

## Minutes of the Meeting of June 24, 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, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:07 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 May 27, 2022, were reviewed and approved as submitted. Ms. Gorrie made a motion, which was seconded by Ms. Wass 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 May 27, 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 9:09 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 10:54 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 11:06 a.m.

**III. Open Session**

**A. REQUESTS FOR WAIVER FOR OVERPAYMENT**

Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits to the following:

**1. Victoria L. Barbier**

Mr. Neilon presented the request for waiver of overpayment of benefits of Victoria L. Barbier, whose retirement benefit was calculated based on erroneous information supplied on her retirement application by Lunenburg Public Schools. The error persisted for more than one year, Ms. Barbier did not have knowledge of it, and did not have reason to believe that her benefit amount was in error. The error was discovered during an audit of Ms. Barbier’s account. On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted to approve the request for waiver. 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

**2. Susan E. Restivo**

Mr. Neilon reviewed the request for waiver of overpayment of benefits of Susan E. Restivo, whose retirement benefit was calculated based on erroneous information supplied on her retirement application by Springfield Public Schools. The error persisted for more than one year, Ms. Restivo did not have knowledge of it, and did not have reason to believe that her benefit amount was in error. The error was discovered during an audit of Ms. Restivo’s account. On motion made by Ms. Wass and seconded by Ms. Gorrie, the Board voted to approve the request for waiver. 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

### 3. Clare Balasco

Mr. Osimo presented the request for waiver of overpayment of benefits of Clare Balasco, whose retirement benefit was incorrect due to staff error in calculating her creditable service. The error persisted for more than one year, Ms. Balasco did not have knowledge of it, and did not have reason to believe that her benefit amount was in error. The error was discovered during an audit of Ms. Balasco's account. On motion made by Mr. Leung-Tat and seconded by Mr. Liston, the Board voted to approve the request for waiver. 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

### 4. Susan Davis

Mr. Osimo reviewed the request for waiver of overpayment of benefits of Susan Davis, whose retirement benefit was calculated based on staff error including an ineligible stipend, as well as the miscoding as a "veteran" in the computer system, resulting in her receiving additional pay in error each month. The error persisted for more than one year, Ms. Davis did not have knowledge of it, and did not have reason to believe that her benefit amount was in error. The error was discovered during an audit of Ms. Davis's account. On motion made by Ms. Wass and seconded by Ms. Gorrie, the Board voted to approve the request for waiver. 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. EMPLOYER DEDUCTION REPORTS STATUS**

At its May meeting, Ms. Glaster notified the Board that the Annual Statements for members for calendar year 2021 would be delayed and asked Mr. Neilon to provide an update to the Board at this, and future meetings. Mr. Neilon noted the cause for the delay is primarily due to the performance and defects associated with the deduction reporting and retiree insurance modules in the V10 upgrade. Mr. Neilon provided the Board with the numbers of completed and outstanding reports for calendar year 2021, as well as the figures up to May of 2022, and commented that staff are using over 25% of their time documenting defects. Mr. Neilon stated that in addition to the performance issues, the agency had to redeploy two full time Employer Service Unit (“ESU”) representatives to assist employers with their retiree insurance rate changes and other retiree insurance questions as the insurance module has not worked as promised. He also attributed some of the delay to the significant turnover in district payroll and administrator positions, and the substantial amount of time that ESU staff have used in training the various school districts’ new personnel. Mr. Neilon stated that the agency is hopeful that the July 8<sup>th</sup> deployment will resolve the defects and issues. The Board questioned whether the cost for such a delay had been calculated and what measures the agency could enforce as a penalty, considering the contractual obligations. Ms. Glaster replied that Vitech has been working diligently on the issues and has acknowledged all the pain the MTRS has endured, offering concessions that have considerable value. In addition, the agency will not release the project holdback until the issues are resolved. She stated that a vast majority of the V10 upgrade has gone well but what is not working is troubling and “a lot is riding” on the July 8<sup>th</sup> deployment. The Board stated their confidence with MTRS in its negotiations and offered their support if needed in the future.

## **C. MEMBER COMMUNICATIONS SURVEY RESULTS**

Scott Olsen, MTRS Director of Communications joined the meeting and provided the Board with the results of a recent survey sent out to the MTRS membership. Mr. Olsen noted the timing of the survey coincided with the tragic mass shooting in Uvalde, Texas, which may have influenced some responses. He noted that the responses were received predominantly from the retired membership and provided the top issues based on feedback. He also introduced some website enhancements and education initiatives planned for the future.

## **D. IN-PERSON JULY BOARD MEETING PLAN**

To ensure a safe and successful in-person board meeting on July 29<sup>th</sup>, Chairman Rodriguez asked for, and received, the Board's input on possible measures to take prior to, and during the meeting which would be the first instance of an in-person meeting since March 2020. He will communicate the final protocol to the Board members before the meeting.

