

**Massachusetts Teachers' Retirement Board
Meeting of September 25, 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 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 September Board meeting

Regular Matters of Business Tab 1
Open and Executive Minutes of the Regular Meeting held on August 28, 2020

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

V10 Upgrade Status Tab 2

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

Termination Retirement Tab 4

Regular Compensation..... Tab 5
Marcia Pereira v. MTRS

PRIM Report

Executive Director's Report
PERAC Audit Update

**To be considered in Executive Session*

Next meeting scheduled for
October 30, 2020
9:00 a.m. – 12:00 p.m.

Minutes of the Meeting of September 25, 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 and invited guests were participating remotely in the same manner as the Board. Chairman Rodriguez asked for all Board members to state their names for the record before speaking and stated that all votes would be conducted via roll call.

The minutes of the previous Board meeting, held on August 28, 2020 were reviewed and approved as submitted. Mr. Liston made a motion, which was seconded by Ms. Wass, 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
August 28, 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. Ruane, and seconded by Mr. Liston, 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 11:04 a.m. the Board reconvened in Open Session and the door to the Board room was again opened to the public. The Board recessed at this time and reconvened at 11:12 a.m. at which point the telecom line resumed.

III. Open Session

A. V10 UPGRADE STATUS

MTRS Chief Technology Officer Susan Morgan, Director of Network Services David Wright and Director of Application & Data Services Surendra Puttagunta joined the meeting and welcomed representatives from Vitech to provide an update on the status of the current V10/V3locity project. Account Manager Brian McKinney introduced Amuthapandian Pandian, Project Manager, Caroline Juon Wild, Solutions Assurance Manager, Paul Kelly, Senior Vice

President V3locity Services and Chris Lodge, Executive Vice President and Chief Operation Officer.

Mr. McKinney highlighted the updates that the upgrade brings to the current product. Mr. Kelly reviewed the hosting infrastructure migration to V3locity. Mr. McKinney reviewed the three phases of the project plan and reported that they are currently right on schedule with the timeline despite the challenges that the COVID-19 pandemic brought to the project. Mr. McKinney praised the MTRS staff for continuing to meet all testing and validation milestones.

Following brief questioning by Board members, all parties left the meeting at 11:57 a.m.

B. 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 retirement benefits to Jean Loomis Smith in the amount of \$11,279.76. This overpayment was the result of an overstatement by another retirement system when transferring Ms. Smith’s service credit liability. 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. The Board asked Board staff to investigate pursuing options for recouping the funds from other retirement boards, for scenarios like this when the overpayment is due to their error. On a motion made by Mr. Naughton, and seconded by Ms. Gorrie, the Board voted to approve the waiver. 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. TERMINATION RETIREMENT

Mr. Osimo presented the termination retirement application of Debra Lay,

a 52-year-old Principal from the Beverly public schools, whose contract was not renewed for the 2020-2021 school year. As of her last date of employment on June 30, 2020, Ms. Lay had a total of 26.0 years of creditable service. Mr. Osimo confirmed that there was no moral turpitude or collusion surrounding her separation from service and confirmed that Ms. Lay meets the eligibility criteria for a termination retirement benefit. On a motion made by Ms. Wass, and seconded by Ms. Gorrie, the Board voted to approve the termination retirement. 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. REGULAR COMPENSATION

In response to the Board’s questions on the recent *Marcia Pereira v. MTRS* case included in the August board meeting materials, Mr. O’Leary provided a summary of the decision-making process for regular compensation determinations in situations where a member works extra days beyond the school year. Mr. O’Leary provided the background and analysis, and the application as it pertained to Ms. Pereira’s case.

E. PRIM REPORT

Referencing the monthly reports and quarterly update that were forwarded earlier in the week by Ms. Glaster, Mr. Naughton gave an update to the Board on the status of the PRIT fund and the activity at the Pension Reserves Investment Board (“PRIM”).

F. EXECUTIVE DIRECTOR’S REPORT

1. Ms. Glaster reported that the state budget is still on hold, and therefore, there is still uncertainty on whether there will be a retiree Cost of Living Adjustment (“COLA”) this year. Ms. Glaster also commented on the likelihood that this uncertainty could possibly continue beyond the

election as the federal government is not dealing with the stimulus package. Ms. Glaster noted that a broadcast email regarding the COLA status would be sent to all retirees.

