

**Massachusetts Teachers' Retirement Board
Meeting of August 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
Second Floor MTRS Board Room
And via Teleconferencing Applications
Those interested in virtually attending the meeting can do so by telephone:
Conference Call Line: 1-866-817-5686, enter passcode 2139782#

Agenda for August Board meeting

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

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

Request for Approval for Expenses for Network Migration Services Tab 2

Request for Annual Write-off of Uncollectible Estate Accounts Receivable Tab 3

PERAC 2014-2017 Audit Tab 4

Executive Director's Report

**To be considered in Executive Session*

Next meeting scheduled for
September 25, 2020
9:00 a.m. – 12:00 p.m.

Minutes of the Meeting of August 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 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 9:05 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. In addition, the meeting was made available to the public via a teleconference line. 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 July 31, 2020 were reviewed and approved as submitted. Mr. Liston made a motion, which was seconded by Mr. Favorito, 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 July 31, 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 Mr. Naughton, and seconded by Mr. Favorito, to enter executive session to consider applications 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 9:07 a.m. the Board went into Executive Session. The door to the Board room at the MTRS main office in Charlestown was closed and the teleconference call line was suspended. The Chairman stated that the Board would return to Open Session.

At 10:32 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 10:33 a.m. and reconvened at 10:43 a.m. at which point the telecom line resumed.

III. Open Session

A. REQUEST FOR APPROVAL FOR EXPENSES FOR NETWORK MIGRATION SERVICES

MTRS Chief Technology Officer Susan Morgan and Director of Network Services David Wright joined the meeting to request the Board’s approval for expenses for network migration services. Ms. Morgan and Mr. Wright reviewed the phases of the procurement process, including a bidder’s conference held via the *Microsoft Teams* application to answer any questions from prospective

vendors. Two bids were received that were evaluated and scored by the MTRS Procurement Management Team consisting of Ms. Morgan, Mr. Wright and Nate Bowen, Senior System Administrator. Based on the PMT review, evaluation and scoring, IntraSystems emerged as the recommended vendor.

On a motion to approve MTRS to enter into a contract with IntraSystems for \$93,000 in FY 21 for network migration services made by Mr. Liston, 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

Ms. Morgan and Mr. Wright left the meeting at 10:56 a.m.

B. 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. On a motion made by Mr. Favorito, and seconded by Mr. Liston, the Board voted to approve the write-off of estate accounts receivable for the fiscal year period ending June 30, 2017 in the amount of \$46,193.88. 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. PERAC 2014-2017 AUDIT

Ms. Glaster presented a copy of PERAC's Draft Audit Report covering the four-year period from July 1, 2013 through June 30, 2017. Ms. Glaster provided the agency's recommended responses to PERAC's findings for the Board's review and discussion. On a motion made by Mr. Naughton, and seconded by Mr. Liston, the Board voted to approve the agency's response to send to PERAC. 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

D. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster noted that the state budget remains on hold. A broadcast email was sent out to retirees notifying them of the uncertainty of the inclusion of a cost-of-living adjustment in this year's budget. This elicited approximately 20 responses that mostly consisted of thank you messages.

With the state budget still pending, Ms. Glaster stated she is postponing the discussion on any MTRS staff salary increases. She further stated the agency is still proceeding with the normal staff evaluation process, with an extended deadline, due to the demands of the retirement season and remote work.

2. Ms. Glaster reported an unexpected development in the status of the application for a closing agreement with the IRS. A & F's general counsel was notified by the IRS that the application should be withdrawn until the retrospective solution to address the \$314 million shortfall is completely implemented. As a result, on August 20th, after discussions with tax counsel, A & F's counsel sent a letter withdrawing the application, contingent on the IRS confirming that the proposed solution to the retrospective shortfall will be acceptable to the IRS. The proposed solution is to earmark the first \$314 million of the FY2021 pension

appropriation as the “Retroactive Correction Amount.” Ms. Glaster will provide further updates once the response is received from the IRS.

3. In reporting on the status of the state auditor’s audit, Ms. Glaster informed the Board that the auditors had recently requested a significant amount of retiree data. Staff are currently working on the multiple queries and agreed to provide to the auditors shortly after the Labor Day holiday.
4. Ms. Glaster announced that the National Council on Teacher Retirement (“NCTR”) will hold its annual conference virtually this year, offering half day afternoon sessions from Monday, October 12th through Wednesday, October 14th and a one hour slot for the business meeting on Thursday, October 15th at noon that must be attended by delegates. The registration will open next week and will cost \$450 for each participant. Ms. Glaster asked board members to notify Ms. Petruzzello if they would like to register.

