

## Minutes of the Meeting of January 28, 2022

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, Michael Leung-Tat, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jonathan Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:04 a.m. by Chairman Rodriguez who stated that in accordance with the extension of the Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, all Board members were participating remotely via videoconferencing. The MTRS Executive Director and the 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. Other MTRS staff were participating remotely in the same manner as the Board, as would be any individual with a matter before the Board who chose to participate. 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.

Chairman Rodriguez welcomed State Auditor Bump's designee, Michael Leung-Tat, to the Board. Ms. Gorrie was experiencing technical difficulties and was temporarily connected via audio for a portion of the meeting.

The minutes of the previous Board meeting, held on December 17, 2021, were reviewed and approved as submitted. Mr. Naughton made a motion, which was seconded by Mr. Liston, to approve the minutes. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes

Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

**The Open and executive session minutes of the Board meeting held on December 17, 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. Naughton to enter executive session to consider an application 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
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	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 public teleconference call line was suspended. The Chairman stated that the Board would return to Open Session.

At 10:04 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. TERMINATION RETIREMENT APPLICATION**

Mr. Osimo presented the Termination Retirement Application of Laura Stevenson, a 50-year-old Holbrook Public Schools principal with approximately

22 years of creditable service. Ms. Stevenson received a non-renewal notice on April 28, 2021.

Mr. Osimo stated, after review, he believed that there was no moral turpitude or collusion surrounding Ms. Stevenson’s termination, which was completely involuntary. Mr. Osimo confirmed that Ms. Stevenson meets all the eligibility criteria for a termination retirement benefit.

On a motion made by Mr. Naughton, and seconded by Mr. Leung-Tat, the Board voted to approve the application. The vote was as follows:

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

The Board recessed at 10:08 a.m. to allow Ms. Gorrie the opportunity to reconnect to the Teams application. They reconvened at 10:17 a.m.

## **B. POST-RETIREMENT EXCESS EARNINGS**

Mr. O’Leary explained that the Board did not need to take any action on this matter if they agreed with the Hearing Officer’s recommendation. After a review of the Board’s process in these cases, the Board let stand (and thereby adopted) Hearing Officer Salvatore Coco’s recommendation to recover excess earnings from retired MTRS member William Travers for the period of 2010 through 2017 in the amount of \$176,159.33 through either a lump-sum payment, or through a complete offset of his net monthly retirement benefits beginning with his next scheduled payment until the full excess earnings amount is recovered.

## **C. APPROVAL OF OUT OF STATE TRAVEL FOR EXECUTIVE DIRECTOR**

Pursuant to the provisions of the MTRS Official Travel Policy, Ms. Glaster requested the Board’s approval to attend the annual System Roundtable of the National Association of State Retirement Administrators (NASRA) and joint

NASRA/NCTR Legislative Conference in Washington, D.C. from February 26 to February 28. Ms. Glaster stated that her attendance at the meeting would be dependent on the COVID trends in the upcoming weeks. On a motion made by Mr. Liston, and seconded by Mr. Favorito, the Board voted to approve the out of state travel. The vote was as follows:

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

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

1. Ms. Glaster pointed out that included in the Board materials was Mr. O'Leary's memorandum regarding the Open Meeting Law and the Attorney General's regulations on remote participation in public meetings. Ms. Glaster had asked Mr. O'Leary to summarize the rules as the current suspension of them was scheduled to end on April 1<sup>st</sup>. Ms. Glaster reminded the Board that they adopted the Attorney General's remote participation regulation at their November 2020 meeting, which includes the requirement of an in-person quorum of at least four board members, including the Chair. Ms. Glaster asked Board members to email her if they had any concerns on future in-person board meetings. Mr. Favorito updated all that he believed both the Senate and the House COVID relief bills headed to the Governor for approval included extensions of remote participation to July 15th.
2. Pursuant to the Board's Death Overpayment Recovery Policy, Ms. Glaster disclosed two partial write-offs of uncollectible estate account receivables. In both cases the overpayment went through the normal 4-step dunning process and was then referred to a state-approved collection agency. The amount of the write-off is the fee charged by the collection agency.
3. Per Ms. Gorrie's suggestion, Ms. Glaster drafted a resolution for the Board's approval to submit at the NCTR Annual Conference in October honoring the late Paul Andrews, of the Massachusetts Association of School Superintendents who suddenly passed away earlier in the month. The Board members expressed their appreciation and gratitude to Mr. Andrews for his

exemplary service and dedication to the MTRS Board and MTRS members. On a motion to approve the draft resolution made by Mr. Naughton, and seconded by Mr. Liston, the roll call vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

