

## Minutes of the Meeting of May 27, 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 Jonathan Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:06 a.m. At Chairman Rodriguez's request, the Board and staff observed a moment of silence in remembrance of colleagues and students lost in the tragic mass shooting in Uvalde, Texas on May 25, 2022.

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 April 29, 2022, were reviewed and approved as submitted. Ms. Wass made a motion, which was seconded by Ms. Gorrie 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 April 29, 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 Mr. Naughton to enter Executive Session to consider applications for disability retirement benefits. 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 9:10 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 11:12 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. At this point, the Board recessed and resumed at 11:23 a.m.

## **III. Open Session**

### **A. APPROVAL OF FY23 MTRS OPERATIONAL BUDGET**

Ms. Glaster asked the Board if there were any follow up questions concerning the proposed budget for FY23, which she had reviewed at the April Board meeting,

totaling \$19,070,038. Board members had no questions and, on a motion made by Mr. Naughton and seconded by Ms. Gorrie, the Board voted to approve the proposed FY23 Operational Budget. 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

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

1. Ms. Glaster included in the Board materials a copy of the letter from Chairman Rodriguez to the Governor, the Senate President, the Speaker of the House, and copied to the Secretary of ANF, other legislative leaders as well as Executive Director John Parsons of PERAC. The letter advocated for funding improvements to the plan in the form of an additional lump-sum payment to eliminate the plan's negative amortization, noting state revenues continue to exceed projections. The letter included a copy of a similar letter sent the previous year, and while Ms. Glaster noted that no responses had been received, she commended this positive action taken by the Board.

Also included in the board materials was a copy of the letter from PERAC to the Secretary of ANF showing the allocation of the FY23 pension appropriation, with the MTRS share of the appropriation representing approximately 55%, and the State Employees Retirement System at 38%. Ms. Glaster commented that these distributions are consistent with the past few years.

At Ms. Glaster's request, the Board agreed to invite John Boorack and John Parsons of PERAC to join the July meeting to discuss the next triennial funding schedule recommendations and the assumptions that they are using in the 2021 MTRS valuation report.

2. In operational news, Ms. Glaster reported an important development regarding the *MyTRS* upgrade. While most aspects of the system are functioning as expected, she notified the Board that employer deduction reporting and retiree insurance changes are not stable and are causing issues. After running the May warrant, staff needed to make manual corrections to

approximately 300 records on retiree insurance. With June being the month with the highest volume of retiree insurance changes, MTRS is working closely with Vitech to ensure those changes made are processed correctly to minimize the possibility of manual corrections.

Ms. Glaster stated the more significant issues are with Employer Deduction Reporting and as she had reported in earlier meetings, users have been experiencing performance issues since the go live in December of 2021. Vitech has applied fixes that have provided some improvement, but the core issue relates to the architectural design. Vitech reported that the fix is being worked on and is hoping to be ready for deployment in the first week of July. In the meantime, the agency is behind in its posting of deduction reports, which affects the ability to produce the annual statements for members and the actuarial file for PERAC. Ms. Glaster stated that she, Susan Morgan, and Surendra Puttagunta met with Vitech representatives, including Vice President Chris Lodge, to discuss the issue and seek concessions. Mr. Lodge acknowledged the pain these issues have caused and pledged Vitech's commitment to fixing them as quickly as possible. He offered two concessions, including a remedy to produce the PERAC actuarial file and to implement the new W4-P form at no cost.

Not knowing if the agency will be able to make significant headway after the July fixes are deployed, Ms. Glaster introduced the possibility of combining the 2021 with the 2022 statement, as had been done before with the 2010 and 2011 statements after the first rollout of Employer Self-Service. Ms. Glaster stated that Mr. Neilson will provide a detailed report to the Board at its June meeting on the status of deduction reporting and will update the Board each month until the issue is resolved. The agency will notify its membership of the delay of the 2021 statements. In addition, the notice will communicate how to use Member Self-Service to check account balances. When asked by the Board, Ms. Glaster replied it is technically not possible to produce statements for those districts that are completed, as interest is applied at one time to all.

3. Ms. Glaster announced that, at an upcoming board meeting, Director of Communications Scott Olsen will be providing the Board with a report of the results of the Member Communications survey, sent out in the prior week. The survey requested feedback on the content and usability of the MTRS website and asked if members would be interested in MTRS using any social media platforms for communication. She noted that over 6,500 responses had been received so far.

4. Ms. Glaster noted the Senate approved their version of the FY23 state budget the night before. Referring to Mr. Neilon's report, Ms. Glaster provided an update on the actions the Senate took on the pension-related amendments that were included in the budget.
5. Ms. Glaster notified the Board of a personal matter.

Mr. Naughton made a comment after reading the article included in Mr. Neilon's report on the state's pension fund divesting from Russian investments. He expressed his concern for staff retention at PRIM, citing the multiple factors PRIM's investors must deal with in this turbulent market.

Chairman Rodriguez noted that the July Board meeting will resume in-person meetings and will discuss the plans at the June Board meeting.

Mr. O'Leary updated the Board on an appeal of a DALA decision included in this month's Case Summaries.

On a motion made by Ms. Gorrie and seconded by Ms. Wass, 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 11:55 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 27, 2022**

- Agenda for May 27, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS April 29, 2022 Board meeting
- Memorandum and supporting documents pertaining to FY23 Operational Budget