

**Massachusetts Teachers' Retirement Board  
Meeting of October 25, 2019  
9:00 a.m. to 1:00 p.m.  
being held at:**

Massachusetts Teachers' Retirement System  
500 Rutherford Avenue, Suite 210, Charlestown, MA

**Agenda for October Board meeting**

<b>Regular Matters of Business .....</b>	<b>Tab 1</b>
Open and Executive Minutes of the Regular Meeting held on September 20, 2019	
<b>Applications for Ordinary and Accidental Disability Retirement.....</b>	<b>Disability Folder</b>
<i>Executive Session, Physical Condition or Mental Health – Purpose 1</i>	
<b>Possible Forfeiture (By Stipulation) .....</b>	<b>Tab 2</b>
<i>Executive Session, Charges Against a Public Employee – Purpose 1</i>	
<b>Approval of Statements of Work for Version 8.1 Hosting Hardware Replacement and Software Upgrade.....</b>	<b>Tab 3</b>
<b>Remanded Termination Retirement Application.....</b>	<b>Tab 4</b>
<b>Proposed Policy Amendment - Recovery of Overpayments: Non-“Needham Bill” .....</b>	<b>Tab 5</b>
<b>Regular Compensation Guidance for Districts under Receivership.....</b>	<b>Tab 6</b>
<b>Request for Annual Write-off of Uncollectible Estate Accounts Receivable .....</b>	<b>Tab 7</b>
<b>Executive Director’s Report.....</b>	<b>Tab 8</b>
System Funding	
V10 Upgrade Update	

Next meeting scheduled for  
November 22, 2019  
9:00 a.m. – 12:00 p.m.

## Minutes of the Meeting of October 25, 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, Dennis J. Naughton, Michael Ruane, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jonathan 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 September 20, 2019 were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Mr. Naughton. The motion carried 7-0.

**VOTED: The Open and Executive minutes of the Board meeting held on September 20, 2019 are hereby approved as submitted.**

Chairman Wulfson took a moment to reflect on the October 21<sup>st</sup> passing of Jay Dow, the Board's longest-serving board member who also served for many years as the Board's representative to the PRIM Board. On behalf of the Board, Chairman Wulfson extended condolences to Mr. Dow's family and expressed the agency's utmost appreciation for Mr. Dow's service and dedication to the system and its members.

#### II. Executive Session

A motion was made by Mr. Liston, and seconded by Ms. Wass, to enter into executive session to consider applications for disability retirement and a potential forfeiture of benefits. The Chairman stated the Board will then return to open session. 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 9:04 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At 12:30 p.m. the Board reconvened in Open Session.

### III. Open Session

#### A. APPROVAL OF STATEMENTS OF WORK FOR VERSION 8.1 HOSTING HARDWARE REPLACEMENT AND SOFTWARE UPGRADE

Susan Morgan, Chief Technology Officer, and David Wright, Director of Network Services for MTRS, joined the meeting to request the approval of costs not to exceed \$95,000 for VSG Sub LLC Hosting to perform necessary maintenance services for MyTRS 8.1, including the replacement of backup devices and the upgrade of the Windows Operating System. This expense was included in the FY 20 operating budget. They also asked for the Board's authorization in an estimated amount not to exceed \$120,000 to purchase additional storage hardware necessary for this upgrade. This expense was not anticipated and was not included in the FY20 operating budget, however, they identified savings in other areas sufficient to cover the cost. As they are still in the process of receiving vendor quotes to purchase the hardware, they will provide the Board with the final amount at the next board meeting. On a motion made by Mr. Liston, and seconded by Mr. Naughton, the Board voted 7-0 to approve the costs for the statements of work for Version 8.1 hosting hardware replacement and software upgrade.

Referring to her memo included in the Executive Director report under Tab 8 in the materials, Ms. Glaster updated the Board on the October 17<sup>th</sup> signing of the finalized contract documents with Vitech, including the V10 Services Agreement with its Statement of Work for the migration project, the V10

License Agreement, and the V3locity Services Agreement. She noted that negotiations included financial deterrents for delays throughout the project, and an incentive for on-time delivery, as well as other terms. She commended Mr. O’Leary, Ms. Morgan, Mr. Wright, Alison Malone, Director of Finance, Surendra Puttagunta, Director of Application and Data Services, and Tom Walsh, legal counsel with Ice Miller, for their work on the lengthy and complicated contract process. She added that a “kickoff session” for all staff was held the day before and the project is on schedule so far. Ms. Morgan and Mr. Wright left the meeting.