4. Ms. Glaster also included in the Board materials the quarterly continuing educational offerings from PERAC for board members and asked board members to make sure they are in compliance with the requirements.
5. In legislative news, Ms. Glaster noted that Mr. Neilon's monthly update included the news that the MTRS *RetirementPlus* ("R+") transfer bill was reported out favorably by the Public Service Committee and will now go to the House Ways & Means Committee. The MTA's bill on R+ transfers and the Boston Home Rule Petition on all R+ elections, not just transfers, were attached to the MTRS bill. Ms. Glaster stated there has been no activity on the other MTRS bills that are with the Public Service Committee but the deadline is next week so she will have an update at the February Board meeting.
6. Ms. Glaster noted that the Governor had filed his FY23 budget, which includes a 3% COLA on the first \$13,000 for state and teacher retirees and an additional \$250 million appropriation to the PRIT fund from any net surplus at the end of the fiscal year. In light of the current record-high inflation, Ms. Glaster noted that it is possible the Legislature may consider a more generous COLA in their FY23 budget.
7. In other COLA-related news, Ms. Glaster shared that the Boston Retirement Board approved an increase in their COLA base from \$14,000 to \$15,000. The employer liability for the Boston teachers lies with the Commonwealth, but Boston teachers are members of the city of Boston Retirement System, and they receive the increased COLAs that are approved by the Boston Retirement Board. As he has done in the past, Boston Retirement Board Executive Director Tim Smyth notified the Secretary of Administration & Finance of the increase prior to the Board's vote.

8. In Operational news, Ms. Glaster announced the last printed version of *The Advisor* is being sent out. The newsletter has been emailed to all active members and most retired members, and only sent in hard copy to the approximately 10,000 retired members who have not given the agency an email address. The Communications unit has recommended replacing the traditional newsletter with more frequent blog-style news reports, because production of the periodic newsletter is lengthy and by the time it is approved, printed and mailed, the news is often outdated. Those members who prefer to receive hard copies of MTRS news may still choose that option, and the last issue of *The Advisor* includes a survey where they can indicate the topics on which they would like to receive information. Ms. Glaster will email *The Advisor* to the Board members for their feedback.
9. Ms. Glaster reported that 2021 1099-R tax forms were mailed out earlier in the week to the more than 70,000 benefit and refund recipients. The vast majority of records were processed successfully in V10/V3locity. However, staff auditing and testing of the 1099 file resulted in the discovery of an error that affected the 1099 records of 315 members who died in 2021 and whose estate repaid their overpayment via check. Staff corrected the 1099 records and sent out corrected forms with a letter explaining the error last week.
10. In V10 upgrade related news, Ms. Glaster noted that the agency is currently in the 90-day warranty period and staff are continuing to use the upgraded system and log issues. Vitech must fix all the issues reported during user acceptance period and during the warranty period before receiving the project holdback payment. One of the key issues reported by staff was performance, and Vitech had to expand the bandwidth with AWS, which they are continuing to monitor. The other major issue involves retiree health insurance withholding that impacts district-wide rate changes. Vitech is working on a fix. These rate changes have not been made for December and January and although they are typically small changes, the retroactive amount could cause concern for retirees. Communications are being sent to retirees and local insurance coordinators on this issue. Ms. Glaster answered the Board members' questions concerning the start and end dates of the warranty period and the remediation process for issues to be corrected. She added that a survey is being sent to employers who are using the Employer Self Service module to gather feedback. While acknowledging the issues are frustrating, Ms. Glaster stated that Vitech does value MTRS as a client and is being responsive to our needs.

