

Minutes of the Meeting of December 16, 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 Petruzziello.

The meeting was called to order at 9:03 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. Mr. Favorito, 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 November 18, 2022, were reviewed and approved as amended to include Auditor Bump in the list of attendees. 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 and Executive Session minutes of the Board meeting held
on November 18, 2022 are hereby approved as amended.**

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. Favorito 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
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 10:24 a.m. the Board reconvened in Open Session and went into recess until 10:36 a.m. At that time, the door to the Board room was again opened to the public and the public teleconference line resumed.

III. Open Session

A. REQUESTS FOR WAIVER FOR OVERPAYMENT

1. Pursuant to M.G.L. c. 32, § 20(5)(c)(3), the Board reviewed the materials concerning the overpayment of retirement benefits in the amount of \$220.18 to Jamie A. Benoit. Mr. Neilon explained that an audit necessary for 3(8)(c) and benefit adjustment processing showed that her retirement benefit was calculated based on erroneous information supplied on her retirement

application by New Bedford Public Schools. The error persisted for more than one year, Ms. Benoit 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 Mr. Naughton, and seconded by Ms. Gorrie, the Board voted to approve the waiver. 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

2. The Board reviewed the materials concerning the overpayment of retirement benefits in the amount of \$121.04 to Marcel Walters. Mr. Neilon explained that an audit necessary for 3(8)(c) and benefit adjustment processing showed that her 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. Walters 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 Favorito, and seconded by Ms. Gorrie, the Board voted to approve the waiver. 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

B. REVIEW AND APPROVAL OF THE FY22 ANNUAL FINANCIAL STATEMENT

Marybeth Shaughnessy-Newell, MTRS Compliance Officer, joined the meeting to present the FY22 MTRS Annual Financial Statement for forwarding to the Public Employee Retirement Administration Commission ("PERAC"). Ms. Shaughnessy-

Newell reviewed a PowerPoint with the highlights of the report and answered questions from the board members. The Board thanked Ms. Shaughnessy-Newell for her efforts in maintaining the reports. Speaking as the Board representative to PRIM, Mr. Naughton stressed that notwithstanding the negative returns, the PRIT fund is performing better than most peer systems due to the downside risk management by PRIM investment staff. On a motion made by Mr. Favorito, and seconded by Mr. Leung-Tat, the Board voted to approve the FY22 MTRS Annual Financial Statement. 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

C. REVIEW AND APPROVAL OF WRITE-OFF OF UNCOLLECTIBLE ESTATE ACCOUNTS RECEIVABLE

Pursuant to G.L. c. 32, § 20(5)(m) and the MTRS Retiree Death Overpayments Recovery Policy, Ms. Shaughnessy-Newell presented the recommendation for the write-off of uncollectible estate accounts receivable that have remained uncollected for at least three years. For fiscal year ending June 30, 2019, there were 20 uncollectible estate accounts receivable cases. On a motion made by Mr. Leung-Tat, and seconded by Ms. Wass, the Board voted to approve the write-off of estate accounts receivable for the fiscal year period ending June 30, 2019, in the amount of \$30,018.76. 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

Ms. Shaughnessy-Newell left the meeting at 10:52 a.m.

D. APPROVAL FOR OUT OF STATE TRAVEL FOR EXECUTIVE DIRECTOR

Pursuant to the provisions of the MTRS Official Travel Policy, Ms. Glaster requested the Board's approval to attend the annual System Roundtable of the National Association of State Retirement Administrators (NASRA) and joint NASRA/NCTR Legislative Conference in Washington, D.C. from February 25 to February 28. On a motion made by Ms. Gorrie, and seconded by Ms. Wass, the Board voted to approve the out of state travel. 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

E. EXECUTIVE DIRECTOR'S REPORT

1. Included in the materials was the proposed 2023 Board meeting schedule, which reflected changes following the Board's review at the prior month's meeting. On a motion to approve the schedule made by Mr. Favorito, and seconded by Mr. Leung-Tat, 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

2. Ms. Glaster included a copy of PERAC's funding recommendation for the next triennial schedule to the Secretary of Administration & Finance in the board materials. Ms. Glaster explained that the recommendation includes two schedules. She was disappointed that the letter did not explain the reason for including the second schedule, Alternative #5, which takes advantage of the

current state surplus and record balance in the Stabilization Fund to achieve a schedule that complies with the new Actuarial Standards of Practice (ASOP #4) that takes effect in February 2023. Ms. Glaster recommended sending a letter to the Governor and legislative leadership, as done in past years, advocating for the Alternative 5 schedule which will save over \$1.18B over the remaining 13 years of the schedule. Ms. Glaster said she will work with the Chairman on finalizing the letter. Mr. Naughton made a motion to approve the sending of the letter, which was seconded by Ms. Gorrie. The roll call vote was as follows:

