

**Massachusetts Teachers' Retirement Board  
Meeting of April 24, 2020  
9:00 a.m. to 12:00 p.m.  
being held at:**

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

**Agenda for April Board meeting**

**Regular Matters of Business ..... Tab 1**  
Open and Executive Minutes of the Regular Meeting held on March 27, 2020

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

**Potential Termination of Benefits due to Non-Compliance with 91A\* ..... Tab 2**  
*Executive Session, Physical Condition or Mental Health – Purpose 1*

**Request for Waiver of Overpayment..... Tab 3**

**FY 2021 Operational Budget..... Tab 4**

**Re-Appointment of MTRS Board Member Representative to PRIM Board ..... Tab 5**

**PRIT Update**

**Executive Director's Report**

*\*To be considered in Executive Session*

Next meeting scheduled for  
May 29, 2020  
9:00 a.m. – 12:00 p.m.

# Minutes of the Meeting of April 24, 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 Ventura Rodriguez, 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 Jon Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:02 a.m. by Chairman Rodriguez who stated that in accordance with the Governor's Executive Order in response to COVID-19, all Board members were participating remotely. The MTRS Executive Director, General Counsel and Senior Legal Counsel were at the Board room at the main MTRS office in Charlestown, which was open to the public. The disability applicant and her counsel, as well as other MTRS staff were participating remotely in the same manner as the Board. Chairman Rodriguez asked for all Board members to state their names before speaking and stated that all votes would be conducted via roll call.

The minutes of the previous Board meeting, held on March 27, 2020 were reviewed and approved as submitted. Mr. Liston made a motion, which was seconded by Mr. Naughton, to approve the minutes. 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 Ventura Rodriguez	Yes

**The Open and Executive minutes of the Board meeting held on March 27, 2020 are hereby approved as submitted.**

## II. Executive Session

Before entering Executive Session, the Chairman asked and received oral confirmations from each participant that no other individuals were able to overhear the confidential proceedings at their various locations.

A motion was made by Ms. Wass, and seconded by Mr. Liston, to enter executive session to consider applications for disability benefits and potential termination of benefits due to non-compliance with 91A. 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 Ventura Rodriguez	Yes

At 9:05 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At 10:21 a.m. the Board reconvened in Open Session at which point Mr. Coco left the meeting. The door to the Board room at the MTRS main office in Charlestown was again opened to the public and Mr. Neilon entered, joining the meeting.

## III. Open Session

### A. REQUEST FOR WAIVER OF OVERPAYMENT

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to Earl Maurer in the amount of \$15,959.78. 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. Mr. Osimo explained that Mr. Maurer's creditable service was overstated due to some periods of dual membership with three other MA contributory systems. On a

motion made by Mr. Naughton, and seconded by Ms. Wass, 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 Ventura Rodriguez	Yes

## **B. FY 2021 OPERATIONAL BUDGET**

Ms. Glaster presented the proposed FY 2021 Operating Budget, totaling \$20,092,451, which she clarified is 0.82% higher than the FY 2020 Operating Budget, correcting typos in her accompanying cover letter. Ms. Glaster noted that since the proposed budget represents an increase of less than 3.0%, the agency needs to give the Legislature only thirty days to review it. Therefore, the board will be asked for its approval at the May meeting. Ms. Glaster discussed each line item in detail and answered questions from the Board. In light of the potential economic impact of the COVID-19 epidemic, the Chairman asked what cost saving measures were taken by the Commonwealth and the MTRS agency in response to the 2008-09 recession. Ms. Glaster recalled state furloughs and layoffs, and agreed to research the specifics as they relate to the MTRS to share with the Board. Ms. Glaster asked the Board to review the proposed budget and feel free to forward any questions to her, which she will answer and discuss at the May meeting.

## **C. RE-APPOINTMENT OF MTRS BOARD MEMBER REPRESENTATIVE TO PRIM BOARD**

The Board considered the re-appointment of Dennis Naughton as the elected member of the Teachers' Retirement Board to serve on the Pension Reserves Investment Management ("PRIM") Board. Ms. Wass made a motion, seconded by Ms. Gorrie, to re-appoint Mr. Naughton as the MTRS Representative to the PRIM Board. Mr. Naughton thanked the Board for their vote of confidence.