In addition, Ms. Glaster notified the board that her term on the NCTR Board of Directors expires this year and she plans to run for re-election.

5. In operational news, Ms. Glaster reported that a total of 1,736 retirement applications were received with June through September retirement dates. This figure is 11% fewer than last year at this time, however there has been a 10% increase in applications received in the months of June, July and August as compared to last year. Ms. Glaster commended Mr. Osimo and his team for their impressive work, processing 1,300 of these applications to date while simultaneously taking calls and counseling members about retirement decisions. Ms. Glaster stressed that August 29th is an important deadline, as it is by law the last day that a member may file their retirement application with a June 30th retirement date and qualify for retroactive benefits. Earlier in the month Mr. Osimo spoke with Harold Crowley, MTA Retirement Coordinator, who said that based on his recent conversations with many MTA members, he believes that more applications are on the way. To assist our members who have been impacted by delays in finalized school reopening plans, unavailability of district payroll officers to complete the employer section of the retirement application (Part 2), and the reported delays with mail service, a broadcast email was sent out to both members and employers a couple of weeks earlier to let them know that MTRS will accept an application for June 30th retirement as long as the member submits at least their part of the application (Part 1), postmarked by

August 29th. Ms. Glaster added that if a member misses that deadline, their benefit will take effect 15 days from the date they file their application. In response to Mr. Liston's question regarding those teachers who may start the school year and then make the decision to retire, Ms. Glaster answered that their retirement benefits would be retroactive to their last day of employment as long as they file their application within 60-days from that date.

6. Ms. Glaster pointed out Mr. Neilon's report noting a 10% increase this year in retiree deaths compared to FY19. She noted the largest increase was in April and May, likely due to COVID, but the June figure was slightly lower than the previous year.
7. Ms. Glaster reported that the Springfield office has been repeatedly having issues with their phone system, despite repairs by the telephone vendor and Verizon, which have proved to be only short-term fixes. The agency has issued a Request for Information to begin researching the capabilities and costs of a new phone system for both offices. Ms. Glaster noted that the current system does not allow for remote live calling, which is a priority for the new system. Ms. Glaster will bring a proposal to the Board once the research is completed.
8. Ms. Glaster confirmed that the V10 upgrade remains on budget and on schedule, and representatives from Vitech will be providing a detailed update at the September board meeting.
9. In pandemic-related actions, Ms. Glaster stated that approximately 50 staff members have been coming into the office locations on a rotating basis, most for 1 day, with some coming 2-3 days, per week. The agency has been maintaining all essential services and operations, while continuing to follow the requisite handwashing, sanitizing high touch surfaces and social distancing safety policies and procedures in compliance with the Commonwealth's COVID-19 Control Plan requirements. In preparation for plans to bring all staff members back into the office at least one day per week, a survey was sent out for staff to indicate if they have a medical condition and/or dependent care issues that may impact their ability to return. Follow-up discussions between the staff members, HR and the managers are being held in order to determine who may need a Temporary Work Adjustment ("TWA"), which, in addition to all of the measures already in place, could include continued 100% remote telework, flexible schedules or private office space while on site. In addition, seven out of 10 call center

representatives have indicated that they are willing to return to the office and will start reorientation sessions in the first two weeks of September. The live call queue will be reopened by the end of September as staffing levels allow, with priority given to high call volume days, such as Mondays, benefit payment days and after large mailings. On days when the Call Center is not fully staffed, the agency will default to its current practice of using a topic-specific menu of voice mail extensions where callers leave a message to be returned within 24 hours.

The Chairman noted that the review of the Executive Director's salary, the final piece of the Executive Director's evaluation process, will be postponed until the state budget is finalized. The Chairman and board members congratulated Ms. Glaster on her recent milestone of 34 years of service with the MTRS agency.

Upon questioning by a board member, the Chairman asked that the subject of remote participation for board meetings be included on a future meeting agenda for review.

On a motion made by Mr. Liston and seconded by Mr. Favorito, 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 August 28, 2020

- Agenda for August 28, 2020 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of July 31, 2020 MTRS Board meeting
- Memorandum concerning Request for Approval for Expenses for Network Migration Services
- Memorandum concerning Request for Annual Write-off of Uncollectible Estate Accounts Receivable
- Memorandum and supporting documents concerning PERAC 2014-2017 Audit