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

1. Ms. Glaster included in the Board materials a copy of the MTRS response to the Post Audit Six Month Follow-up on the audit report issued in October 2021 by the Office of the State Auditor for the period from July 1, 2017 through June 30, 2019.

Also included in the materials was a copy of the PERAC 2021 Investment Report, showing the 1-year, 5-year, 10-year and since-inception returns of the Commonwealth's 104 retirement systems, as well as their funded ratios as of their most recent valuations.

A copy of the PERAC Pension Newsflash announcing the appointment of Chelsea Police Sergeant James Guido, the new public safety representative on the PERAC Commission, replacing Jimmy Machado was in the materials. Lastly, Ms. Glaster included an opinion piece from NASRA discussing the flawed assumptions in a recent report released by the American Legislative Exchange Council ("ALEC") that asserts that defined benefit plans are inferior to defined contribution plans.

2. In State news, Ms. Glaster reported the Conference Committee began its work on the FY23 budget and expressed her hope that it will be finalized before the July warrant so that MTRS may pay the COLA to its members.
3. Ms. Glaster stated that the Governor signed into law a further suspension of restrictions on working after retirement. Therefore, retirees can work in the public sector without time and earnings restrictions through the end of calendar year 2022 or 90 days after the end of the Public Health State of Emergency, whichever comes first. Notices have been posted on the MTRS website and sent out to employers via broadcast email.
4. Ms. Glaster reported that the state's Human Resources Division announced a new initiative for state employees designed to improve the candidate pool for hiring new state employees, in the form of a \$2500 referral bonus. Ms.

Glaster explained the limits for the referral and exclusions of eligibility for human resources personnel and those involved with the hiring decision. Ms. Glaster remarked this is good timing for MTRS with 14 new positions to fill and she will keep the Board updated on the outcome of the program.

5. In operational news, Ms. Glaster announced that after weeks of trying to get Verizon to cutover the agency's current phone numbers to Teams Voice, word was finally received on Tuesday that week for a cutover on that day, Friday, June 24<sup>th</sup>. Therefore, the phones would be down for most of the day, and up and running on Monday. Communications were sent out to members and constituent groups notifying them of the outage.
6. Ms. Glaster made the Board aware of a couple of security issues encountered over the past month that did not have a negative result but were note-worthy. One involved an attempted theft of the monthly pension of one of the highest paid retirees via a faxed direct deposit change form. Astute MTRS Service Representative Christa Keohan found it, and brought it to the attention of her manager, who notified the member. PERAC was notified and asked for guidance regarding notifying law enforcement.  
The other security issue MTRS encountered this month was a "zero-day vulnerability" with Microsoft operating systems. Director of Network Services David Wright discovered it after work hours on June 2<sup>nd</sup> and he and his staff, with the assistance of vendor Intrасystems, had the recommended fixes in place by the end of the next day. Ms. Glaster stated while there was no impact on the MTRS systems, it was just another example of the constant threats the agency encounters on a regular basis and stressed the importance of always staying vigilant.
7. As a follow up from Mr. Neilon's update, Ms. Glaster stated that she will forward to the Board a copy of the email being sent out to the membership that day notifying them the annual statements for calendar year 2021 will be delayed.
8. Ms. Glaster updated the Board on the conversation that she and Jim O'Leary had with Russell Johnston, Deputy Commissioner at the Department of Secondary and Elementary Education ("DESE") concerning the subject of Board Certified Behavior Analysts BCBAs and licensed Occupational and Physical Therapists and MTRS membership.
9. Ms. Glaster recognized the valuable contribution Mr. O'Leary made serving on the legal panel at the recent MACRS conference.

10. Ms. Glaster asked the Board to consider whether they would like to attend this year's NCTR Annual Conference being held in Tucson October 8th-October 11<sup>th</sup> and notify Ms. Petruzziello of their plans.

Chairman Rodriguez noted that the annual performance evaluation of the Executive Director will be included on the agenda of the July Board meeting. He stated that he will forward this year's evaluation forms to the board members in the upcoming weeks. He summarized the process and noted that in the coming year, he would like to make amendments to better link the performance review to the Board's strategic objectives.

On a motion made by Ms. Gorrie 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
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 12:42 p.m.

Respectfully submitted,

---

Erika M. Glaster,  
Executive Director

---

Date



**Documents used in MTRS Board meeting of June 24, 2022**

- Agenda for June 24, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS May 27, 2022 Board meeting
- Memorandums and supporting documents pertaining to Requests for Waiver for Overpayment
- Memorandum pertaining to Employer Deduction Reports Status
- Documents pertaining to Member Communications Survey Results