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

3. Noting the announcement of Vice Chair Favorito's impending resignation from his position as Executive Director of the State Employees Retirement System, and presumably from serving as designee on the MTRS Board, Ms. Glaster suggested the Board start to think about whether they would consider serving in his vacated role as Vice Chair. She stated there are no rules for determining who serves as Vice Chair, and that Board members should let the Chairman know if interested.
4. In preparation for strategic planning discussions with the Board, Ms. Glaster stated that she will be forwarding a visioning exercise that she will ask each board member, as well as members of the executive staff, to complete and send to Ms. Petruzzello by the January board meeting. The results will be compiled for a discussion at the February meeting, or an alternative date, if preferred.
5. Ms. Glaster provided the Board with an update on the implementation of the second R+ election opportunity for eligible members who had transferred into the MTRS from another MA retirement system between 7/1/2001 and 6/30/2022 and did not respond to the original election mailing. MTRS met with representatives from the Massachusetts Teachers Association, the American Federation of Teachers-MA and the Massachusetts Association of School Superintendents on December 5th and shared the agency's plans. The constituent leaders supported the agency's approach and offered to provide assistance by

sharing data and outreach in efforts to communicate to the approximately 8,000 members who qualify for the election.

6. Ms. Glaster congratulated Ms. Gorrie on her re-appointment to the National Council on Teacher Retirement (“NCTR”) Resolutions Committee.

Ms. Glaster stated that earlier that morning she forwarded an invitation to board members to the NCTR Economic Forum. She explained it is a free webinar specifically for NCTR members being held on February 6th from 1:30 to 4:00 pm. Ms. Glaster will be pursuing with PERAC the granting of continuing education credits for those who participate.

7. Ms. Glaster also congratulated Chairman Rodriguez on his appointment to incoming Governor Healey’s transition team on education.

8. In operational news, Ms. Glaster informed the Board that a network vulnerability assessment of the MyTRS V3locity infrastructure at Amazon Web Services was completed at the beginning of the month and had no significant findings.

9. While the November 4th fix implemented by Vitech had helped with the slow performance issues with employer deduction reporting, Ms. Glaster reported that a new issue had emerged in the last couple of weeks for some, but not all, employers. Vitech and MTRS have had meetings to get to the cause of the issue and MTRS will not release the holdback funds to Vitech until the issue is resolved. Ms. Glaster disclosed that early discussions have begun on the next hosting and license contract with Vitech, as the current contract expires in September 2023. Ms. Glaster stated that representatives from Vitech will address the Board, most likely at the February board meeting.

10. Due to the retirement of Susan Morgan at the end of the month, Ms. Glaster announced that, after an extensive search and interview process, the agency hired Joseph Patuto as the new MTRS Chief Technology Officer. Mr. Patuto was the Chief Information Officer at Middlesex Community College where he served in various IT roles, including CTO, Since 1997. Ms. Morgan will assist with the transition.

In other personnel updates, Ms. Glaster reported that three retirement analysts had started in the western regional office in Springfield. Two account analysts will start at the beginning of the year in the Transfers, Refunds, and Enrollments Unit, and one internal candidate has been hired and transitioned over to the Employer Services Unit. The HR Director and hiring managers continue to work on filling the additional open positions.

11. Ms. Glaster reminded the Board that she declared a skeleton force day on December 23rd, the Friday before Christmas Eve. There will be no remote work

that day, and the offices will be covered with a skeleton crew for walk-ins and phone calls.

Ms. Glaster then took the time to express her appreciation for the opportunity to work with Mr. Favorito for almost twenty years. She stated that she considered him a mentor throughout her career, valued his friendship on both a personal and professional level and wished him nothing but the best in his new role.

Each Board member expressed their gratitude to Mr. Favorito for his respectful, professional treatment of MTRS members with matters before the Board while asking insightful and thought-provoking questions. They remarked they will miss his sense of humor and his likeable, comfortable manner. Mr. Favorito thanked all for the kind words and expressed his gratitude for the affection shown him and added that he will miss his relationships with each of them.

On a motion made by Mr. Favorito and seconded by Ms. Gorrie, 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 11:32 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of December 16, 2022

- Agenda for December 16, 2022 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS November 18, 2022 Board meeting
- Memorandums and supporting documents pertaining to Requests for Waiver for Overpayment
- Documents pertaining to Review and Approval of the FY22 Annual Financial Statement
- Memorandum pertaining to Review and Approval of Write-off of Uncollectible Estate Accounts Receivable
- Memorandum pertaining to Approval for Out of State Travel for Executive Director
- Proposed 2023 MTRS Board Meeting Schedule
- PERAC's Funding Schedule Recommendation