

**Massachusetts Teachers’ Retirement Board  
Meeting of November 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 November Board meeting**

**Regular Matters of Business ..... Tab 1**  
Amended Open Minutes of the Regular Meeting held on September 20, 2019  
Open and Executive Minutes of the Regular Meeting held on October 25, 2019

**Applications for Ordinary and Accidental Disability Retirement..... Disability Folder**  
*Executive Session, Physical Condition or Mental Health – Purpose 1*

**MTRS 2019 Actuarial Valuation Final Report..... Tab 2**

**Statement of Work for MyTRS V8.1 Oracle Database Upgrade ..... Tab 3**

**Requests for Waiver for Overpayment ..... Tab 4**

**Proposed Policy Amendment - Recovery of Overpayments: Non-“Needham Bill” ..... Tab 5**

**Results of Compensation Study..... Tab 6**

**Executive Director’s Report..... Tab 7**  
Proposed 2020 Board meeting schedule  
Funding schedule update and advocacy

**Next meeting scheduled for  
December 13, 2019  
9:00 a.m. – 12:00 p.m.**

## Minutes of the Meeting of November 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 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, and Executive Assistant Helen Petruzzello.

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

The minutes of the Open session of the September Board meeting, held on September 20, 2019 were reviewed and approved as amended. The minutes of the previous Board meeting, held on October 25, 2019 were reviewed and approved as submitted. Mr. Liston made a motion, which was seconded by Ms. Wass, to approve both sets of minutes. The motion carried 7-0.

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

**The Open and Executive minutes of the Board meeting held on October 25, 2019 are hereby approved as submitted.**

Chairman Wulfson reminded Board members to please refrain from using electronic devices during members' testimony at the board meetings. He requested that in the case where a board member is researching information relevant to the proceedings at hand, that they notify him of this at the time of their actions.

## II. Executive Session

A motion was made by Ms. Gorrie, and seconded by Mr. Naughton, to enter into executive session to consider applications for disability retirement. 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 9:02 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At 10:16 a.m. the Board reconvened in Open Session.

## III. Open Session

### A. MTRS 2019 ACTUARIAL VALUATION FINAL REPORT

Ms. Glaster introduced John Boorack, State Actuary, who was invited to further discuss and answer the Board's questions on the MTRS 2019 Actuarial Valuation Final Report. Mr. Boorack summarized the results, and reviewed in detail a new section of the report that analyzes the various potential risks that could impact the plan. The Board and staff asked questions of Mr. Boorack concerning the method for determining some of the figures in the report. The Board expressed their belief that it would be more beneficial if additional revenue would be put towards the debt now.

Mr. Boorack left the meeting at 10:56.

## **B. REQUESTS FOR WAIVER FOR OVERPAYMENT**

The Board reviewed this item out of the original order on the agenda. When asked, Mr. Osimo explained that these errors were discovered in the 3(8)(c) process.

### **1. Joanne McDonough**

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to Joanne McDonough in the amount of \$1,236.05. 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 Mr. Naughton, the Board voted 7-0 to approve the request for waiver for overpayment.

### **2. John Wright**

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to John Wright in the amount of \$1,927.50. 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 7-0 to approve the request for waiver for overpayment.

## **C. STATEMENT OF WORK FOR MYTRS V8.1 ORACLE DATABASE UPGRADE**

Susan Morgan, MTRS Chief Technology Officer, Surendra Puttagunta, Director of Application and Data Services, and David Wright, Director of Network Services, joined the meeting to present their recommendation to upgrade the *MyTRS* V8.10 Oracle Database from 12c to 18c. They presented the Board with the Vitech Statement of Work, and associated costs and payment terms, to upgrade Oracle 12c to 18c by April 2020 for the five

necessary *MyTRS* environments. On a motion made by Ms. Gorrie, and seconded by Mr. Liston, the Board voted 7-0 to approve the expense not to exceed \$76,830.00 for this contract amendment.

Additionally, as she had promised at the October Board meeting, Ms. Morgan provided the figure of \$119,340 as the final cost to purchase additional storage hardware necessary for the Windows upgrade at our primary and secondary *MyTRS* hosting facilities.

