

Minutes of the Meeting of March 25, 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, Associate General Counsel Ashley Freeman and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:08 a.m. Chairman Rodriguez stated that in accordance with the extension of the Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, all Board members and Board staff 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. Any individual with a matter before the Board who chose to participate was participating remotely in the same manner as the Board and staff. 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 February 25, 2022, were reviewed and approved as submitted. Mr. Liston made a motion, which was seconded by Mr. Leung-Tat, to approve the minutes. 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 Open and executive session minutes of the Board meeting held
on February 25, 2022, 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 Ms. Gorrie to enter executive session to consider applications for disability and termination retirement benefits. 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

At 9:11 a.m. the Board went into Executive Session. The public teleconference call line was suspended. The Chairman stated that the Board would return to Open Session.

At 10:37 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. ELIGIBILITY REGULATION

As an introduction, Mr. O’Leary reminded the Board that at their June 2021 Board meeting they approved draft amendments to the MTRS eligibility regulation, 807 CMR 4.00 that were designed to address confusion resulting from the Supreme Judicial Court’s decision in Retirement Board of Stoneham v. CRAB. PERAC approved the regulation in November 2021 and the regulation was then published for notice and comment pursuant to the Secretary of the Commonwealth’s rules

regarding the promulgation of regulations. Mr. O’Leary invited Ms. Freeman to walk the Board through the comments received during the promulgation process. Ms. Freeman reviewed the four public comments received and acknowledged that most of the comments were beyond the scope of the regulation and would require an act of the Legislature. The Board discussed at length the comment received from the American Federation of Teachers (AFT) who voiced a concern that the regulation would disproportionately affect women, who are more likely to take time off to care for dependents. Staff clarified that the regulation makes no further restrictions pertaining to leaves of absence than those existing in the current statute.

After further discussion, the Board agreed to approve the regulation, but asked staff to draft legislation to address the concern raised by the AFT. Mr. Neilon reminded the Board of the timeline for agencies to file bills for the next legislative session and Ms. Glaster stated that staff would add this to the Board’s list of legislative initiatives.

On a motion made by Mr. Naughton and seconded by Ms. Gorrie, the Board voted to approve the regulation. 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

B. REQUEST FOR APPROVAL OF DEATH MATCHING SERVICES CONTRACT

Mr. Neilon noted the current contract with PBI Research Services to identify deaths of MTRS participants, retirees or beneficiaries receiving, or scheduled to receive a monthly benefit, ends on March 31, 2022. He reviewed the procurement process for this service that resulted in two proposals in CommBuys. After review, the Procurement Management Team recommended the renewal of the contract with PBI Research Services. In order to secure the best pricing, Mr. Neilon requested the Board’s approval to executive a 3-year fixed price contract with PBI Research Services for a total of \$210,000 (\$70,000/year).

On a motion made by Mr. Liston, and seconded by Ms. Wass, the Board voted to approve the contract. 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

C. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster included in the Board materials a memorandum of a sub-committee of executive staff members with a recommendation for a COVID bonus for MTRS staff members working in the period of March 2020 to June 2021, during the declared state of emergency. Ms. Glaster noted that she asked this sub-committee to analyze statistics for MTRS employees and make a recommendation for a bonus similar to those extended to employees of the executive branch and the Treasury, who received bonuses ranging from \$500 to \$2,000 for working in their offices or directly with the public during the state of emergency. After analysis and review, the committee recommended a minimum bonus of \$500 with an additional amount based on the number of in-office hours. Final bonuses ranged from \$500-\$1,700. Ms. Glaster confirmed that there were sufficient payroll savings in the current budget to cover this expense and asked for the Board's support. The Board commended the staff's efforts during the state of the emergency, continuing all services without disruption, and suggested the consideration of hours beyond the state of emergency timeframe in a future bonus. On a motion made by Mr. Liston, and seconded by Ms. Gorrie, 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

