

Minutes of the Meeting of October 28, 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, 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. Richard Liston was absent due to personal reasons.

The meeting was called to order at 9:02 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.

The minutes of the previous Board meeting, held on September 30, 2022, were reviewed and approved as submitted. Mr. Naughton made a motion, which was seconded by Ms. Gorrie 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
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

**The Open and Executive Session minutes of the Board meeting held
on September 30, 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 Mr. Leung-Tat and seconded by Ms. Gorrie 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
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

At 9:04 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 9:34 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. REQUEST 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 Rosemary Ford. Mr. Neilon explained that an audit of Ms. Ford's account due to a contract adjustment for the FY21 school year showed that her retirement benefit was calculated based on erroneous information supplied on her retirement application by Worcester Public Schools. The error persisted for more than one year, Ms. Ford did not have knowledge of it, and did not have reason to believe that her benefit amount was in error. On a motion made by Ms. Wass and seconded by Ms. Gorrie, the Board voted to approve the request for waiver. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

B. PROPOSED MTRS-SPONSORED LEGISLATION

After a lengthy discussion at the September Board meeting concerning a proposed MTRS-sponsored amendment to the current Chapter 32, Section 1, definition of “wages” in response to the Supreme Judicial Court’s decisions in Vernava I and Vernava II, Board staff agreed to clarify the issues for further discussion at the October meeting. Mr. O’Leary prepared a memorandum that included the short- and long-term possible impacts on members of the Vernava decisions and how the proposed amendment would address them. He included Mr. Osimo’s scenarios from the September Board meeting to help illustrate the issues, as well as a related bill filed by PERAC. After a thorough discussion, on a motion made by Ms. Gorrie, and seconded by Ms. Wass, the Board voted to approve the proposed amendment. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Abstain
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Abstain
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

C. PROPOSED AMENDMENTS TO REGULATION FOR RETIREMENT PLUS TRANSFERS

Mr. O’Leary presented the proposed amendment to MTRS Regulation 807 CMR 13.00 for the Board’s approval. He noted the draft amendment is proposed because of the new election opportunity for members who have transferred into the MTRS but for various reasons were unable to effectively make an election whether or not to participate in Retirement Plus. Mr. O’Leary explained that the revisions focus on clarifying the election process and are not designed to make Retirement Plus

elections more difficult for a member, or to narrow the window during which such election can be made, beyond the MTRS's long-held understanding of the statutory language. Board members asked questions on the possibility of electronic signatures in the future and Mr. O'Leary stated that there is room for that in the language. They also questioned whether there would be any objections from unions, but Mr. O'Leary stated he believed the unions understand the MTRS's need for an election process that documents the member's choice. On a motion made by Mr. Favorito, and seconded by Mr. Leung-Tat, the Board voted to approve the proposed amendments. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

D. APPROVAL OF OUT OF STATE TRAVEL FOR EXECUTIVE DIRECTOR

Noting that she had provided advance notice to the Board of her intention to attend the 2022 NCTR Annual Conference, and apologizing for the oversight of not receiving the Board's official approval in advance, Ms. Glaster requested retroactive approval of her attendance at the conference held from October 8 to October 12 in Tucson, Arizona. On a motion made by Ms. Wass and seconded by Ms. Gorrie, the Board voted to approve the request. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

E. APPROVAL OF VITECH CONTRACT AMENDMENT FOR HOSTING AND ENHANCEMENTS

This item was added to the original agenda.

MTRS Chief Technology Officer Susan Morgan, Director of Application and Data Services Surendra Puttagunta, and Director of Network Services David Wright joined the meeting. Ms. Glaster provided a brief introduction to the details provided in the memo in the board materials. Ms. Morgan requested the Board's approval to extend the Vitech contract for managed hosting services at AWS for an additional year, in the amount of \$763,830. In addition, due to recent state and federal legislative changes, MTRS requires enhancements to MyTRS. These enhancements, as well as other staff-requested enhancements to improve the efficiency of the application, are estimated at \$258,000 (or 1,200 hours). Ms. Morgan explained that these costs were accounted for in the FY23 operational budget, but since they exceed \$50,000, the Board's approval is required.