11. First mentioned at the December board meeting, Ms. Glaster updated the Board on the status of the cyber vulnerability called Apache Log4j or Log4Shell. After working with technology vendors Vitech and Smartronix, the network managed services provider, the agency reviewed all applications, including 3<sup>rd</sup> party software, and ensured that the appropriate patches were applied, and all known vulnerabilities have been resolved. She added that no attempts to access the system were detected.
12. After working on trying to obtain a policy for Cyber Insurance for several months, with Segal as our broker, Ms. Glaster noted that the agency received only two quotes with exorbitant premiums and retentions compared to last year's policy. Rather than recommending the purchase of one of the policies, Ms. Glaster noted that based on the cost/benefit analysis, staff will be recommending that the Board self-insure for cyber security incidents. Mr. O'Leary and his team will prepare a detailed report for the Board's consideration at the February meeting.
13. Ms. Glaster informed the Board that in the past week a test of the MTRS Disaster Recovery and Business Continuity capabilities was conducted. She described this was a less complicated process now that the network and MyTRS have moved to AWS. In the past, if the Charlestown Office was inaccessible, the plan was to send a small team to the Springfield office location to perform critical tasks, such as the warrant, and to have a couple of staff log into state applications using a Commonwealth VPN to run agency payroll and financial reports. However, now that all staff are able to process the majority of their functions remotely, the DR and BC capabilities are much improved.
14. Ms. Glaster announced the lease amendment with Hood Park was signed earlier in the month. This reduces the rent expense due to the loss of approximately 30 sq. ft. of office space to accommodate an incoming upstairs tenant. As a concession for the frequent disturbances, Ms. Glaster negotiated free onsite parking for MTRS staff and Board members for the five remaining years on the lease.
15. Finally, Ms. Glaster reported the omicron variant of COVID has affected a significant number of staff, approximately twenty, between the two offices. In addition, more than 1/3 of the staff had reported exposures to infected close contacts. The office has maintained its masking policy and social distancing practices, and there has been no in-office spread. However, due to the post-holiday surge of COVID cases, the executive team decided to roll back the in-office schedule to the same point as last June. Managers still come

into the office at least two days a week, but non-managers are coming in at least one day a week until there is significant improvement in the rates. As Ms. Glaster had informed the Board earlier in the month, the agency reduced its walk-in hours to 10:00 am to 3:00 pm Monday through Friday, except on Wednesdays when it will remain open until 5:00 pm. Executive staff and managers are covering the hours outside of this schedule as needed. The agency will be prepared and is expecting the usual increase of walk-ins during the February school vacation week.

Following Ms. Glaster's report, Ms. Wass questioned a couple of the recent case decisions included in Mr. O'Leary's Case Summaries. One of the cases resulted in a discussion among the Board members. The case involved a member being denied the purchase of teaching service in the United States Territory of Guam. M.G.L. c. 32, § 3 (4) Out of State Service states that service in a public day school can only be purchased in the "50 states and the Commonwealth of Puerto Rico." Mr. Naughton stated that the Law should be expanded to include not only Puerto Rico, but all United States territories to make the law consistent and fair. He added that MTRS should reach out to PERAC to request that they co-sponsor the legislation. Mr. Naughton made a motion to submit a bill in the next legislative session to amend M.G.L. c. 32, § 3 (4) in order to allow out-of-state service purchases for teaching in the public schools of all the United States territories, and to ask PERAC to co-sponsor the bill. Ms. Gorrie seconded the motion. On a roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

On a motion made by Ms. Wass and seconded by Mr. Liston, 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
Michael Leung-Tat	Yes
Richard L. Liston	Yes

Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 11:35 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 January 28, 2022**

- Agenda for January 28, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of MTRS December 17, 2021 Board meeting
- Memorandum and supporting documents pertaining to Termination Retirement Application
- Hearing Officer's report pertaining to Post-Retirement Excess Earnings
- Memorandum pertaining to Approval of Out of State Travel for Executive Director
- Memorandum pertaining to Open Meeting Law
- Memorandum and supporting documents pertaining to Notice to Board-Write-off of Retiree Death Overpayments
- Memorandum pertaining to Proposed NCTR Resolution in Memoriam of Paul J. Andrews