Tynan has also applied for an Ordinary Disability Retirement. Her application is supported by the Treating Physician's Statement of her primary care physician.

Mr. Coco reviewed for the Board the three factors that Ms. Tynan had alleged were the proximate cause of her present incapacity. Mr. Coco summarized Ms. Tynan's application and gave a narrative of her work injuries and her medical treatment and history. He stated and reviewed the issues for the Board's consideration in their determination of the application. Upon the Board's questioning, Mr. Coco provided the timeline of the processing of Ms. Tynan's application, which he described as "normal."

Mr. Tynan read from a document and alleged that the processing of Ms. Tynan's application was intentionally delayed by the MTRS. Mr. Tynan was questioned by the Board on his wife's disability and the alleged work injuries. Principal Garas answered questions from the Board on the alleged incidents and whether the school district's actions were in compliance with their bullying policy. He also addressed questions on Ms. Tynan's attendance records and job performance. Principal Garas left the meeting at 10:41 a.m.

The Board held a discussion, voicing their concerns surrounding the causation factor. They determined that the alleged actions were classified as bonafide personnel actions. On a motion made by Mr. Favorito, and seconded by Mr. Liston, the Board voted to approve the Ordinary Disability Retirement, and deny the Accidental Disability Retirement. On a roll call vote, the Board voted:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Michael Ruane	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

VOTED: The motion for approval of the Ordinary Disability application of Kathleen Tynan, and the denial of the Accidental Disability Retirement application, was approved.

The Board recessed at approximately 10:46 a.m. and reconvened at approximately 10:53 a.m.

E. RECOMMENDATION FROM KPMG, TECHNICAL ADVISORY SERVICES, ON V10 UPGRADE

Susan Morgan, MTRS Chief Technology Officer, introduced representatives from KPMG, the advisory services consultant hired in May for the risk assessment and cost-benefit analysis of the V10 hosting options, as well as the conversion of the database platform from Oracle to Aurora PostgreSQL, which would be necessary in order to upgrade to V10. Attending the meeting from KPMG were Manolet Draylit, Pushkar Soman, Nate Broadwell, Chris Albritton. Additionally, David Wright, MTRS Director of Network Services,

and Surendra Puttagunta, MTRS Director of Application and Data Services, were in attendance.

The representatives from KPMG presented their evaluation and analysis of the V10 hosting options, including the related databased conversion. They provided information on cloud computing, and discussed its adoption in the state of Massachusetts as well as other government institutions. Their risk assessment and cost-benefit analysis addressed operational objectives, performance and capacity management, security, business continuity plan/disaster recovery, vendor management and adoption, as well as the estimated cost of each option over the next eight years.

Upon the Board's questioning, the KPMG representatives confirmed that the IaaS/cloud hosting option offered by Vitech meets the Commonwealth's security standards and that those standards are compatible with accepted industry security standards. They answered questions from the Board concerning consumption costs and the effects of the implementation on operations. KPMG concluded that V3locity with Aurora Postgres provided equivalent security to MTRS's current colocation hosting arrangement at a lower overall cost.

Ms. Morgan and Mr. Wright presented the MTRS recommendation to proceed with the upgrade to V10 using the V3locity hosting infrastructure, citing security, cost savings, and the advantages of working with one vendor with whom we have a ten-year business relationship, instead of multiple vendors. They further cited the positive feedback on the V10 functionality received through due diligence conference calls with other state retirement systems. They provided the next steps in the V10 upgrade process including a security review of V3locity by the Executive Office of Technology Services and Security ("EOTSS") and a presentation of the V10 upgrade and V3locity by Vitech at the July Board meeting. Additionally, they noted the Commonwealth's requirement to post a due diligence notice of intent on Commbuys in advance of entering into a contract with Vitech for the V10 upgrade.

The Board thanked the staff and KPMG representatives for their thorough review. The KPMG representatives left the meeting at 12:14 p.m.

F. REQUEST APPROVAL FOR V3 8.1 LICENSE AND SUPPORT AGREEMENT

Ms. Morgan recalled for the Board that the current contract with Vitech Systems Group for V3 version 8.1 expires on August 31, 2019. In order to comply with state procurement rules, before renewing the contract, MTRS was required to post a "Due Diligence Posting of Notice of Intent" on Commbuys, in response to which Vitech submitted the required procurement documents in early June.

Ms. Morgan reported that, along with the legal consulting services of Ice Miller, the agency had negotiated the new V3 8.1 software license, services and support agreement covering the next three years, from 9/1/2019 to 8/31/2022 and agreed to Vitech's new "bank of hours" fee model for this contract.

On a motion made by Ms. Wass, and seconded by Ms. Gorrie, the Board voted 6-0 to authorize staff to execute a contract with Vitech for the next three fiscal years in the total amount not to exceed \$1,832,256, subject to annual budget approvals. Ms. Glaster commended Ms. Morgan's and Mr. O'Leary's efforts in negotiating the contract.

Ms. Morgan, Mr. Wright and Mr. Puttagunta left the meeting.

G. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster noted that included in the board materials was a memo from Director of Communications Sue Theil which provided the timeline and details of the 2019 Board Election, and the attached supporting documents for the entire process.
2. Ms. Glaster also stated that a draft of *The Advisor* was included in the materials, but that changes had been made and the amended version was at the board members' places. That final version will be printed and mailed to approximately 17,000 retirees, for whom we do not have email addresses. Approximately 50,000 retirees and all of the active members were sent a broadcast email linking them to the online version.
3. Ms. Glaster had distributed a copy of a new notification being sent with every Notice of Estimated Retirement Benefit ("NERB") designed to help

- members know what to expect as they retire, and to encourage them to establish their Member Self Service (“MSS”) accounts in the *MyTRS* application for their own protection against potential cyber security crimes.
4. At the board members’ places, Ms. Glaster had provided a copy of a notice of an upcoming NCTR Webinar announcement titled *“What is Going on in Washington, D.C.?”* for the board members’ consideration.
 5. Additionally, Ms. Glaster had provided the latest update of the Pension Reserves Investment Trust (“PRIT”) fund.
 6. Finally, Ms. Glaster had placed a proposed change to the September Board meeting date to September 20th. Ms. Glaster asked the board members to review the proposed date with their schedules and notify her of any conflicts as soon as possible.
 7. Ms. Glaster reported the good news that the state’s capital gains revenues exceeded the annual threshold pursuant to G.L. c. 29 §5G, and notification was received the day before that a deposit of \$31.8 million was transferred to the PRIT fund, of which \$18.9 million was credited to the MTRS.

The Chairman stated his intention to forward Executive Director Evaluation forms to Board members in the near future. He asked them to complete and bring them to the July board meeting for a discussion.

On a motion made by Ms. Wass and seconded by Mr. Liston, the Board voted unanimously to adjourn the meeting at 12:31 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of June 21, 2019

- Agenda for June 21, 2019 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of May 31, 2019 MTRS Board meeting
- Memorandum and supporting documents pertaining to Recommendation from KPMG, Technical Advisory Services, on V10 Upgrade
- Memorandum and supporting documents pertaining to Request approval for V8 8.1 License and Support Agreement
- Memorandum pertaining to Annual Review of Executive Session Minutes Pursuant to M.G.L. c. 30A, §(g)(1)
- Memorandum and supporting document pertaining to Review of “Needham Bill” Policy
- Memorandum and supporting documents pertaining to Request for Waiver for Overpayment
- Memorandum and supporting documents pertaining to MTRS Board Election 2019