

## Minutes of the Meeting of April 23, 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 Petruzzello.

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. The MTRS Executive Director was 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.

The minutes of the previous Board meeting, held on March 26, 2021 were reviewed and approved as submitted. Ms. Wass 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
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 March 26, 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 Mr. Naughton, and seconded by Ms. Gorrie, to enter executive session to consider an application for disability benefits. On roll call, the vote was as follows:

<b>VOTED:</b> 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 9:07 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 11:14 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. The Board recessed at that time and reconvened at 11:21 a.m.

## III. Open Session

### A. TERMINATION RETIREMENT

Mr. Osimo presented the termination retirement application of Jeffrey Peterson, from the Holyoke public schools. Mr. Osimo confirmed that there was no evidence of moral turpitude or collusion surrounding Mr. Peterson's termination which was completely involuntary. His position was eliminated due to budgetary reductions and he was not offered a similar position. Therefore, Mr. Osimo confirmed that Mr. Peterson meets the eligibility criteria for a termination retirement benefit. On a motion made by Mr. Liston and seconded by Mr. Naughton the Board voted

unanimously to approve the termination application. On roll call, the vote was as follows:

<b>VOTED:</b> 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

## **B. REQUEST FOR WAIVER OF OVERPAYMENT**

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to Evelyn Rivet in the amount of \$67.26. Mr. Osimo explained that Ms. Rivet's 2019/2020 school year salary was originally overstated by the school district on Part 2 of her retirement application. 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. However, the Board noted the small amount of the overpayment and discussed potential amendments to the Board's overpayment policy. Chairman Rodriguez agreed to pursue this in the future with Ms. Glaster, Mr. Osimo and Mr. O'Leary. Ms. Gorrie made a motion, which Mr. Liston seconded, to approve the request for waiver of overpayment. The roll call vote was as follows:

<b>VOTED:</b> 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

## **C. FY 22 OPERATIONAL BUDGET**

This item was taken out of order from the original agenda.

Ms. Glaster presented the proposed FY 2022 Operating Budget, totaling \$18,561,972, which is 7.62% lower than the FY 2021 Operating Budget. Ms. Glaster noted that since the proposed budget is less than 3.0% above the prior year's budget, the Legislature requires a thirty-day review period. Ms. Glaster discussed each line item in detail and answered questions from the Board. Upon Ms. Glaster's inquiry, the Board agreed to include the new line item for "Insurance Retention" for the deductible amounts for both the fiduciary and cyber insurance policies, estimated at \$250,000 and \$100,000, respectively. When reviewing the Professional Services line item, Ms. Glaster notified the Board of an unexpected update to the State Auditor's submission of MTRS retiree data to the federal Do Not Pay ("DNP") program, which was authorized by the Board at its March meeting. Ms. Glaster received notice that a DNP attorney determined that MTRS did not qualify for the program because it does not receive federal funds, despite assurance on multiple occasions to the contrary in prior meetings. Ms. Glaster commended the efforts of Alison Malone, Director of Finance, in preparing the budget spreadsheets. Ms. Glaster noted that she will ask for the Board's approval of the FY 2022 budget at their May meeting.

#### **D. ADDITIONAL V3LOCITY HOSTING REQUIREMENTS AND SERVICES EFFECTIVE OCTOBER OF 2021-V10 UPGRADE**

Susan Morgan, Chief Technology Officer and David Wright, Director of Network Services and MyTRS Hosting Lead, joined the meeting at this time to request the Board's approval of three change orders to the Vitech contract. The first change order would change the back up and retention process to meet MTRS requirements after the go-live date in October of 2021. The second change order would add a reporting database server for MTRS to have direct database access for running ad-hoc queries and perform data research to meet business needs. The third change order would increase image and document repository storage. The cost of the three change orders amounts to \$125,100, which is included in the FY 2022 proposed budget figures. They asked the Board to approve the contract amendment in an amount not to exceed \$125,100 of which \$5,000 is payable in May of FY 2021. The Board questioned the need for additional data queries and Board staff explained their value in responding to audits, public record requests and legislative impact analysis.

