

**Massachusetts Teachers' Retirement Board
Meeting of August 22, 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 August Board meeting

Regular Matters of BusinessTab 1
Open and Executive Minutes of the Regular Meeting held on July 26, 2019

Application for Accidental Disability Retirement* *Disability Folder*

Request for Approval of Out of State Travel for Executive Director.....Tab 2
NCTR Annual Conference, *Nashville, TN, October 12-15*

Executive Director's ReportTab 3
Draft agenda for September Board meeting/Annual System Review & Constituents Forum

Executive Director EvaluationTab 4

**To be considered in Executive Session*

Next meeting scheduled for
September 20, 2019
9:00 a.m. – 2:00 p.m.
Board Annual System Review and Constituents Forum

Minutes of the Meeting of August 22, 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 Naughton, Michael Ruane, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Jon Osimo, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzziello. Chairman Jeff Wulfson was absent due to personal reasons.

The meeting was called to order at 9:00 a.m. Vice Chair Favorito requested that anyone who wished to record the meeting please first notify him, pursuant to G.L. c. 30A, s. 20(f), and announced that Board staff would be recording the executive session of the meeting.

The minutes of the previous Board meeting, held on July 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 July 26, 2019 are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Ruane, and seconded by Ms. Gorrie, to enter executive session to consider an application for disability retirement benefits. 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

At 9:03 a.m. the Board went into Executive Session. The Vice Chair stated that the Board would return to Open Session.

At 9:44 a.m. the Board reconvened into Open Session.

III. Open Session

A. REQUEST FOR APPROVAL OF 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 annual conference of the National Council on Teacher Retirement ("NCTR") from Saturday, October 12th through Tuesday, October 15th in Nashville, TN. On a motion made by Mr. Naughton, and seconded by Ms. Gorrie, the Board voted 6-0 to approve the out of state travel.

B. EXECUTIVE DIRECTOR'S REPORT

1. At the Board members' places, Ms. Glaster noted were copies of the latest Pension Reserves Investment Trust ("PRIT") fund update which shows continued favorable activity despite the recent volatile climate. Ms. Glaster stated she looked forward to Mr. Trotsky's outlook on the market at the September meeting.
2. Additionally, Ms. Glaster had distributed copies of an announcement that Mr. Trotsky will receive a Lifetime Achievement Award from *Institutional Investors* in December. Mr. Naughton added that Mr. Trotsky received a very favorable performance evaluation rating at the PRIM Board meeting.
3. Ms. Glaster had also distributed copies of two other articles of interest and relevance to the system funding discussion planned for the September board meeting. One article describes a proposal in South Carolina to roll the \$350 million state surplus into the pension fund to help reduce unfunded liabilities. The other article concerns the transfer of Massachusetts' \$848 million surplus to the Commonwealth Stabilization Fund and its potential impact on the state's bond rating. Ms. Glaster stated that she and Mr. Favorito met with the PERAC Actuary following the last Commission

- meeting, and asked that he prepare scenarios for the system funding discussion at the September board meeting, including among others the possible transfer of additional FY19 surplus revenue to the PRIT fund.
4. In the board materials, Ms. Glaster had included a copy of the draft of the September 20th board meeting agenda and asked the Board for feedback on topics for the group discussion portion of the meeting. The Board held a discussion on proposed ideas for cost-of-living-adjustment (“COLA”) reforms, and agreed to include that topic as well as system funding in the discussion.
 5. In answering Ms. Gorrie’s question on the status of the Vitech V10 upgrade for *MyTRS*, Ms. Glaster reported that the agency is continuing the negotiations, with contract counsel from Ice Miller.
 6. As referenced in the board materials, Ms. Glaster noted the additional payment made to the PRIT fund pursuant to G.L. c. 29, § 5G due to additional excess capital gains, which brings the overall total to \$42.4 million, of which \$24.9 million is allotted to the MTRS.
 7. Ms. Glaster stated there is still no word from the Public Employee Retirement Administration Commission (“PERAC”) on scheduling an exit interview for their MTRS audit.
 8. Ms. Glaster reported that last month the agency pulled the monthly checks of 453 benefit recipients who had not returned their completed Benefit Verification Forms (“BVF”). Since then, 240 recipients have come into compliance and received their checks. The agency will continue to pull the monthly checks for the outstanding 213 recipients until December, at which point the payments will be stopped. Ms. Glaster added that health insurance and taxes are still being withheld from the pulled checks.
 9. Ms. Glaster informed the Board that the August pension warrant closed the previous day and staff had processed 330 new benefits, bringing the total for July and August to a remarkable 1,430 first pays. However, she regretfully reported that three senior member services staff members had resigned within the past month for various reasons, with one accepting a position at local retirement board with a significant increase in salary. The vacant positions have been posted.
 10. On the subject of staff compensation, Ms. Glaster told the Board that the compensation study results and recommendations from Segal Consulting will be brought to the Board at an upcoming meeting in the fall.
 11. Ms. Glaster asked the Board members to send their flight itineraries for the upcoming NCTR annual conference to Ms. Petruzzello.

Mr. Coco left the meeting at 10:16 a.m.

C. EXECUTIVE DIRECTOR EVALUATION

A copy of each Board member’s evaluation of Executive Director Glaster’s FY 19 performance, which was discussed at the July 2019 board meeting, was included in the materials and was used as a reference in a review of Ms. Glaster’s compensation. Vice Chair Favorito reviewed adjustments for the past two years, for the Board’s reference. The Board held a discussion, noting the positive performance reviews and the agency salary reserve of 3% approved at the April 2019 board meeting. Mr. Naughton made a motion, seconded by Ms. Gorrie, to grant Ms. Glaster a 3.0% increase to her salary. Ms. Glaster expressed her gratitude to the Board for their support but felt that the adjustment was too generous, noting her concern for the funding level of the system. The Board held a brief discussion and after consideration, Mr. Naughton withdrew his motion. Ms. Gorrie made a motion, which was seconded by Mr. Liston, to grant a 2.5% increase in compensation to Ms. Glaster; the motion carried 6-0.

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

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of August 22, 2019

- Agenda for August 22, 2019 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of July 26, 2019 MTRS Board meeting
- Memorandum pertaining to Out-of-state travel request of Executive Director
Board Member's individual performance evaluation forms of the Executive Director