**B. REMANDED TERMINATION RETIREMENT APPLICATION**

Mr. O’Leary reminded the Board of its action at the May 2019 meeting in which they approved the termination retirement application of Bruce Lackey. PERAC had remanded the application, citing its determination that the Board’s decision to approve the application was erroneous. PERAC based its decision entirely on a single, two sentence provision in the Settlement Agreement which they believed was proof that Mr. Lackey resigned from his position, and therefore does not satisfy the eligibility requirements for a Termination Retirement pursuant to M.G.L. c. 32, s.10(2). The Board held a discussion on this matter and the different options for potential action available to the Board. On a motion made by Mr. Naughton, and seconded by Mr. Liston, the Board voted 7-0 to take no further action as a result of PERAC’s remand, and to provide Mr. Lackey with his appeal rights.

**C. PROPOSED POLICY AMENDMENT- RECOVER OF OVERPAYMENTS: NON-“NEEDHAM BILL”**

Due to time constraints, this item was postponed to a future meeting.

**D. REGULAR COMPENSATION GUIDANCE FOR DISTRICTS UNDER RECEIVERSHIP**

Due to a recent DALA decision involving a regular compensation determination for employees in chronically underperforming school districts where the Department of Elementary and Secondary Education (“DESE”) has appointed a Receiver pursuant to M.G.L. c. 69, §1K, the Board requested the Legal unit provide written guidance as a reference. This guidance would be

provided to Receivers to assist them in the creation and amendment of contracts, to help ensure payments they intend to be regular compensation meet the MTRS's legal requirements. On a motion made by Mr. Liston, and seconded by Ms. Gorrie, the Board voted 7-0 to adopt the guidance as a final document for reference.

#### **E. REQUEST FOR ANNUAL WRITE-OFF OF UNCOLLECTIBLE ESTATE ACCOUNTS RECEIVABLE**

Pursuant to G.L. c. 32, § 20(5)(m) and the MTRS Retiree Death Overpayments Recovery Policy, Ms. Glaster presented the recommendation for the write-off of uncollectible estate accounts receivable that have remained unpaid for at least three years. Ms. Glaster discussed staff's efforts regarding the case with the largest of the seventeen overpayment amounts, and noted that these cases are from the time period before the use of the current death match vendor, and the establishment of set procedures by the Benefit Adjustments and Finalizations Unit, created in the agency reorganization of 2018. Ms. Gorrie disclosed her knowledge of that member and acknowledged that, to the best of her knowledge, there were no surviving family members. The Chairman questioned whether it is possible to find out the name of the Executor of estates which Mr. O'Leary believed should be possible to do at the Probate clerk's office where an estate had actually been submitted to probate, but that that probate may not have this information until six months after the death, and there is only a 12 month window to collect against estates in this manner. On a motion made by Mr. Liston, and seconded by Mr. Naughton, the Board voted 7-0 to approve the write-off of estate accounts receivable for the fiscal year period ending June 30, 2016 in the amount of \$64,082.05.

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

1. Ms. Glaster noted that at the board members' places were the PRIM reports from August and September. Additionally, at their places were copies of the sample ballot for the November 2019 MTRS Board Election with the results of the random drawing for name placement, done on the Monday of that week.
2. Under Tab 8 in the board materials, Ms. Glaster had included a draft document that contains the history of the decline in the funded status of the plan, explains the sources of funding and provides possible solutions for a

more sustainable funding schedule. The Board provided feedback on the content and the plan for distributing the document, and Ms. Glaster stated she would have an updated draft at the November Board meeting.

3. In providing an update on the status of the PERAC audit, Ms. Glaster stated that PERAC officials reported that they are hopeful for a mid-November exit conference. She further stated that MTRS met with PERAC to discuss a few questions the auditor had raised regarding service purchases and the granting of credit for a leave of absence. PERAC will determine whether any of the issues will be included as findings in the audit.
4. At the board members' places, Ms. Glaster had distributed a handout that compiled the various recent recruitment initiatives the agency has undertaken, including a job opportunities landing page on the agency's external website, an MTRS company page on *Linked-In*, and participation in a college jobs fair held earlier in the week hosted by Cambridge College.
5. Ms. Glaster reported that Mr. O'Leary asked for an update from Ice Miller on the application for a closing agreement with the IRS on the exclusive benefit rules issues. Lisa Harrison from Ice Miller told Mr. O'Leary there is nothing new to report at this time.

The Board members expressed their appreciation for the new Retiree Resources handout that was included in the board materials.

On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted unanimously to adjourn the meeting at 1:19 p.m.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date

**Documents used in MTRS Board meeting of October 25, 2019**

- Agenda for October 25, 2019 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of September 20, 2019 MTRS Board meeting
- Memorandum pertaining to Request for Approval of Statements of Work for Hardware replacement and Software upgrade
- Memorandum and supporting documents pertaining to Remanded Termination Application
- Memorandum and supporting documents pertaining to Regular Compensation Guidelines for Districts under Receivership
- Memorandum and supporting document pertaining to Request for Annual Write-off of Estate Accounts Receivable