**D. PROPOSED POLICY AMENDMENT – RECOVERY OF OVERPAYMENTS: NON-“NEEDHAM BILL”**

Mr. O’Leary proposed an amendment to MTRS Board Governance policy 5.0A *Recovery of overpayments: Non-“Needham Bill”* to limit Section 91 recoveries to the retirement allowance received by the member in the calendar year in which the excess earnings occur. After a lengthy discussion, the Board decided to not take any action on this item at this time.

**E. RESULTS OF COMPENSATION STUDY**

Ms. Glaster provided the Board with the results of the Compensation Study, which had been authorized in the FY 2019 budget, and conducted by Segal Waters Consulting. The study included a benchmark survey of appropriate peer entities, a review and analysis of agency job classifications and pay scale, and a written report of findings and recommendations. Ms. Glaster summarized Segal’s main recommendations that arose from the study and the response from MTRS executive staff. Ms. Glaster explained the plan to adopt the accepted recommendations, and the projected cost of implementation, up to the total authorized in the FY20 operating budget. Mr. Ruane expressed his concern with the expenditure of public funds and stated that he does not support making any salary adjustments at this time. Noting the Executive Director’s statutory authority to establish the salaries of individual staff, the Chair did not ask the Board to vote on the matter, but many Board members expressed their support of the planned adjustments for staff.

## F. EXECUTIVE DIRECTOR'S REPORT

1. At the Board members' places Ms. Glaster had distributed a draft letter written on their behalf and addressed to the Secretary of the Executive Office for Administration and Finance and the House and Senate Chairs of the Committees on Ways and Means. The draft letter provided background on the funded status of the plan and recommended solutions for a more sustainable plan for the next triennial pension funding schedule. The Board held a brief discussion regarding the importance to weigh in on this subject before the next triennial schedule is decided. On a motion made by Mr. Naughton, and seconded by Mr. Liston, the Board voted 7-0 to approve Ms. Glaster to send the letter on their behalf.
2. Ms. Glaster asked the Board members to review the proposed Board meeting schedule and bring any changes to the December board meeting.
3. Ms. Glaster updated the Board that approximately 6,000 votes have been received so far, and mostly submitted online, for the MTRS Board election. Results of the voting will be delivered and opened on December 12<sup>th</sup> and winners will be announced at the December 13<sup>th</sup> board meeting.
4. Ms. Glaster reported that the Springfield office lease will expire in November 2020. Generally, DCAMM requires agencies to go out for bid after ten years at a location, but MTRS asked for an exception due to the timing of the planned V10 upgrade and the current office location's critical role in the disaster recovery infrastructure and business continuity plan. DCAMM agreed to a two-year extension provided they could negotiate reasonable concessions with the property owner.
5. Ms. Glaster stated that she is granting a Skeleton Force day for the Friday following the Thanksgiving holiday and will ensure that all units of the agency will have sufficient coverage. Any staff members working that day will be given a compensatory day to be used before the end of the year.

As his term will be expiring at the end of January 2020, Mr. Liston indicated his willingness to serve again as the seventh Board member, appointed by the other members of the Board. This item will be included on the December board meeting agenda.

On a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted unanimously to adjourn the meeting at 12:05 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 November 22, 2019

- Agenda for November 22, 2019 MTRS Board meeting
- Cover letter from Executive Director
- Open session minutes of September 20, 2019 MTRS Board meeting
- Open and executive session minutes of October 25, 2019 MTRS Board meeting
- Memorandum pertaining to Statement of Work for MyTRS V8.1 Oracle Database Upgrade
- Memorandum and supporting documents pertaining to Requests for Waiver for Overpayment
- Memorandum and supporting documents pertaining to Proposed Policy Amendment – Recovery of Overpayments: Non-“Needham Bill”
- Memorandum and supporting documents pertaining to Results of Compensation Study
- Letter addressed to ANF and the Legislature on the MTRS funded ratio and 2020 pension funding schedule