

Minutes of the Meeting of August 26, 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 9:05 a.m. Chairman Rodriguez stated that in accordance with Section 4 of Chapter 107 of the Acts of 2022, 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.

Apologizing on behalf of the Board for the oversight, Chairman Rodriguez announced that due to a typographical error in the spelling of the town of Uvalde, Texas in the Open Session minutes from the June 24, 2022 Board meeting, an amended version of those minutes was offered for review and approval by the Board. After review, Mr. Naughton made a motion, which was seconded by Ms. Gorrie to approve the amended minutes. 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 Open Session minutes of the Board meeting held on June 24, 2022, are hereby approved as amended.

The minutes of the previous Board meeting, held on July 29, 2022, were reviewed and approved as submitted. Mr. Leung-Tat made a motion, which was seconded by Mr. Naughton to approve the minutes. 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 Open and Executive Session minutes of the Board meeting held on July 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:

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

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. During the Executive Session at 10:06 a.m., Ms. Wass lost her video connection but continuously participated in the meeting via audio connections.

At 10:18 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 10:26 a.m.

III. Open Session

A. EXECUTIVE DIRECTOR'S REPORT

1. As a follow up from the July Board meeting, Ms. Glaster included materials available to school district employers through the *MyTRS* self-service portal, as well as the materials available to all public employers on the MTRS website to assist with working after retirement calculations. In addition, Ms. Glaster stated that communication was sent to the Department of Elementary and Secondary Education to ensure their hiring managers have the information they need to prevent further overpayments when hiring MTRS retirees.
2. Ms. Glaster summarized the next steps for the implementation of the R+ Transfer-In legislation, including communications, coordination with unions, analysis of data on eligible members, and plans for redesigning and distributing election materials to members. Ms. Glaster stated she will keep the Board updated on the progress.
3. In audit news, Ms. Glaster stated that Clifton Larsen Allen ("CLA") is working on the state single audit, which includes an audit of MTRS operations. This is in addition to the MTRS technology audit they are currently conducting. An entrance conference was held on August 22nd in which CLA provided a list of requested materials and process walkthroughs that they will review with relevant staff in September. Ms. Glaster will keep the Board posted on the status.
4. Ms. Glaster announced that the FY23 COLA, 5% on the first \$13,000, will be included in the August benefit payments going out on August 31st. A broadcast email will be sent out on August 29th and material will be posted on the MTRS web site to help retirees read their check stubs. Ms. Glaster

noted there will be a flat 10% federal tax withheld from the retro COLA amount. She stated those who may use the self-service feature in MyTRS will see the retro COLA in the payment history as a separate check even though it is rolled into the payment. This is due to Vitech's system limitation. Mr. Naughton expressed his frustration with the state and teacher COLA base remaining at \$13,000 while the local retirement boards have the ability to raise the COLA base.

5. Ms. Glaster congratulated Mr. Osimo and his team on another successful month with an additional 360 retirement applications being processed on the August warrant, for a total of over 1,300 members receiving their first checks in July and August.
6. Mr. Osimo and his team will be holding another *Your MTRS Benefits* webinar taking place at the end of September, and Ms. Glaster added that hundreds of registrations have already been received.
7. Regarding the V10 upgrade, Ms. Glaster stated that although there were still a number of manual corrections that needed to be made in retiree insurance withholding for the August warrant, Vitech and MTRS are very close to resolving those issues. However, that is not true for the issues surrounding employer deduction reporting. The MTRS Employer Services staff are continuing to work with districts and are making progress, but the system performance issues continue to impact the pace of that progress. Mr. Neilon will provide the board with an update at the September Board meeting. Reminding the Board that MTRS will be negotiating the terms of its contract renewal with Vitech in the fall, Ms. Glaster shared the news that Chris Lodge, Vitech's Vice President for Retirement, is leaving the company. Mr. Lodge is facilitating an introductory meeting with the new Vitech leadership team in early September. Ms. Glaster stated that she is looking to invite Vitech representatives to the October Board meeting.

Ms. Wass re-connected via the video application in Microsoft *Teams* at 10:47 a.m.

8. Ms. Glaster reported that Director Surendra Puttagunta and Assistant Director Anil Bhattarai, of the MTRS Application and Data Services unit, were attending the Vitech Users' Conference being held in Washington, DC that week. Ms. Glaster noted this is a good opportunity to network with other retirement system contacts who use Vitech applications.
9. In a personnel update, Ms. Glaster announced that testing and interviews are currently being conducted for four new positions in the Employer Services Unit. In addition, an Administrative Assistant position in the Legal Unit will be posted in September. It is expected that the Member Services positions

will be posted in the early fall, after the retirement season is over. Unfortunately, the agency lost a senior staff member who accepted a position with the Essex Regional Retirement Board with a higher salary and a shorter commute. That position will be offered as an internal posting. Additionally, five new call center representatives who were hired to replace long-serving representatives who had retired after many years with MTRS just completed their formal training and are doing very well. In response to Mr. Naughton's question, Ms. Glaster confirmed the call center representatives were subject to the working after retirement earnings limits, which the agency monitors closely.

10. Ms. Glaster stated that all staff and their managers have now completed new Telework Agreements, replacing the temporary agreements put in place at the beginning of the pandemic. These new agreements establish the number of in-office and remote days, and the expectations for performance and communication.

B. EXECUTIVE DIRECTOR EVALUATION

In the final step of the two-step process of the annual performance review for Ms. Glaster, Chairman Rodriguez provided some background information to the Board. Copies of Board members' individual performance evaluation reviews, originally discussed at the July 2022 board meeting, were included in the Board materials for reference. To assist with determining the FY23 compensation, Chairman Rodriguez summarized what other Commonwealth of Massachusetts agencies, namely the Treasury and PERAC, are implementing for salary adjustments for their staff. In addition, he also included the adjustment as communicated by HRD for managers and added that in their performance evaluation review, MTRS staff may get an adjustment in the 4% to 6% range with the combination of COLA and merit. He reminded the Board members of last year's approved increase amount and asked for input from the Board members. The Board held a brief discussion, noting the positive reviews from each Board member's written evaluation, and taking note that Ms. Glaster did not receive a bonus that was awarded to MTRS staff for working through the pandemic. Ms. Wass made a motion to grant Ms. Glaster a 4.5% increase retroactive to July 1, 2022, which Mr. Naughton seconded. The roll call 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

Ms. Glaster thanked the Board for their ongoing support and attributed her success to the members of her leadership team and the excellent MTRS staff. She expressed her commitment and love of her work at the MTRS.

Ms. Wass asked Ms. Glaster to thank Mr. Neilon, due to his absence from the meeting, on his efforts in getting the R+ legislation approved. She appreciated that he highlighted the contributions of the MTA's Sean King in his legislative report.

On a motion made by Mr. Liston and seconded by Mr. Leung-Tat, 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 11:13 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of August 26, 2022

- Agenda for August 26, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Amended Open session minutes of MTRS June 24, 2022 Board meeting
- Open and Executive session minutes of MTRS July 29, 2022 Board meeting
- Individual Board Member's Performance Evaluations of the Executive Director