

**Massachusetts Teachers' Retirement Board
Meeting of February 26, 2021
9:00 a.m. to 1:30 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 February Board meeting

Regular Matters of Business Tab 1
Open and Executive Minutes of the Regular Meeting held on January 29, 2021

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

Section 15 Possible Forfeiture* Tab 2
Executive Session, Charges Against a Public Employee – Purpose 1

Federal Do Not Pay (“DNP”) program..... Tab 3

MTRS Strategic Management Plan..... Tab 4
Rob Fabino, Susan Morgan, Jon Osimo, Sean Neilon, Scott Olsen, Jim O’Leary

Executive Director’s Report

Executive Director’s Compensation..... Tab 5

**To be considered in Executive Session*

Next meeting scheduled for
March 26, 2021
9:00 a.m. – 12:00 p.m.

Minutes of the Meeting of February 26, 2021

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, Alicia Fay Daniel, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, 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 9:03 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 videoconferencing technology. The MTRS Executive Director and her 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. Other MTRS staff 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. At this time, it was announced that Ms. Daniel would recuse herself from participating in the Federal Do Not Pay ("DNP") Program agenda item.

The minutes of the previous Board meeting, held on January 29, 2021 were reviewed and approved as submitted. Mr. Liston made a motion, which was seconded by Ms. Gorrie, to approve the minutes. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Alicia Fay Daniel	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The Open and Executive minutes of the Board meeting held on January 29, 2021 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 an application for disability benefits and a potential forfeiture of benefits. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Alicia Fay Daniel	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

At 9:05 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 public teleconference call line was suspended. The Chairman stated that the Board would return to Open Session.

At 10:20 a.m. the Board reconvened in Open Session and the door to the Board room was again opened to the public and the public teleconference line resumed.

III. Open Session

A. FEDERAL DO NOT PAY (“DNP”) PROGRAM

Ms. Daniel recused herself from participating in this matter and temporarily left the meeting at this point.

Mr. O’Leary provided a brief background on an opportunity that the Office of the State Auditor (“OSA”) has proposed to the MTRS in connection with their

ongoing audit covering the period of July 1, 2017 to June 30, 2019. Mr. O'Leary noted that participation in this exercise is completely voluntary and would not impact the audit results. Mr. O'Leary explained that OSA has offered the MTRS the opportunity to use free data matching and analytic services available to them through the U.S. Treasury's Do Not Pay Program (DNP). If the Board chooses to participate, staff would provide DNP with the MTRS benefit recipient file, which DNP would compare to its data sources to determine if any MTRS benefit recipients have died. The OSA believes that this would help the MTRS determine the efficacy of its current death match service, and possibly provide a cost-efficient alternative. Mr. O'Leary introduced Paul Travaglini, Audit Manager, and Penny Dillon, Director of Data Analytics from the Office of the State Auditor to address any concerns the Board may have.

The Board questioned what specific data would be forwarded and what happens to the data once the project is completed. In addition, they questioned who has access to that data. Mr. Travaglini responded that members' names, social security numbers and dates of birth would be required from the most recent pension warrant. Ms. Dillon added that the data is retained for one year and then held in "cold storage" for seven years. She would need to confirm, but she believed that only the DNP staff would have access to the data. Ms. Dillon added that the terms for the one-year retention period could be negotiated. The Board also questioned whether it would be possible to try a "test run" on data of deceased retirees as a first phase of the project to mitigate any risk of exposing sensitive personal identification information of its members. After that test, the Board could determine whether to proceed any further with participation. In addition, the Board questioned what, if any, benefit they would receive for agreeing to serve as the first statewide public pension system for this experiment and asked if the results could be included in the audit follow up. Finally, they questioned whether this exercise could alleviate the need and expense of the Benefit Verification Process. Ms. Glaster agreed that would be an issue for follow-up discussion with PERAC officials.

Ms. Gorrie made a motion, which Mr. Liston seconded, to authorize MTRS staff to work with the OSA and the DNP staff to draft a detailed project plan addressing all the Board's questions and concerns for their review and final approval at the next Board meeting on March 26, 2021. The roll call vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Alicia Fay Daniel	Recused
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

Mr. Travaglini and Ms. Dillon left the meeting. Ms. Daniel rejoined the meeting at 11:06 a.m. The Board recessed at 11:07 a.m. and reconvened at 11:18 a.m. At that point Rob Fabino, Director of Human Resources, Susan Morgan, Chief Technology Officer, and Scott Olsen, Director of Communications, joined the meeting.