2. In providing an update on the status of the application for a closing agreement with the Internal Revenue Service (“IRS”), Ms. Glaster reported that on September 10th, she and Mr. O’Leary participated in a conference call with Mr. Favorito, the State Board’s general counsel, tax counsel from Ice Miller, Administration & Finance’s (“ANF”) undersecretary, general counsel and tax counsel. They discussed the content of the withdrawal letter that was sent to the IRS on August 20th proposing the “earmarking” of the first \$314 million of the FY 2021 pension appropriation as the “retroactive correction amount.” ANF’s attorney continued to say that he received verbal confirmation that the IRS would approve this proposal. Ms. Glaster reminded the Board that the MTRS portion of the \$314 million shortfall is \$16 million. As of the board meeting date, she had not been notified of any response from the IRS, but would keep the Board posted.
3. Following up on the Board’s vote at the August board meeting to request the withdrawal of two of the four findings in the Public Employee Retirement Administration Commission’s (“PERAC”) draft audit report, covering the period from July 1, 2014 to June 30, 2017, Ms. Glaster reported that she called PERAC’s Executive Director John Parsons to notify him of the incoming correspondence and inquire about next steps. At the conclusion of the conversation, Mr. Parsons indicated that he would take a closer look at the MTRS’s legal analysis. After a series of email exchanges, he indicated that PERAC would be issuing a new draft report, withdrawing one finding and modifying the other. He indicated that he would aim to finalize the new draft report in time for the October MTRS board meeting. Mr. Naughton complimented the MTRS legal team for their work.
4. In another audit update, Ms. Glaster reported that activity has picked up on the state audit, and that staff are preparing requested data.
5. Noting that the deadline for state agencies to file legislation for the next session is in the first week of November, Ms. Glaster asked board members to notify her if they have any items that they want to add to the current list of MTRS-sponsored legislative items. Those items from past years include the *RetirementPlus* transfer-in amendment, creditable service study and the amendment to the forfeiture statute. Board staff

will bring recommendations to the Board at the October meeting in order to meet the deadline.

6. In operational news, Ms. Glaster reported that there was an 8% decrease in total retirement applications received this year as compared to last year. There was a 33% increase in late filers, however that figure only amounted to 114 applications. Ms. Glaster commended Mr. Osimo and his team who have currently completed 83% of the processing of the applications for the current retirement season.
7. Now that the schools have reopened, Ms. Glaster reported the agency has been receiving calls from members who are concerned about their health and want to be ready if they do make the decision to retire.
8. Ms. Glaster reported that the press has continued to make inquiries on the impact of the pandemic on teacher retirement volume. However, the numbers are not sufficiently high to be newsworthy.
9. Ms. Glaster reported on the progress made by Mr. Neilon's team in bringing all 425 school districts into compliance with their deduction reports for the calendar year of 2019. The annual statements are currently with the printing vendor and will be mailed next week.
10. In reporting on the pandemic related actions, Ms. Glaster stated that starting next Monday, 9/28, staff will begin to report to the office at least one day a week, with managers coming in two days a week. In the past, approximately 50 staff members were coming in on a rotating basis which generally resulted in 10-15 staff members a day in the Charlestown office and one staff member per day in the Springfield office. This number will increase to an average of 25 each day in Charlestown office and up to two per day in the Springfield office. Accommodations have been made for those staff members who have medical issues that may put them a greater risk if they contract COVID-19 and for those who have COVID-related dependent care issues. The Call Center is back in operation and 7 of the 10 call center representatives have decided to return. Ms. Glaster reported several adjustments have been made to the office space such as plexiglass installed above the cubicle walls, foot traffic directional signage applied to floors and walls, signs posted for limited capacity for meeting and storage rooms, and the placement of hand sanitizer stations and disinfecting wipes throughout the office. In addition, and upon our request, the landlord assigned restrooms to separate tenants to facilitate effective contact tracing if necessary. Further, a "Welcome Back" video produced by the

Communications unit explains all the new safety features and individual staff responsibilities. Ms. Glaster will be in the main office each day next week in order to hold small, socially distanced group orientation sessions to train staff on the new protocols and answer any questions they may have. She will follow up with remote sessions for staff who are uncomfortable meeting in a group. Ms. Glaster explained that when staff sign in each morning, they are certifying that they have taken their temperature and do not have any of the recognizable symptoms of COVID-19 as identified by the CDC. Ms. Glaster noted that the MTRS Communicable Disease Policy addresses actions to be taken if staff, or someone in their household, have symptoms or are diagnosed with COVID. In response to a Board member question, Ms. Glaser confirmed that staff members have various forms of paid leave that they may use to cover time they are out of the office and unable to work.

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 12:52 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of September 25, 2020

- Agenda for September 25, 2020 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of August 28, 2020 MTRS Board meeting
- Power Point presentation for V10 Upgrade Status
- Memorandum and supporting documents concerning Request for Waiver of Overpayment
- Memorandum and supporting documents concerning Termination Retirement
- Memorandum concerning Regular Compensation