

**Massachusetts Teachers' Retirement Board
Meeting of February 28, 2020
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 February Board meeting

Regular Matters of Business Tab 1
Open and Executive Minutes of the Regular Meeting held on January 31, 2020

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

Request for Waiver for Overpayment Tab 2

Executive Director's Report..... Tab 3
Urban Institute Report/update on the Distribution of the Commonwealth Appropriation
PERAC SFI Filing due May 1st

**To be considered in Executive Session*

**Next meeting scheduled for
March 27, 2020
9:00 a.m. – 12:00 p.m.**

Minutes of the Meeting of February 28, 2020

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, Michael Ruane, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jonathan Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello. Richard Liston and Dennis Naughton were 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 January 31, 2020 were reviewed and approved as submitted. Ms. Wass made a motion, which was seconded by Mr. Ruane, to approve the minutes. The motion carried 4-0-1, with Ms. Gorrie abstaining due to her absence from the January meeting.

The Open and Executive minutes of the Board meeting held on January 31, 2020 are hereby approved as submitted.

II. Executive Session

A motion was made by Ms. Wass, and seconded by Ms. Gorrie, to enter into executive session to consider applications for disability benefits. The Chairman stated the Board will then return to open session. On roll call, the vote was as follows:

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

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

At 10:25 a.m. the Board reconvened in Open Session.

III. Open Session

A. REQUEST FOR WAIVER FOR OVERPAYMENT

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of survivor and dependent children benefits for the time period of February 25, 2015 through January 31, 2019 to Nancy Glazer Pearl in the amount of \$11,870.58. Mr. Neilon referred to the letters from Ms. Pearl stating that she was unaware that dependent children benefits would terminate upon her children's adoption. Mr. Neilon provided three options that the Board could take, namely, to approve, deny or forgive a portion of the overpayment. The Board determined that Ms. Pearl did not have reason to know about the overpayment from the date of the adoption in February 2015 through March 2018. However, they agreed that Ms. Pearl should be responsible for the portion of the overpayment after that point, as she had received notice in the cover letters that were sent with the student verification forms. On a motion made by Ms. Wass, and seconded by Ms. Gorrie, the Board voted 5-0 to approve the waiver request for the overpayment Ms. Pearly received from February 2015 through March 2018 and hold her responsible for the repayment of the remaining portion.

B. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster noted that she had included in the board materials copies of the report from the Urban Institute naming the MTRS as one of the five worst funded state-wide teacher systems in the country. She noted that, like many such reports, this report only compared the published funded ratios of the systems and did not address the relative differences in the underlying assumptions, the normal cost of benefits, the ability of the plan sponsor to make the required payments and the length of each system's funding schedules. Ms. Glaster noted that she also had forwarded a copy of the report to the Public Employees Retirement Administration Commission ("PERAC"). She reported that she, Mr. Neilon and Mr. Favorito met with

John Parsons, John Boorack and Jim Lamenzo of PERAC to discuss PERAC's plans for the distribution of the FY21 pension appropriation. They discussed PERAC's current methodology in the appropriation allotment, which is designed so that the MTRS and the state retirement system reach full funding at the same time. She and Mr. Neilon proposed that PERAC consider allotting a greater percentage to MTRS in the next triennial schedule to bring the MTRS funded status more in line with the Commonwealth's overall status. After a lengthy discussion, the actuaries stated that their current method is actuarially sound, and they would not be inclined to change it without a legislative directive, or the consensus of the Treasurer and the Governor's office of Administration and Finance. Ms. Glaster distributed copies of a draft received from Mr. Boorack as a follow-up from the meeting that shows the MTRS specific funding schedule based on the last triennial schedule. Ms. Glaster also noted that the assumption rate may change based on the results of the mortality rate study. The Board encouraged Ms. Glaster to continue to advocate for the system.

2. Ms. Glaster had distributed at the board members' places the January 31, 2020 PRIT fund report which showed favorable returns, and noted that next month's report would likely look quite different due to the volatility of the current market.
3. Ms. Glaster reported that the agency had a medium-level cyber security incident at the beginning of the month, which did not involve any breach of member data, *MyTRS*, or any network files. Ms. Glaster described the incident and answered the Board's questions.
4. In providing an update on the PERAC audit, Ms. Glaster stated that she was told that MTRS was "next in line" as the auditor has now completed the training of PERAC's new hires.
5. In other PERAC-related news, Ms. Glaster announced that PERAC has joined NCTR as an associate member, so now local boards can participate in webinars and Board members can earn continuing educational credits.
6. In providing operational news, Ms. Glaster noted that due to the retirement of four long-serving call center representatives, four new representatives were hired. She reported that one of the new hires decided that the job was not a good fit, so the opening has been posted and an email notification of the opening has been sent to all recently retired teachers.
7. Ms. Glaster reported that there has been an increase by 28% in the establishment of member self-service (MSS) accounts, which now total 68,000.

8. Due to recent news concerning the outbreak of COVID-19 “Corona Virus”, Ms. Glaster acknowledged the agency is following guidance from the Centers for Disease Control and Prevention, and has placed hand-sanitizers and disinfectant wipes for members and staff in multiple locations throughout the office space to use for their protection. Additionally, the agency will be undergoing a retest of the Business Continuity/Disaster Recovery plan.

Chairman Wulfson announced the recent appointment of Dr. Ventura Rodriguez, to serve as the new Chair of the MTRS Board, as the designee of the Commissioner of the Department of Secondary and Elementary Education. He further stated that Dr. Rodriguez’s appointment is effective March 16th and therefore, the February board meeting would be his last meeting. Chairman Wulfson thanked the staff and fellow board members, and called the MTRS Board a “totally functional board,” citing their depth of knowledge, dedication to MTRS members and thoughtful preparedness for meetings. He stated it was a privilege to serve alongside them.

Ms. Glaster offered words of gratitude to Chairman Wulfson, naming his fair-minded, thoughtful counsel to the Board and staff, as well as MTRS members. She thanked him for his steadfast guidance through multiple technology projects and the more recent office relocation, as well as monthly meetings. Board members individually praised Chairman Wulfson’s leadership style and expressed their disappointment that they were not given the opportunity to provide Chairman Wulfson a proper send-off at his last meeting. Ms. Glaster noted her plans to schedule an event later in the spring to thank Chairman Wulfson for his service.

On a motion made by Ms. Wass and seconded by Ms. Gorrie the Board voted unanimously to adjourn the meeting at 11:05 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of February 28, 2020

- Agenda for February 28, 2020 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of January 31, 2020 MTRS Board meeting
- Memorandum and supporting document pertaining to Requests for Waiver for Overpayment