

Minutes of the Meeting of November 19, 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 Jonathan Osimo, General Counsel James O'Leary, Director of Communications Scott Olsen, 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 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 Director of Communications 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.

The minutes of the previous Board meeting, held on October 29, 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:

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 minutes of the Board meeting held on October 29, 2021 are hereby approved as submitted.

Chairman Rodriguez noted that there were no matters that needed to be considered in executive session this month.

II. Open Session

A. FIDUCIARY LIABILITY INSURANCE

Mr. O'Leary reminded the Board of their discussion at the September Board meeting regarding fiduciary liability insurance. At that time, Board staff requested additional time to investigate the factors behind the increase in the cost of coverage compared to the prior year. Mr. O'Leary met with the insurance wholesaler and underwriter, who indicated that they had been unaware that the MTRS Board does not manage the investment of plan assets. Following the discussion, staff received updated quotes that were slightly improved. Mr. O'Leary recommended that the Board approve the \$1 million policy with a retention of \$250,000 offered by Euclid. The Board asked questions and held a brief discussion. On a motion made by Mr. Naughton, and seconded by Ms. Wass, the Board approved the purchase of the recommended policy. 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

B. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster asked the Board members for feedback on the proposed board meeting schedule for calendar year 2022 provided in the Board materials. There was one recommendation to change the proposed May date due to a

conflict. A final schedule will be included in the December board materials for approval.

Noting the arrival of invited speakers, Ms. Glaster agreed to finish her report at the conclusion of their presentations.

C. PRIM UPDATE

Chairman Rodriguez welcomed the invited speakers and participants and asked Board members to introduce themselves. In turn, Ms. Glaster asked each participant to introduce themselves along with their affiliation to the group. Attendees included Robert Brousseau, Elected Member of the PRIM Board representing the members of the Teachers' Retirement System. Additionally, representatives of the various constituent groups included Michael Canavan of the MA Chapter of the American Federation of Teachers, Margaret Driscoll and Mary Ellen Normen of the Massachusetts Association of School Business Officials, Robert Spiegel of the Massachusetts Association of School Personnel Administrators, Paul Andrews and Tom Scott of the Massachusetts Association of School Superintendents, Jim Lucia of Massachusetts Retirees United, Sean King and Anthony Moreschi of the Massachusetts Teachers Association, Shawn Duhamel and Frank Valeri of the Retired State, County, and Municipal Employees Association. Karen DeDonato of the Retired Educators Association of Massachusetts joined the meeting later.

Michael Trotsky, Executive Director and Chief Investment Officer (CIO) of the Pension Reserves Investment Management ("PRIM") Board, with support from Francesco Daniele, Director of Client Services, provided the group with a recap of the year's activities at the PRIM Board, including an organizational update with recent personnel additions. He provided the "strong, consistent" performance results the assets of the fund achieved, most notably in private equity. Mr. Trotsky answered questions from the Board members and guests. Chairman Rodriguez thanked Mr. Trotsky for his presentation and congratulated him on PRIM's extraordinary investment performance over the past year.

There was a recess at 10:26 a.m., the meeting reconvened at 10:34 a.m.

D. PERAC UPDATE

Invited speakers John Parsons, Executive Director, and John Boorack, Actuary, of the Public Employee Retirement Administration Commission (“PERAC”) joined the meeting.

Mr. Parsons thanked Mr. Trotsky and PRIM staff for their efforts and “very skilled” leadership in managing the assets of the fund. Mr. Parsons provided updates regarding operations at PERAC and recent changes to the PERAC Commission Board.

Mr. Boorack reviewed the Massachusetts Teachers’ Retirement System Actuarial Valuation Report as of January 1, 2021. He reviewed the basis for changes in the investment return assumption and the mortality improvement scale and discussed the impact on the actuarial liability. Mr. Boorack responded to various questions from the Board, Ms. Glaster and invited guests. Chairman Rodriguez thanked Mr. Parsons and Mr. Boorack for their presentations and ongoing efforts on behalf of the MTRS.

At 11:26 a.m. all invited participants left the meeting.

E. EXECUTIVE DIRECTOR’S REPORT

2. Ms. Glaster announced that it was a “huge week” for the agency, as the cutover to the new V3locity version of *MyTRS* had begun. After the November warrant and the refund warrant ran, the V8 version of the application was shut down and the data conversion began. Several Subject Matter Experts (SMEs) will be testing during the weekend and Ms. Glaster and the members of the PSC will meet on Sunday to make the final cutover decision. Beginning on Monday, November 22nd the line of business components of the application will be available to be used by staff members. On November 29th, the Employer Self Service (ESS) functionality will be live, and the Member Self Service (MSS) features will be turned on in the following week. Ms. Glaster commended the efforts of Susan Morgan and her team, notably Surendra Puttagunta, Anil Bhattarai and Sid Rai, as well as all the SMEs, testers, and trainers for completing the two-year project on schedule and on budget, all while maneuvering through the challenges of the pandemic.

3. Ms. Glaster noted the October and November installments of the \$250 million additional pension appropriation pursuant to Chapter 33 of the Acts of 2021 had been transferred to the PRIT fund. Following the same percentage distribution used for the state pension appropriation, the MTRS portion was \$32.8 million, and the State Retirement Board's portion was \$22.7 million. These payments will continue to be made so long as state revenues continue to meet or exceed projections.
4. In a follow up from a question at the last Board meeting, Ms. Glaster confirmed that some of the educational offerings listed by PERAC on its Memorandum #26: Mandatory Retirement Board Member Training – 4th Quarter 2021 do incur a cost. These courses are trainings offered by the Massachusetts Certified Public Procurement Official ("MCPPO") program for procurement officials, school business officials, public works, and housing authority officials, some of whom are members of local retirement boards. PERAC confirmed that they do recognize and issue credit for relevant MCPPO courses but do not charge for any of their own webinars.
5. Ms. Glaster stated that the IRS had announced that planned changes to the W4-P withholding form for retirees have been delayed until January 2023. She explained that the changes are significant and will require programming changes to MyTRS, which Vitech is presently working on. The new form will also require changes to agency's retirement application and related educational materials.
6. Mrs. Glaster announced the application for the cyber insurance policy is complete and will now be put out for quotes by Segal. She will update the Board with any developments.
7. Ms. Glaster informed the Board that there has been ongoing construction at Hood Park over the past year. While there are many improvements to the outdoor spaces, there have been many disruptions to the internal office space due to construction noise for incoming tenants during work hours. In addition to this noise issue, Hood has asked for 25 square feet of MTRS office space to accommodate pipes necessary for a new tenant, Solid Bioscience, a biomedical company. MTRS, in conjunction with DCAMM, is preparing a lease amendment to adjust for the lost square footage and, as a concession for all the disruptions, additional free parking spaces for staff members for the remaining five years of the lease.
8. Ms. Glaster announced her intention to offer staff an additional day off to use in-between the two holidays of Christmas and New Year's. Due to the holidays falling on a Saturday this year, offices are mandated to stay open on

the Friday preceding the holiday. Ms. Glaster stated that a very small crew of staff will be asked to work those days who will receive a compensatory day to be used later. In addition, Ms. Glaster intends to reduce the hours of the office on those Fridays and close by 2:00 p.m. This information will be posted on websites and in phone greetings. The Board members approved and expressed their support of the staff.

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 11:40 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of November 19, 2021

- Agenda for November 19, 2021 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes of MTRS October 29, 2021 Board meeting
- Memorandum pertaining to Application for Fiduciary Liability Insurance
- Supporting document pertaining to PRIM Update
- Memorandum and supporting documents pertaining to PERAC Update