

## Minutes of the Meeting of March 31, 2023

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 Jacqueline A. Gorrie, Sarah G. Kim, 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. Dennis Naughton was absent for personal reasons.

The meeting was called to order at 9:05 a.m. Chairman Rodriguez welcomed Sarah G. Kim, the newly appointed designee of State Treasurer Deborah Goldberg, replacing Nick Favorito. Ms. Kim stated she is "thrilled" to be a part of the board as she is a product of the Massachusetts public school system, and she looks forward to working with the board members.

The Chairman 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 February 24, 2023, were reviewed. Ms. Kim noted a typographical error. Therefore, the minutes were approved as amended. Mr. Liston 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 Jacqueline A. Gorrie Yes

Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

**The Open and Executive Session minutes of the Board meeting held on February 24, 2023 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 Ms. Wass and seconded by Mr. Liston to enter Executive Session to consider applications for disability retirement benefits and a follow-up on 91A suspension of benefits due to non-compliance. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

At 9:10 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 10:03 a.m. the Board reconvened in Open Session. 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. PROPOSED AMENDMENT TO 807 CMR 2.00: RULES OF ELECTION**

Mr. O'Leary presented the proposed change to MTRS Regulation 807 CMR 2.00 that would add the option for the MTRS to notify its retired members of an election by

email if available. For those members without an email address on file, a notification would be mailed. Ms. Kim questioned why the language specified it would only pertain to retired members. A quick discussion resulted in changes in the language to remove the word “retired” so that it included both retired and active members. In addition, a small grammatical change was suggested.

On a motion made by Ms. Kim and seconded by Ms. Gorrie, the Board voted to approve the proposed amendment with the suggested changes. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

## **B. IT ASSESSMENT APPROVAL**

Joseph Patuto, MTRS Chief Technology Officer (“CTO”) joined the meeting to request the Board’s approval for a third-party holistic IT assessment. Mr. Patuto explained that this recommendation is the result of a series of interviews with staff and his observations during his first months as CTO relative to the reliability of the network and MyTRS. Mr. Patuto explained that a Request for Quote (“RFQ”) was published on CommBuys in February and several state-approved vendors were notified. However, only one bid was received, which was from Intrasystems for a fee of \$68,000. Since Intrasystems currently provides support services for the MTRS network infrastructure, the Chairman questioned their ability to provide an objective assessment. Mr. Patuto had addressed that issue with the Intrasystems project lead who confirmed that the personnel who provide managed services to MTRS would not be on the assessment project team. Mr. Patuto also stated that he would closely monitor all vendor activity and that he plans to bring the vendor to report to the Board at the June Board meeting.

On a motion made by Mr. Liston, and seconded by Ms. Gorrie, the Board voted to authorize the agency to enter into a contract with Intrasystems for the expense of \$68,000. On roll call, the vote was as follows:

<b>VOTED:</b> Vice Chair Jacqueline A. Gorrie	Yes
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Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

#### **C. DISCLOSURE AND OUT OF STATE TRAVEL REQUEST FOR EXECUTIVE DIRECTOR**

As President-Elect of the National Council on Teacher Retirement (“NCTR”), Ms. Glaster noted that she is obligated to attend two NCTR Executive Committee (board of directors) meetings each year. She requested the Board’s approval to attend the spring Executive Committee meeting, being held in LaJolla, California April 16 - April 19, 2023. Ms. Glaster disclosed that the hotel and meal expenses for the spring meeting are paid by the NCTR. In addition, she requested the Board’s approval to attend the NCTR System Directors’ meeting, being held in Madison, Wisconsin from June 7 to June 9, 2023. 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:

<b>VOTED:</b> Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

#### **D. EXECUTIVE DIRECTOR’S REPORT**

1. Ms. Glaster stated she included in the board materials a copy of the letter she received from the Public Employee Retirement Administration Commission confirming the Commission’s vote to maintain the actuarial assumed rate of return at 7% rate. She noted that Mr. Neilon’s legislative report in this month’s materials supplied the background information that State Actuary Boorack used to support his recommendation.
2. Ms. Glaster also included in the Board materials a copy of a set of documents produced by a working group of representatives from NCTR, the National

Association of State Retirement Administrators (“NASRA”), the National Council on Public Employee Retirement Systems (“NCPERS”) and the National Institute on Retirement Security (“NIRS”) on the updated Actuarial Standards of Practice #4 (“ASOP 4”) requiring a new disclosure, the so-called Low Default Risk Obligation Measure (“LDROM”). She explained that these documents describe in clear language what the new measure is, and is not, and provide sample language for valuation reports. As ASOP 4 is required in valuation reports with effective dates after February 2023, it will pertain to the MTRS and State Retirement System’s January 2024 valuations. Ms. Glaster has shared the materials with Mr. Boorack.