B. STRATEGIC MANAGEMENT PLAN

Ms. Glaster and members of the Executive Staff team presented the FY 2021-22 MTRS Strategic Management Plan, an internal working document that identifies the management team’s high-level goals and objectives in the areas of member and employer services, system administration and compliance, and serves as a foundation for its departmental work plans. Ms. Glaster provided an overview of the purpose and development of the plan, which was followed by presentations by each executive staff member covering their respective sections: Human Resources, Technology, Member Services, Finance and Reporting, Communications, and Legal and Compliance. Board members asked questions and provided feedback after each section and expressed overall support of the plan.

C. EXECUTIVE DIRECTOR’S REPORT

1. Ms. Glaster reminded the Board members of their obligation to file a Statement of Financial Interest with the Public Employee Retirement Administration Commission (“PERAC”) by May 1st.
In addition, Ms. Glaster confirmed with Board members that they had received the email notification from PERAC offering three educational credits for a Cybersecurity webinar sponsored by the Massachusetts Association of Contributory Retirement Systems (“MACRS”) on March 3rd.

2. Ms. Glaster reported that the recommendations from the January Board meeting on the proposed amendments to the MTRS Computer Data and Media Disposal policy would be included on the March Board meeting agenda. She explained that further time was needed in order to create two separate policies in order to address the necessary changes in the most effective manner.
3. Ms. Glaster shared topics discussed at the Winter System Roundtable and Legislative Conference of the National Association of State Retirement Administrators (“NASRA”) and the National Council on Teacher Retirement (“NCTR”) that she and Mr. Neilon participated in earlier in the week. Discussions included re-opening plans, the impact on plan funding and design due to the pandemic, and the details of the federal relief legislation.
4. Ms. Glaster noted that she learned in a Zoom call with the NCTR Executive Committee that a Brown University researcher is heading up a pension study funded by the Arnold Foundation that is focused on fund reporting mechanisms. The report is expected in October 2021.
5. Ms. Glaster shared that Paul Todisco, Senior Client Services Officer with the Pension Reserves Investment Management (“PRIM”) Board has announced his retirement. Ms. Glaster expressed her gratitude to Mr. Todisco for all his assistance to the agency over the years.
6. Ms. Glaster reported that the agency has been flooded with phone calls related to the Massachusetts Teachers Association (“MTA”) Early Retirement Incentive (“ERI”) bill. Many members are under the impression that the bill has passed, so the MTRS website has been updated to clarify the status of the bill and explain the legislative process. In related legislative news, Ms. Glaster announced there is a new House Chair of the Committee on Public Service, and she and Mr. Neilon intend to schedule an orientation session with him on the MTRS-sponsored bills.
7. In operational news, Ms. Glaster stated that the number of completed Benefit Verification Forms was lower than two years ago at this time, which was surprising as it was assumed that the removal of the notary public requirement would have netted quicker returns. However, there have been delays with the U.S. Postal service that may account for the lower numbers.

As expected at this time of year, Ms. Glaster added that retirement applications with June retirement dates have started to come in at an increased rate.

8. In pandemic-related news, Ms. Glaster announced that one more positive COVID case among staff members has been reported, making the total to date of 5 positive cases. However, Ms. Glaster noted that fortunately there has been no in-office spread and the affected staff members have recovered. Ms. Glaster confirmed the agency's intention to remain at the current in-office reduced staffing schedule through at least the end of March.
9. Ms. Glaster reported that staff increases were implemented after the Board's approval at the January meeting and she relayed staff's appreciation.

D. EXECUTIVE DIRECTOR'S COMPENSATION

As Chairman Rodriguez announced at the January 29, 2021 Board meeting, the Executive Director's compensation, the final step of the two-step process of her performance review, was being considered now that the state budget has passed and the Board has a clearer sense of the Commonwealth's revenue status. Copies of each Board member's performance evaluation reviews, originally discussed at the July 2020 board meeting, were included in the Board materials for reference. The Board held a brief discussion, noting the positive reviews from each Board member's evaluation. Ms. Gorrie made a motion, seconded by Mr. Naughton, to grant Ms. Glaster a 2.5% increase to her salary retroactive to July 1, 2020. Mr. Favorito and Ms. Daniel, while supportive of Ms. Glaster's exceptional efforts in FY20, voiced that they could not support an increase higher than those approved for their respective agencies. Therefore, Ms. Gorrie amended her original motion to grant Ms. Glaster a 2.0% increase retroactive to July 1, 2020, which Mr. Naughton seconded. The roll call vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Alicia Fay Daniel	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

Ms. Glaster expressed her gratitude and thanked the Board for their continued support.

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
Alicia Fay Daniel	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 1:29 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of February 26, 2021

- Agenda for February 26, 2021 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of MTRS January 29, 2021 Board meeting
- Memorandum and supporting documents pertaining to Federal Do Not Pay Program
- MTRS Strategic Management Plan
- Individual Board Member's Performance Evaluations of the Executive Director