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
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Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Abstain
Michael Ruane	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

#### **D. PRIT UPDATE**

Mr. Naughton thanked Ms. Glaster for electronically forwarding the most recent monthly update of the assets of the PRIT fund to the Board members before the meeting. Mr. Naughton reported on a special meeting of the PRIM Board that he attended via *Zoom* conference on Tuesday of that week in which Michael Trotsky assured participants that there is no problem in paying pensions for Commonwealth of Massachusetts retirees or teachers. He further stated that PRIM has been adjusting the fund's asset allocation over the past several years to be prepared for market volatility, and their focus has always been on long term results.

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

1. Ms. Glaster updated the Board on the impact of the COVID-19 epidemic on MTRS personnel and operations. After completely closing both offices during the week of March 30<sup>th</sup>, the agency began operating with a small skeleton crew of up to four staff in the main office and one in the Springfield office each day. The rest of the staff have been working remotely, with full access to the MTRS network and MyTRS via secure VPN with dual factor authentication. The in-office staff are keeping up with incoming and outgoing mail, depositing and recording incoming payments from members and employers, coordinating with Treasury staff and mailing paper benefit checks as necessary, copying and returning original birth records submitted with retirement applications, and preparing work to be processed remotely by other staff. While onsite, staff are required to wear masks, keep safe distances and practice proper hand and surface sanitizing. Ms. Glaster reported that with so many remote users online, network performance has not been ideal. While the agency is maintaining all services, some functions are taking longer than usual, and Ms. Glaster informed the Board that the agency

may not meet its service goal to pay all members who file timely retirement applications in the first month following their retirement dates. Another issue impacting timely payment of benefits is the uncertainty among school district employers as to whether they will pay full stipends and longevity amounts due to the school closures. Looking ahead, Ms. Glaster stated she is waiting to hear Governor Baker's directives for state government after the current closure deadline of May 4<sup>th</sup>. Communications have been updated with posted FAQs on the website on various related subjects and the Communications unit is currently working on producing broadcast emails and short videos for employers, active members and benefit recipients.

2. While Ms. Glaster had nothing new to report on the status of the PERAC audit, she announced that the agency was just contacted by the State Auditor's office to confirm that MTRS would be able to support an upcoming audit on a limited scope. An engagement letter is expected next week.
3. Reporting that the state actuary announced at the last PERAC meeting that he is researching funding options for local retirement boards as they face revenue shortfalls, Ms. Glaster noted possible actions that could be taken on the state level relative to the PRIT fund appropriation and the funding schedule. Mr. Neilon added that things have changed dramatically since the December consensus revenue hearing, and with such severe and drastic reduction in revenues, this issue is clearly on the legislative radar. Ms. Glaster noted that in his most recent press conference, Governor Baker referenced the strength of the Commonwealth's rainy-day fund when asked about federal bail outs. Ms. Glaster stated that this topic will be addressed at the May or June Board meeting as more information becomes available. Mr. Naughton strongly recommended others to view the NCTR Webinar from April 16, *The Impact of the COVID-19 Crisis on Public Pension Funding* for further information.
4. Ms. Glaster stated that the Network Services unit is looking into the possibility of using video conferencing via the *Microsoft Teams* application for the May Board meeting. Due to the sensitivity of member data used during executive sessions, the agency is not using *Zoom* for video conferencing.
5. Ms. Glaster commended the MTRS staff for their ongoing efforts and commitment to ensuring the continuity of all business operations. She

encouraged Board members to notify her of any concerns that they may hear from the membership. Chairman Rodriguez asked Ms. Glaster to convey the Board's appreciation to all the staff members.

On a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted to adjourn the meeting. 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 Ventura Rodriguez	Yes

The meeting was adjourned at 11:49 a.m.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date

### **Documents used in MTRS Board meeting of April 24, 2020**

- Agenda for April 24, 2020 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of March 27, 2020 MTRS Board meeting
- Memorandum and supporting documents regarding Request for Waiver of Overpayment
- Memorandum and supporting documents regarding FY 2021 Operational Budget
- Memorandum regarding Re-appointment of MTRS Board Member Representative to PRIM Board