3. As a reminder, Ms. Glaster asked board members to notify her or Ms. Petruzzello if they were interested in attending the NCTR Trustee Workshop being held in Williamsburg, Virginia from July 16 – July 19.
4. Ms. Glaster noted that Governor Healey’s first budget, released on March 1<sup>st</sup>, included the next three years’ pension appropriations, and a COLA proposal for state and teacher retirees at 3% on the first \$13,000. She stated she is hopeful the legislature may act to either increase the COLA percentage or the base. Ms. Glaster referenced the email that she forwarded to the board members the day before concerning the supplemental budget for FY23, which extended the open meeting law rules put in place for the pandemic through March of 2025. After discussion by the board members, the decision was made to continue to meet remotely, but to schedule a few in-person meetings during the year for the purposes of strategic planning and the annual constituents meeting.
5. Ms. Glaster provided an update on the implementation of the R+ Transfer-In legislation, stating the agency has fully implemented two of the three changes in the legislation. The third component is the special R+ election for members who transferred into the MTRS from one of the other Massachusetts public retirement systems between July 2001 and June 2022, who failed to respond to their original R+ election. Ms. Glaster noted that the election materials were mailed to approximately 8,000 eligible members on January 13<sup>th</sup>, and she summarized the agency’s communication and education efforts with the eligible members, their employers and their union representatives during the past two months. As of March 30, the agency received 1,538 total elections, of which, 1,281 were online elections and 257 were received via paper ballot; 1,358 members voted IN and 180 voted OUT of R+.

Unrelated to this campaign, Ms. Glaster notified the Board that a group of members who did not respond to the original R+ election back in 2001 had created a Facebook group posting some negative, inaccurate comments about

the MTRS's R+ process. Ms. Glaster commended Mr. Neilon and the managers of the Transfers, Refunds and Enrollments Unit for meeting with the leaders of that group and setting them straight on the facts. The group has amended their Facebook posts since the meeting.

6. Ms. Glaster noted that another election – for the teacher representative to the PRIM Board – was underway. There are three candidates for the seat, including the incumbent Bob Brousseau. The ballots were mailed mid-March and are due back on May 5<sup>th</sup>. Acknowledging the confusion that two simultaneous elections must create for the members, Ms. Wass asked how to receive a duplicate ballot for the PRIM Board election. Ms. Glaster responded that any member needing a replacement ballot should call the MTRS. The Call Center staff are prepared to distinguish between the PRIM election and the R+ election and will process the duplicate ballot request.
7. Ms. Glaster provided current statistics on the Benefit Verification Form mailing that went out to benefit recipients in January, reporting 51,000 forms had been received. March 31<sup>st</sup> was the deadline for that first mailing. A second mailing will be sent out in April to those who have not responded, to be followed by one final mailing. In July the agency will pull the checks of the non-responders but will continue to take out taxes and health insurance deductions until December when all payments will stop until the recipient responds.
8. Regarding the ongoing issues with MyTRS, Ms. Glaster reported on the results of a March 9<sup>th</sup> meeting with the Vitech executive leadership and MTRS executive staff members. This meeting was a follow up from the February 9<sup>th</sup> meeting to discuss Vitech's performance improvement plan and to discuss concessions that MTRS is expecting in the next contract. While there will be further negotiations, Ms. Glaster stated she is "hopeful" as Vitech has been attentive and responsive to agency concerns.
9. Ms. Glaster reported that she and Mr. Neilon attended the joint NCTR/NASRA legislative conference in Washington, DC from February 25<sup>th</sup> to February 27<sup>th</sup>. The main areas of focus were environmental, social, and corporate governance ("ESG") issues, ASOP 4, and the future of technology and energy as it relates to investment portfolios.
10. Ms. Glaster announced that the MTRS FY 24 operating budget proposal will exceed 3% above the FY 23 budget. Therefore, the agency needs to give the legislature a 45-day review period, which will necessitate approval at the April board meeting. Ms. Glaster stated the budget proposal will be finalized and sent out under separate cover before the April board materials are sent to allow the board members enough time for review.

11. Ms. Glaster noted the registration will open in April for the Massachusetts Association of Contributory Retirement Systems (“MACRS”) spring conference being held June 4<sup>th</sup> to June 7<sup>th</sup> in Hyannis.

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 Jacqueline A. Gorrie	Yes
Sarah G. Kim	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 11:07 a.m.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date

**Documents used in MTRS Board meeting of March 31, 2023**

- Agenda for March 31, 2023 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS February 24, 2023 Board meeting
- Memorandum and supporting document pertaining to Proposed Amendment to 807 CMR 2.0: Rules of Election
- Memorandum pertaining to IT Assessment Approval
- Memorandum pertaining to Disclosure and Out of State Travel Request for Executive Director