

**Massachusetts Teachers' Retirement Board
Meeting of July 31, 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 July Board meeting

Regular Matters of Business Tab 1
Open and Executive Minutes of the Regular Meeting held on June 26, 2020

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

Termination Retirement Application..... Tab 2

Requests for Waiver for Overpayment Tab 3

Annual Review of Executive Session Minutes Pursuant to M.G.L. c. 30A, § 22(g)(1)..... Tab 4

Executive Director's Report..... Tab 5

Executive Director Evaluation

**To be considered in Executive Session*

Next meeting scheduled for
August 28, 2020
9:00 a.m. – 12:00 p.m.

Minutes of the Meeting of July 31, 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 Petruzziello.

The meeting was called to order at 9:01 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 via teleconferencing technology. The MTRS Executive Director and Executive Assistant were in the Board room at the main MTRS office in Charlestown, which was open to the public. The disability applicant and his 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 Chairman also noted that the Termination Retirement application, which was originally listed on the agenda as being considered in executive session, would be heard in open session since it does not involve any issues of reputation, character or professional competence. The meeting notice was updated on Wednesday morning to reflect this change.

The minutes of the previous Board meeting, held on June 26, 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:

VOTED: 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 June 26, 2020 are hereby approved as submitted.

Awaiting the legal counsel for the disability applicant to join the meeting via the teleconferencing application, the Chairman announced that agenda items would be considered out of their original order.

II. Open Session

A. TERMINATION RETIREMENT APPLICATION

Mr. Osimo presented the termination retirement application of Daniel Kaminsky, a fifty-year-old music teacher from the Haverhill Public Schools, whose position was not renewed on June 30, 2018 and who ultimately retired effective December 17, 2019. Mr. Kaminsky had a total of 21.0 years of creditable service. Mr. Osimo confirmed that there was no moral turpitude or collusion surrounding his separation from service and confirmed that Mr. Kaminsky meets the eligibility criteria for a termination retirement benefit. On a motion to approve the termination retirement made by Mr. Naughton, and seconded by Mr. Liston, 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
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

III. 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 Mr. Naughton, and seconded by Mr. Favorito, to enter executive session to consider an application for disability 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
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

At 9:11 a.m. the Board went into Executive Session. The door to the Board room at the MTRS main office in Charlestown was closed. The Chairman stated that the Board would return to Open Session.

At 10:56 a.m. the Board reconvened in Open Session at which point the door to the Board room was again opened to the public. The Board recessed at 10:57 a.m. and reconvened at 11:02 a.m.

IV. Open Session

B. REQUESTS FOR WAIVER FOR OVERPAYMENT

1. Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to Michelle Ferreira in the amount of \$4,506.84. 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 to approve the request for waiver made by Mr. Naughton, and seconded by Mr. Favorito, 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
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

2. Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to Patricia V. Urban in the amount of \$840.72. 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 to approve the request for waiver made by Ms. Wass, and seconded by Ms. Gorrie, 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
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

C. ANNUAL REVIEW OF EXECUTIVE SESSION MINUTES PURSUANT TO M.G.L. c. 30a, § 22(g) (1)

Pursuant to M.G.L. c. 30A, §22(g)(1), which requires the Board to periodically review their executive session minutes to determine whether continued non-disclosure is warranted, Mr. O’Leary examined the Board’s approved executive session minutes for the period from May 2019 through May 2020. After review, Mr. O’Leary recommended non-disclosure of any of its executive session minutes and stated the reasons why disclosure of these minutes would defeat the lawful purposes for which the executive session was entered. Mr. O’Leary further stated a Board vote was not required.

D. EXECUTIVE DIRECTOR’S REPORT

1. Ms. Glaster announced that the state legislature had approved an extension to hold formal sessions through the end of the 2020 Legislative Session and had approved a \$16 billion-dollar interim budget designed to cover state spending through October. Uncertainty regarding the pending federal relief package is holding up the filing and finalization of the state budget. Therefore, Ms. Glaster is postponing the discussion on any possible staff increases in conjunction with the annual performance evaluation process until the August board meeting. However, she stated the agency is proceeding with the evaluation process as normal.
As there was no cost of living adjustment (“COLA”) included in the interim budget, Ms. Glaster reported that a broadcast email was sent out to all retirees to let them know and an update was posted on the MTRS website. There were approximately 20 responses to the email.
2. Ms. Glaster noted the Mass Retirees’ COLA reform bill that Mr. Neilon included and summarized in his legislative report. With the unlikelihood of any near-term progress on the bill, Ms. Glaster suggested placing the topic on a future Board meeting agenda.
3. In an update on the application for a closing agreement with the Internal Revenue Service (“IRS”), Ms. Glaster reported that MTRS and MSERS tax counsel has been working with the counsel for Administration & Finance (“A & F”) on a response to the IRS’s most recent request for a plan to address the retrospective shortfalls to the Pension Reserves Investment Trust fund resulting from the Exclusive Benefit Rule violations, due on July 31, 2020. Of the \$314 million total, approximately \$16 million is the MTRS’s share of the shortfall attributable to the PERAC budget. The remainder is attributable to the Optional Retirement Program (“ORP”) for higher ed and local COLAs, which were paid from the assets of the MSERS. Ms. Glaster reported that A&F had recently asked the state actuary to prepare data for the response to the IRS, which would be finalized later that day. Ms. Glaster will update the Board at the August meeting.
4. After several months with no activity, Ms. Glaster was contacted by PERAC’s auditors for an exit conference on July 10th. The draft audit report was received late Friday afternoon on July 24th. MTRS will prepare a response to the findings for the Board’s review at the August meeting.
5. Ms. Glaster stated there was no new activity on the audit being performed by the Office of the State Auditor.

