

Minutes of the Meeting of April 21, 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, 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, Senior Legal Counsel Ashley Freeman, and Executive Assistant Helen Petruzzello.

The meeting was called to order at 9:05 a.m. 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 March 31, 2023, were reviewed. Mr. Naughton noted an error in the executive session minutes. Therefore, the minutes were approved as amended. Ms. Wass made a motion, which was seconded by Mr. Leung-Tat 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
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

The Open and Executive Session minutes of the Board meeting held on March 31, 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 Mr. Liston and seconded by Ms. Wass to enter Executive Session to consider applications for disability retirement benefits. 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
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 10:55 a.m. the Board reconvened in Open Session and went into recess, reconvening at 11:09 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. R+ TRANSFER-IN LAW IMPLEMENTATION

Ms. Glaster provided the Board with a memorandum on the implementation of the first component of the "Retirement Plus (R+) Transfer-In Bill," which became law in July 2022, as Chapter 134 of the Acts of 2022. This first component is the Special R+ Election for the nearly 8,000 members who transferred into the MTRS from one of the other 103 public retirement systems between 7/1/2001 and 6/30/2022 and did not

respond to their original R+ election opportunity. The election runs from January 1, 2023 to June 30, 2023. Ms. Glaster provided a summary of the extensive outreach efforts to the members eligible for the special R+ election, and their employers, including numerous printed mailings, targeted emails, and instructional webinars. Ms. Glaster shared plans for additional communications and webinars in the final two months of the election period. She also noted the agency's meetings with the MTA and AFT-MA to keep them informed of the election processes, and our requests that they utilize their local representatives to help encourage eligible members to respond.

B. MTRS FY24 OPERATIONAL BUDGET

Ms. Glaster confirmed that all the Board members received the email she sent the day before the meeting in which she requested that the Board consider an increase in the proposed FY24 salary reserve for MTRS staff, considering the recent approval of contracts for three major state employee unions with 8% cost of living increases. In her email, Ms. Glaster had provided a table showing the impact a 6%, 7%, or 8% salary reserve would have on the overall budget total. While Board members expressed strong support for the MTRS staff, they also noted concern for the MTRS retired membership who continue to receive a 3% COLA on a base salary of \$13,000. The Board agreed to circle back to this line item after reviewing the rest of the budget. Ms. Glaster provided background information to explain increases and decreases in proposed spending on each line item in the budget. Returning to the salary reserve item, after a lengthy discussion, the Board decided to approve the 8% salary reserve for purposes of transmitting the budget to the Legislature within the required 45-day review period, and to revisit the salary reserve percentage at the June Board meeting when the final salary increases from PERAC staff and state managers were likely to be finalized. Ms. Glaster confirmed that any funds approved in the budget that are not used in the fiscal year will remain in the PRIT fund. On a motion made by Mr. Liston and seconded by Ms. Wass, the Board voted to approve the proposed FY24 Operational Budget of \$20,462.076, which is a 7.3% increase from the FY23 budget. The vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	Yes
Sarah G. Kim	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 support of the staff and confirmed that no action would be taken on salary increases until July 1st.

C. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster included a copy of the written testimony that she sent to the Joint Committee on Public Service on April 4th in support of the Board's legislative filings for this session. She also noted that she testified at the Committee hearing on April 4th and will keep the Board updated on any developments.
2. Referring to the article included in Mr. Neilon's legislative report, Ms. Glaster noted the House budget released on April 12th included the next three years' pension appropriations, and a 3% COLA for state and teacher retirees on the first \$13,000. She added that Representative Mark Cusack, House Chair of the Joint Committee on Revenue, filed a budget amendment that would increase the COLA base to \$16,000 for retired teachers and state employees. Another amendment, filed by Assistant Majority Leader Alice Peisch, would require the public safety union representative on the PRIM Board to be selected from a list of three candidates nominated by the executive board of MACRS, or be a member of any public retirement system whose assets are invested by PRIM.
3. After attending the NCTR Board meeting earlier in the week, Ms. Glaster reported the key areas of focus were on setting the agendas for upcoming meetings and the annual conference and discussing strategies to ensure the long term viability of the organization. One of the main topics on the June NCTR System Directors' meeting agenda is ESG investing. Noting PRIM's partnership with the Massachusetts Institute of Technology's "Aggregate Confusion Project," which aims to improve the quality and consistency of ESG ratings data, Ms. Glaster asked Michael Trotsky if he or one of his team would speak at the meeting. Mike McElroy, PRIM's Director of Public Markets, will make the presentation.
4. Referencing Mr. Osimo's quarterly member services report, Ms. Glaster stated that the agency has received 88% of the 72,000 Benefit Verification Forms from the initial mailing at the end of January. A second mailing will be sent out in the next week with a due date of May 31st. The third and final mailing is planned for the first week in June and then the checks will be pulled in July for non-responders. Ms. Glaster stated the responses are consistent with prior years.

Ms. Glaster pointed out statistics in Mr. Osimo's report on phone call and email volume, with two days reaching over 500 calls for the call center. She commended Mr. Osimo's team for pitching in to help with the extraordinary volume of calls.

Ms. Glaster noted that, so far, the number of summer retirement applications is about 14% lower than last year's figure at this time and may represent the decrease in new retirements that were anticipated before the pandemic based on the system's shifting demographics.

5. In providing an update on the status of MyTRS, Ms. Glaster reported that a request made to Vitech was to replace the current project manager. Brian McKinney from Vitech has identified a candidate who holds relevant certifications and who would be a subcontractor with Vitech. Ms. Glaster, Mr. Patuto and Mr. Puttagunta will interview him next week.

Ms. Glaster stated the agency is in the process of working with a short-term consultant to assist with preparations for the next contract negotiation with Vitech, which takes effect in September.

6. Ms. Glaster asked the Board members to consider an in-person, all-day session on either the June or July Board meeting date for its Strategic Planning Session. She asked Board members to notify her of their preference.
7. Noting the upcoming MACRS Conference from June 4 – June 7, Ms. Glaster asked Board members to notify Ms. Petruzzello if they were planning to attend.

On a motion made by Mr. Naughton 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
	Dennis J. Naughton	Yes
	Anne Wass	Yes
	Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 12:25 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of April 21, 2023

- Agenda for April 21, 2023 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS March 31, 2023 Board meeting
- Memorandum pertaining to R+ Transfer-In Law Implementation
- Memorandum and supporting documents pertaining to MTRS FY24 Operational Budget