On a motion made by Mr. Naughton, and seconded by Ms. Gorrie, the Board voted to approve the increase in the existing Vitech contract. On roll call, the vote was as follows:

VOTED: Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The Board members expressed their disappointment on the recent announcement of Ms. Morgan's intention to retire at the end of the year, thanked her for her service and wished her the best in the future.

F. EXECUTIVE DIRECTOR'S REPORT

1. In legislative news, Ms. Glaster stated that the bills approved by the Board at its September meeting, along with the proposed bill related to Vernava that they had just approved, will be filed early in the next week.
2. Ms. Glaster reported on the agency's activities in the last month for the implementation of the R+ Transfer-In legislation, including communication plans to the members eligible for the second election in January through June 2023, and the new election forms, educational materials and videos for the members transferring into the MTRS after July 1, 2022 who now will participate

- in R+ unless they opt-out during their election period. The Director of Communications Scott Olsen is serving as project manager.
3. Related to the ongoing performance issues with deduction reporting in MyTRS, Ms. Glaster reported that Vitech has provided the fix, which our Employer Services unit has thoroughly tested. The fix will be put into production on November 4, and all employers will be notified via broadcast email. She will keep the board posted on the outcome.
 4. Ms. Glaster informed the Board that one of our school district employers reported that a financial firm was offering an “MTRS Review,” but had also identified in fine print on its communication that it was not affiliated with the MTRS. Therefore, staff moved our message cautioning users on email solicitations to the first and prominent spot on the home page of our website.
 5. In providing an update on the plans for the MTRS 2022 Annual Review and Constituent Forum, Ms. Glaster noted that “Save the Dates” had previously been sent out, and formal invitations will be sent out in the next week. Auditor Bump will be attending; however, Treasurer Goldberg is unable to attend. As in the past, Michael Trotsky will present the PRIT fund update and John Parsons and John Boorack will present the PERAC update and January 2022 MTRS Actuarial Valuation. Ms. Glaster pointed out that Mr. Neilon’s report included the preliminary MTRS valuation results, which showed the MTRS’s funded ratio on an actuarial basis has increased to 59%, due to the strong 2021 market performance. She also noted that John Boorack has agreed to share actuarially reasonable funding schedule options for the next triennial funding schedule at the November Board meeting.
 6. The Chief Technology Officer posting, due to Ms. Morgan’s impending retirement, has garnered 80 applications so far, Ms. Glaster reported. The posting will close on October 31st and the first round of interviews will begin. Additionally, the majority of the agency’s other 16 open positions have been or will be posted in the next couple of weeks. Ms. Glaster stated that HR and the hiring managers are working to ensure proper onboarding, training and support plans for the new hires.
 7. Ms. Glaster announced that she and the Chairman have been discussing making changes to the annual Executive Director Evaluation form to correlate to fiscal year strategic goals, as well as core values and competencies. She noted that she had provided a draft to the Chairman the prior afternoon. The Chairman then shared ideas for beginning strategic planning work with the Board at the December board meeting. Board members asked questions on the evaluation

and strategic planning processes. Mr. Leung-Tat noted that PERAC utilized a sub-committee for their executive director evaluation process.

The Chairman recognized recent achievements of the agency, including the timely processing of retirement applications, and the receipt of 99.97% of benefit verification forms in the current biennial process. Ms. Glaster credited Mr. Osimo and his team for their efforts on these objectives.

On a motion made by Ms. Gorrie and seconded by Mr. Naughton, 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
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 10:29 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of October 28, 2022

- Amended Agenda for October 28, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS September 30, 2022 Board meeting
- Memorandum and supporting documents pertaining to Request for Waiver for Overpayment
- Memorandum and supporting documents pertaining to Proposed MTRS-sponsored legislation
- Memorandum and supporting documents pertaining to Regulation for Retirement Plus Transfers
- Memorandum pertaining to Request for Approval of Out of State Travel for Executive Director
- Memorandum pertaining to Approval of Vitech Contract Amendment for Hosting and Enhancements