

## Minutes of the Meeting of May 21, 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, 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. Anne Wass was absent due to personal reasons.

The meeting was called to order at 9:04 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 April 23, 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
Alicia Fay Daniel	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Chairman Ventura Rodriguez	Yes

**The Open and Executive minutes of the Board meeting held on April 23, 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. Liston, and seconded by Ms. Daniel, to enter executive session to consider applications for disability benefits and termination retirement. 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
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 10:41 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. APPROVAL OF FY 22 OPERATIONAL BUDGET

Ms. Glaster requested the Board's approval of the proposed FY 2022 Operating Budget totaling \$18,561,972, a 7.62% decrease from the FY 2021 budget, which she had reviewed in detail at the April board meeting. She noted no changes had been made since the April meeting and asked the Board members if they had any follow up questions. Having no questions, the Board members commended the clarity and thoroughness of the presentation of the budget. On a motion to approve the FY 2022 budget as proposed, made by Mr. Liston and seconded by Mr. Naughton, 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
Chairman Ventura Rodriguez	Yes

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

1. In operational news, Ms. Glaster reported executive staff have been meeting and planning since Governor Baker's unexpected announcement on May 17<sup>th</sup> of the lifting of the State of Emergency to the accelerated date of June 15<sup>th</sup>, a departure from his original date of August 1. Ms. Glaster stated that she notified staff members of her intention to stay with the agency's phased-in re-opening plan, previously established based on the August 1<sup>st</sup> date, noting that some staff members have already made their personal plans. The phased-in plan will start on June 28<sup>th</sup>, requiring staff members to return to the office at least one day per week, two days for managers. However, Ms. Glaster recognized that the agency must reopen to the public on June 15<sup>th</sup> and noted that plans are being made to accommodate visitors during this transition period when there will be limited staff members in office. Ms. Glaster stated the agency's intention to continue to require masks and social distancing in the office for as long as teachers are required to wear masks in schools and asked for the Board members' feedback on that plan. Ms. Glaster acknowledged that this sudden change is likely to create stress and noted her intention to support staff through the transition while continuing to serve the MTRS members.
2. In providing an update on the V10 upgrade project, Ms. Glaster announced that at the last Project Steering Committee meeting, Vitech informed MTRS that they will not be able to meet their planned completion date for the Vendor System Testing (VST) component of the project. Vitech cited their causes for the delay and submitted a Change Order that would alter the Go Live date from the end of October to the end of November. Ms. Glaster informed the Board that the contractual penalties for delay have been implemented and the Change Order terms are currently under negotiation. Ms. Glaster noted that, with the Chair's approval, she would have Vitech update the Board on the project status at the July or August Board meeting.

3. Ms. Glaster reported that approximately 6,000 responses were received to date from the second mailing of Benefit Verification Forms. The second mailing went out in April to approximately 9,000 benefit recipients who had not responded to the original mailing. A third and final mailing to the non-responders is scheduled for June. The plan is to pull the July pension checks for those who do not respond. However, insurance premiums and taxes will continue to be paid. Paper checks for the net amount will be held in the office until the member returns the completed BVF.
4. Ms. Glaster noted that the number of summer retirement applications have increased in the past month and are now at the same level as last year at this time.
5. Having received the bill from Deloitte for their forensics analysis of the Microsoft Exchange server issue, Ms. Glaster informed the Board that the agency did not have to use its cyber insurance policy as the total amount of the invoice was under the current \$25,000 deductible.
6. In Legislative news, Ms. Glaster reported that the Public Service Committee has started to schedule hearings, but no dates have been announced for any MTRS bills or for the MTA's Early Retirement Incentive bill.

In issues affecting MTRS members, Ms. Glaster stated the Governor is working with the legislature, municipal leaders and others to determine how and when to either rollback, revise or keep in place some of the changes made in response to the pandemic. Regarding the lifting of the working after retirement limits, if the Legislature and Governor do not extend that law, the restrictions will be back in effect on June 15<sup>th</sup>, and MTRS will post a message on the website and send email notifications to members and employers.

In issues affecting MTRS board members, Ms. Glaster reminded the Board that they adopted the Attorney General's Regulation 940 CMR 29.1 at their November 2020 board meeting, which enables remote participation in Board meetings provided, among other things, that a quorum of the Board, including the Chair, is physically present at the meeting location as required by M.G.L. c. 30A. Noting the possibility that the requirements for remote participation may be back in effect on June 15<sup>th</sup>, the Board discussed their availability to attend the June 25<sup>th</sup> Board meeting in person. The Board also noted that allowing ongoing remote participation by members may be beneficial to disability applicants.

7. Ms. Glaster gave a brief overview of the Governor's Future of Work initiative, designed to promote hybrid in-office and remote work schedules, and decrease the footprint of state office space. She noted there are no plans to

apply this to independent agencies, and the MTRS lease expires in 2026. She did note however that the agency is also looking at hybrid work models.

8. Ms. Glaster remarked on the ongoing positive returns reported in the April Pension Reserves Investment Trust Fund reports that Ms. Petruzzello had forwarded electronically that morning to all Board members. The fund reached a record high of over \$90 billion with the MTRS share of that total at \$35.6 billion.
9. In providing an update on the status of the audit being conducted by the Office of the State Auditor, Ms. Glaster reported that the auditors continue to review samples of retirement, adjustment and death processing cases and so far, have not shared any findings.
10. In other audit news, Ms. Glaster informed the Board that the Commonwealth has contracted with a new auditor, Clifton Larson Allen (CLA), replacing KPMG, to conduct the state single audit, which includes MTRS benefit disbursements. CLA will also perform the GASB 67 audit of MTRS census data submitted by our school district employers.
11. Instead of the original plan for this month, Ms. Glaster announced that State Actuary John Boorack will attend next month's Board meeting, where he will share the basis for the reduction in the assumed rate of return to seven percent, and his thoughts on the MTRS mortality assumption and other components of the valuation.
12. Ms. Glaster noted the Senate version of the FY2022 budget was announced in the prior week, and like the Governor's and House budgets, it includes the 3% COLA for State and Teacher retirees, and full funding of the pension appropriation. Amendments announced that morning included changing the process for the appointment of the public service representative on the PRIM Board and increasing the number of working after retirement hours from 960 to 1200.
13. Ms. Glaster asked Board members to contact Ms. Petruzzello if they were interested in registering for the virtual MACRS spring seminar.

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
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 11:19 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 May 21, 2021**

- Agenda for May 21, 2021 MTRS Board meeting
- Cover letter from Executive Director
- Open and executive session minutes of MTRS April 23, 2021 Board meeting
- Memorandum and supporting documents pertaining to FY22 Operational Budget