Mr. Favorito made a motion, which was seconded by Mr. Liston to approve the change orders in an amount not to exceed \$125,100. The roll call vote was as follows:

<b>VOTED:</b> 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

## E. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster reminded the Board that their individual Statement of Financial Interest filings must be submitted in PROSPER by May 3<sup>rd</sup>. She noted that the latest continuing educational offerings from PERAC for Board members were included in the board materials.
2. Ms. Glaster remarked on the positive returns showing a gain in assets of over \$1 billion in the latest PRIM reports, which had been forwarded to the Board members earlier in the week.
3. In National Council on Teacher Retirement ("NCTR") news, Ms. Glaster announced that a new Executive Director had been selected. Dean Kenderdine, Executive Director of the Maryland Retirement System, will be retiring from his current position and will serve as the NCTR Executive Director on a part time basis as of July 1st.

Ms. Glaster stated that NCTR is considering whether to host their annual conference virtually or in-person. Their decision will be made in June following a survey of the membership. Board members expressed their opposition to the restrictions imposed by the Georgia voting law and their concerns regarding holding the conference in Atlanta.

Ms. Glaster announced that she will be joining counterparts from the Missouri Public School Employees and Nevada Retirement Systems presenting in an NCTR webinar on April 28 on mid-sized systems' perspective on the impact of the pandemic and the outlook for the future.

4. In legislative news, referencing Mr. Neilon's report, Ms. Glaster noted that the House released its FY22 budget on April 14, and like the Governor's budget, it included a 3% cost of living adjustment (COLA) for state and teacher retirees and fully funds the pension appropriation of \$3.4 billion.

Ms. Glaster reported that she and Mr. Neilon met virtually on April 20<sup>th</sup> with Representative Ken Gordon, House Chair of the Joint Committee on Public

Service, and his staff to give a brief overview of the MTRS and our pending legislation. They also reviewed the MTA's ERI bill and its estimated costs. In addition, they talked about inconsistencies in the statute regarding the cost of various service purchases as the basis for MTRS's bill calling for a creditable service study.

Ms. Glaster reported the MTA ERI bills, identical bills in the House and Senate, now have bill numbers assigned to them, they are H.2620 and S.1791.

5. Ms. Glaster reported that the agency held a virtual *Your MTRS Benefits* seminar on April 21<sup>st</sup> for which over 900 members registered. Ms. Glaster commended Mr. Osimo, Scott Cauley, Director of Contact Center Services, Chris Delisi, Assistant Director of Contact Center Services, and Scott Olsen, Director of Communication, on their work producing, presenting and responding to the participants' questions.
6. In providing an update on the biennial benefit verification process, Ms. Glaster reported the second mailing of the benefit verification forms went out on April 22<sup>nd</sup> to approximately 9,000 or 12% of the benefit recipients who had not responded to the first mailing. This figure is slightly higher than prior years.
7. Ms. Glaster stated that Mr. Osimo and Jon Lapriore, Director of Member Services–North, gave a MTRS benefits presentation at a virtual meeting of the Massachusetts Association of School Superintendents to over 170 superintendents.
8. Referencing Mr. Osimo's report, Ms. Glaster noted that the agency has received approximately 1,000 retirement applications, which is approximately 5% fewer than the number received last year at this time.
9. In pandemic related activity, Ms. Glaster reported that she received news that morning of another staff member who had tested positive for COVID, bringing the total to eight positive cases for the agency. She stated that the staff members were doing well and there had been no in-office spread. Ms. Glaster reported that in response to a recent anonymous survey, 85% of staff members indicated that they either had already been vaccinated or plan to be vaccinated and 15% said either they do not plan to be vaccinated or are undecided at this time. Ms. Glaster reported plans to continue to keep the office at approximately 25% capacity until the end of May. Approximately 2/3 of staff members have been coming into the office at least 1-2 days per week on a regular basis with only 1/3 not coming in at all. Ms. Glaster notified staff that once disease rates improve, a phased re-opening plan will be implemented, the first stage of which will require all staff to come into the

office at least 1-2 days a week. She added that Temporary Work Adjustments for those staff members with qualifying health or dependent care issues will continue to be honored while the Governor’s state of emergency remains in effect. Finally, Ms. Glaster stated that while she looks forward to welcoming MTRS members back to the offices, “we are not quite there yet.”

On a motion made by Mr. Naughton 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
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 12:49 p.m.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date

**Documents used in MTRS Board meeting of April 23, 2021**

- Agenda for April 23, 2021 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of MTRS March 26, 2021 Board meeting
- Memorandum and supporting documents pertaining to Termination Retirement application
- Memorandum and supporting documents pertaining to Request for Waiver of Overpayment
- Memorandum pertaining to Additional V3Locity Hosting Requirements and Services effective October of 2021-V10 Upgrade
- Memorandum and supporting documents pertaining to FY22 Operational Budget