2. In national news, Ms. Glaster reported that she and Mr. Favorito attended the NASRA/NCTR Joint Legislative Conference in Washington D.C. on February 27 and 28th and reviewed some of the key highlights of the conference, including the new Actuarial Standards of Practice # 4.
3. In Massachusetts news, Ms. Glaster announced the Senate just adopted an amendment to their supplemental budget to have PRIM divest from companies that are sanctioned by the U.S. government due to Russia's invasion of Ukraine, and companies that are incorporated in Russia. The amendment will now go to the House/Senate Conference Committee and Ms. Glaster will update the Board on any progress.

Referring to the updates in Mr. Neilon's report, Ms. Glaster noted that there was no further progress on the R+ transfer-in bill, H4443, which remains with the Senate Committee on Ways and Means.
4. Ms. Glaster reported that at the March PERAC meeting, the Commission reviewed research on market forecasts and return assumptions provided by state actuary John Boorack. Although they considered a reduction in the Commonwealth's assumed rate of return, they ultimately voted to maintain the current rate of 7%.
5. Ms. Glaster announced the monthly installment of the additional \$250M contribution to the PRIT fund pursuant to Ch. 33 of the Acts of 2021 was processed a couple of weeks ago and will continue each month as long as revenues continue to exceed projections.
6. In operational news, Ms. Glaster reported the State Comptroller recently, and abruptly, announced that UPS is ending its contract with the Commonwealth at the end of this month. Ms. Glaster added that the agency would need to pay regular rates, which are substantially larger than the contract rates. Due to this development, Ms. Glaster asked the Board if they would consider transitioning to electronic delivery of board materials. Board members shared their individual preferences, with the majority indicating that they would prefer to continue to receive hard copies of the materials. Ms. Glaster said the agency will continue to deliver hard copies and will look into less costly delivery services.
7. Ms. Glaster stated that the agency is currently in the remediation phase of the V10 upgrade project as the 90-day warranty period had just ended. All high and medium level defects that were reported are required to be fixed by Vitech before the agency releases the project holdback funds. The retiree insurance issue that Ms. Glaster had reported on last month had been

corrected, with retroactive differences in premiums being withheld in this month's benefit payments. A follow up email will be sent to those members who were affected by this issue in the next week. Ms. Glaster reported a major issue that Vitech is working on is with employer deduction reporting, which is preventing districts from enrolling new members. In addition, an ongoing, nagging issue has been slow performance that has impacted the processing of deduction reports. Vitech and staff are working to resolve the issues, but Ms. Glaster noted that the 2021 annual statements will most likely be delayed. The Board asked when members would be notified of the delay and questioned the details of the hold back of funds process.

8. Noting that the increase will be under 3% over last year's budget, Ms. Glaster announced her plans to present the details of the FY23 budget at the April meeting and ask for the Board's approval at the May Board meeting.
9. In providing a personnel update, Ms. Glaster reported that in the last couple of months, the agency had been able to fill 9 of the 11 positions that were open due to resignations and retirements. She stated that new hires are working out well and are required to work full time in the office during a 90-day probationary period. After that period, they may be eligible for a hybrid remote schedule based on their training status and their manager's recommendation.
10. In COVID-related news, Ms. Glaster noted that new case numbers are down but the agency will continue to maintain its current in-office schedule of at least two days per week in the office for all staff members through the end of the summer. In addition, even though the cities of Boston and Springfield have lifted their masking mandates, the agency is maintaining its in-office masking policy, which has prevented any in-office spread throughout the pandemic.

On a motion made by Mr. Naughton 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
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 11:57 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of March 25, 2022

- Agenda for March 25, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of MTRS February 25, 2022 Board meeting
- Memorandum and supporting documents pertaining to Eligibility Regulation
- Memorandum pertaining to Request for Approval of Death Matching Services Contract
- Memorandum pertaining to COVID bonus for staff