6. As PERAC is not performing the 2020 MTRS Actuarial Valuation, Ms. Glaster was notified by KPMG that they will not be conducting the annual GASB 67 audits of MTRS census data, but she was assured that the agency will still be in compliance with GASB rules.
7. As Mr. Osimo's Member Services quarterly report indicated, Ms. Glaster noted that retirement applications are down by 13% compared to last year at this time, but the processing is on pace. Ms. Glaster commended Mr. Osimo and his team for their extraordinary collective efforts to process June 30th retirement applications while working remotely, noting that 973 members received their first retirement checks on the July warrant. Ms. Glaster also said that staff are receiving numerous calls from anxious members who are struggling to make their retirement decisions in light of the uncertainty of school reopening plans. She recognized Mr. Osimo for his calm leadership, and the Member Services and Contact Center staff for their compassionate service.
Ms. Glaster noted that the Member Services unit has continued to train new staff and two staff members had just recently passed the retirement processing assessment, so that they are now able to work on the summer retirement applications. Ms. Glaster noted that the deadline to file a retirement application with an effective date of June 30th, and still receive retroactive benefits to that date, is August 29th.
8. Ms. Glaster has been contacted by members of the press regarding the impact of the virus and school reopening plans on teacher retirement volume. She provided the statistics and noted that the agency anticipates several late filers as school reopening plans are finalized.
9. Ms. Glaster asked for the Board's feedback concerning a change to the notary requirement on the FY 2021 Benefit Verification Form. Speculating that there could be another surge in virus cases during the timing of the process, she thought the notary requirement could put retired members at risk. She noted that the state retirement system had changed its process to only ask for verification from a witness over 18 years of age. The Board members supported changing the notary requirement to a witness signature on the MTRS FY21 Benefit Verification Form.
10. Ms. Glaster reported that the active and retiree versions of the MTRS newsletter, *The Advisor*, are being finalized. The active version will only be sent via email, and the retiree version will be emailed to those retirees

on the distribution list and mailed in hard copy to those for whom we do not have email addresses.

11. The agency had asked the Division of Capital Asset Management and Maintenance (“DCAMM”) for a further extension to the current Springfield office lease, set to expire this fall. After due consideration, which included the impact of the current major upgrade project of the *MyTRS* system, DCAMM agreed to grant a full 5-year extension of the Springfield office lease. In addition, the landlord offered a slightly reduced rate.
12. Regarding the *MyTRS* upgrade project, Ms. Glaster stated that it is currently on schedule and on budget. MTRS staff and Vitech are holding design sessions through video conferencing and staff are testing both remotely and in-office. MTRS has asked Vitech to attend the September board meeting to provide an update on the project.
13. Ms. Glaster asked for the Board’s feedback on their thoughts concerning the September Board meeting, which is typically the MTRS Annual System Review and Constituent Forum. She specifically asked whether, without the PERAC Actuarial Valuation report, MTRS should attempt to hold the meeting virtually and invite constituents to hear Mr. Trotsky provide the annual PRIT fund update. After a brief discussion, the Board members concluded that due to the impact of the pandemic, it would be best to defer the meeting to another time.
14. Ms. Glaster provided an update on the agency’s pandemic response activities. She shared that approximately 45 staff members (about 50% of the full-time staff) have been coming into the Charlestown and Springfield offices on a rotating basis. Daily, there are approximately 10-12 staff in Charlestown and one staff member in Springfield. Most come in one day per week, with some coming in two or three times a week. The agency has been maintaining all essential services and all staff members on-site in both locations continue to follow the requisite handwashing, disinfecting high touch surfaces and social distancing safety policies and procedures in compliance with the latest state and CDC guidance. As the agency continues to move from crisis-mode to more regular operations, the plan is to have all staff members, including the Call Center Representatives, come into the office one or two days a week starting in mid-September. Provided infection rates are trending in the right direction, that frequency would increase to two or three days a week for all staff. The management team continues to work on

strategies for managing remote teams, measuring productivity across all units, and normalizing remote equipment for those staff members who continue to work from home.

The board members asked some follow up questions from previous board meetings and on the pending pension forfeiture legislation.

E. EXECUTIVE DIRECTOR EVALUATION

Each board member summarized their individual written evaluations of Ms. Glaster’s performance over the past year, using the MTRB Executive Director Evaluation form (spring 2020), and provided a recap of their individual ratings. A copy of each evaluation will be forwarded and included in the materials to be used in a review of the Executive Director’s compensation at the August MTRS Board meeting.

On a motion made by Mr. Liston and seconded by Ms. Gorrie, the Board voted to adjourn the meeting. 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
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 12:13 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of July 31, 2020

- Agenda for July 31, 2020 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of June 26, 2020 MTRS Board meeting
- Memorandum and supporting documents concerning Termination Retirement application
- Memorandum and supporting documents concerning Requests for Waiver for Overpayment
- Memorandum concerning Annual Review of Executive Session Minutes Pursuant to M.G.L. c. 30A, §22(g)(1)