

Minutes of the Meeting of November 18, 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, State Auditor Suzanne Bump, Jacqueline A. Gorrie, Michael Leung-Tat, Richard L. Liston, 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. Chairman Rodriguez announced that Dennis Naughton had given prior notification that he would join the meeting slightly later than its start time.

The meeting was called to order at 9:01 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 October 28, 2022, were reviewed and approved as submitted. Ms. Gorrie made a motion, which was seconded by Mr. Leung-Tat 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	Abstain
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

**The Open and Executive Session minutes of the Board meeting held
on October 28, 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. Liston and seconded by Ms. Wass to enter Executive Session to consider an application 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
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. During Executive Session both Mr. Naughton and Auditor Suzanne Bump joined the meeting.

At 9:12 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.

III. Open Session

A. EXECUTIVE DIRECTOR'S REPORT

1. Included in the materials was a proposed 2023 Board meeting schedule which Ms. Glaster had asked the Board members to review for conflicts. The Board members offered alternative dates for a couple of months. A copy with date changes will be included in the December board materials for final approval.

With the arrival of invited speakers and constituents, Ms. Glaster offered to finish her report at the conclusion of the presentations.

B. PRIM UPDATE

Noting this was her last appearance at an MTRS Board meeting, Chairman Rodriguez took a moment to acknowledge and thank Auditor Bump for her years of support to the MTRS Board and its members. In addition, he thanked her for her service to the entire Commonwealth. He also complimented her selection of high-quality designees to serve on the Board on her behalf in the past and present. Following a round of applause from the participants, Ms. Bump thanked the group for their support.

Chairman Rodriguez welcomed the invited speakers and participants. In turn, Ms. Glaster introduced each participant 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 since 1987. Additionally, representatives of the various constituent groups included Michael Canavan and Beth Kontos of the MA Chapter of the American Federation of Teachers, Marie Ardito and Jim Lucia of Massachusetts Retirees United, Anthony Moreschi of the Massachusetts Teachers Association, Nancy McGovern of the Retired State, County, and Municipal Employees Association of Massachusetts, and Karen DeDonato of the Retired Educators Association of Massachusetts.

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 PRIT Fund performance results over the past year. Mr. Trotsky answered questions from the Board members and guests. Chairman Rodriguez thanked Mr. Trotsky for his presentation and praised the PRIM team for their ongoing excellence.

There was a recess at 10:27 a.m., at which point Auditor Bump left the meeting after thanking the group again. The meeting reconvened at 10:40 a.m.

C. 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 recognized and congratulated Mr. Favorito on approaching his 20-year mark of serving on the MTRS Board. Mr. Parsons highlighted a collaboration with EOTSS and recent initiatives on educational training on cyber security being offered to all local retirement boards. He also gave an update on PERAC-sponsored legislation.

Mr. Boorack stated that he and former State Actuary Jim Lamenzo are working on the draft report of the January 1, 2022 Massachusetts Teachers’ Retirement System Actuarial Valuation and expect that it will be finalized in the last week of November. Mr. Boorack shared highlights of the report, including the basis for his assumptions and the changes in the liabilities, investment gains and funded ratio.

Mr. Boorack also reviewed several alternative schedules for the Commonwealth’s next triennial funding schedule, including two schedules that the Commission voted to recommend to the Governor’s Office of Administration and Finance (A&F). Ms. Glaster thanked Mr. Boorack for preparing the schedules and thanked the Commission for their support of her suggestion to include in their recommendation to A&F a schedule that takes advantage of the current state surplus in order to create an actuarially reasonable schedule that ends the backend loading in prior schedules. Said schedule includes a 30.3% increase in FY24 from the state surplus with 4% annual increases thereafter. 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 11:40 a.m. most invited participants left the meeting.

D. EXECUTIVE DIRECTOR'S REPORT *(continued)*

2. In legislative news, Ms. Glaster announced that the MTRS Board-supported legislation was filed on November 1st.
3. Regarding the R+ Transfer-in Implementation, Ms. Glaster announced that emails were sent on October 31st to those members who were identified as eligible notifying them of another election opportunity and pointing them to educational materials regarding the subject on our website. It also advised them to keep their mailing address current and to look for election materials in January 2023. On November 7th, letters were sent via USPS mail to those eligible members for whom there was no valid email address on file, asking them to provide the missing information. Ms. Glaster stated the agency plans to send notification with the list of eligible members to each school district's payroll officer advising them of the election opportunity, explaining the corresponding MTRS contribution rate changes, and asking for any missing contact information. The notifications will be sent in December to allow more time for the school districts to upload their most recent deduction report files, which were backlogged due to V10 performance issues. Ms. Glaster stated they will keep MTA and AFT representatives in the loop on the process and plans are to send out the election forms in January.

In addition, Ms. Glaster shared an update on Vitech's progress on the change order pertaining to the R+ election for members who transfer into the MTRS on or after 7/1/2022 who have the opportunity to opt out of R+ versus opting in.

4. Ms. Glaster reported that the fix to the V10 application by Vitech released to production on November 4th seems to have improved the slow performance issues, and feedback thus far has been positive.
5. To address a backlog in disability retirement applications, particularly Accidental Disability Retirements ("ADRs"), Ms. Glaster stated the staff's preference to present two ADRs each month, starting with the December meeting. She noted that the meeting times may be extended as a result, and asked Board members to let her know if they have any issues with the extended schedules.
6. In personnel news, Ms. Glaster reported that 110 applications were received for the Chief Technology Officer position posting to replace retiring CTO Susan Morgan, and first interviews are underway with 10 chosen candidates. In addition, Ms. Glaster was happy to announce that three new well-qualified retirement analysts started in the Springfield office that week and other open positions are in various stages of the hiring process.

7. On a housekeeping matter, Ms. Glaster noted the change in the format of sending the board materials this month. Some Board members welcomed the change, but Ms. Glaster asked them to contact Ms. Petruzzello if they would prefer the previous method.
8. Referring to the holiday season, Ms. Glaster announced her intention to authorize a skeleton force day on the Friday after Thanksgiving, as she had done in the past several years. In addition, she intends to authorize a skeleton force day on Friday, December 23rd. Both offices will be covered and any staff working in the offices those days will receive a compensatory day off to be taken before the end of January 2023. The Board expressed their approval and support for the staff members.
9. Ms. Glaster announced plans for an in-office 10:00 a.m. General Staff meeting breakfast, and the agency's holiday party starting at 4:00 p.m. at The Tradesman at Hood Park, both being held on December 13th. She invited Board members to attend either or both events.

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 11:55 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of November 18, 2022

- Agenda for November 18, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS October 28, 2022 Board meeting
- Supporting documents pertaining to PRIM Update
- Supporting documents pertaining to PERAC Update