

## Minutes of the Meeting of May 26, 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 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 Jonathan Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello. Vice Chair Gorrie presided over the meeting as Chairman Ventura Rodriguez had previously notified the Board that he would be unable to attend, due to a conflict.

The meeting was called to order at 9:01 a.m. The Vice Chair 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. Vice Chair Gorrie 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 April 21, 2023, were reviewed, and approved as submitted. Mr. Liston made a motion, which was seconded by Mr. Naughton to approve the minutes. 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

Dennis J. Naughton	Yes
Anne Wass	Yes

**The Open and Executive Session minutes of the Board meeting held on April 21, 2023 are hereby approved as submitted.**

## **II. Executive Session**

Before entering Executive Session, the Vice Chair 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. Naughton and seconded by Mr. Liston to enter Executive Session to consider applications for disability retirement benefits and to receive an update on the contract negotiations with Vitech, per the amended agenda. 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
Dennis J. Naughton	Yes
Anne Wass	Yes

At 9:05 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 10:35 a.m. the Board reconvened in Open Session. At this point, the Board went into recess, reconvening at 10:47 a.m. The Board room was again opened to the public and the public teleconference line resumed.

### III. Open Session

#### A. 807 CMR 2.00 RULES OF ELECTION

Mr. O’Leary asked for the Board’s final approval of the amendment to MTRS Regulation 807 CMR 2.00. The amendment was approved by the Board at its March 2023 meeting and adds the option for the MTRS to notify retired members of the election by email if available. For those cases where an email address is not available, the members would be notified by USPS mail. Mr. O’Leary reported that the amendment was the subject of a public hearing on Monday of that week, and no one attended the hearing, or submitted public comment. On a motion made by Ms. Kim, and seconded by Mr. Liston, the Board voted to approve the amendment. 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
Dennis J. Naughton	Yes
Anne Wass	Yes

#### B. CYBER INSURANCE POLICY APPROVAL

Ms. Glaster requested the Board’s approval on the recommendation to authorize the agency to purchase a \$5 million cyber insurance policy with Crum & Forster for the annual premium of \$62,800 with a \$100,000 retention. Ms. Glaster noted the premium and retention amounts are covered by \$290,000 line item approved by the Board for cyber security in the FY24 budget.

Ms. Glaster answered the Board’s questions regarding the policy and the insurance company’s proposal. On a motion made by Ms. Kim and seconded by Ms. Wass, the Board voted to authorize the purchase of the \$5 million policy with Crum & Forster. 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
Dennis J. Naughton	Yes
Anne Wass	Yes

### C. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster noted Mr. Neilon included in this month's legislative report the news that the Senate budget for FY24 was released on May 9<sup>th</sup>, and includes the next three years' pension appropriations, changes to the distribution of excess capital gains, and a 3% COLA for state and teacher retirees on the first \$13,000. Ms. Glaster added that there were amendments filed to increase the COLA base and percentage, but they were withdrawn shortly after the reporting of lower April tax revenue collections. Which were \$1.4 billion less than expected. She also added that the amendment regarding the public safety representative to the PRIM Board failed.
2. Ms. Glaster provided statistics on the Retirement Plus Transfer-In Legislation, reporting 38% of the 7,900 eligible members have submitted their elections. A third and final webinar was presented on Tuesday that week to employers. Updated lists of eligible members were sent to employers, as well as the request to make the necessary rate changes in the next available payroll for those members who have made their election choice. In addition, the request was made for the employers to reach out to those who have not yet submitted their elections. Ms. Glaster reported that the MTA has provided outreach to its membership about the special R+ election. The election vendor continues to email election credentials to the eligible members who have not yet made an election, so that they can easily make their elections online. The vendor will do this on three more occasions before the deadline of June 30, 2023.
3. Ms. Glaster informed the Board that the Commonwealth's independent auditor, Clifton Larsen Associates ("CLA") will be conducting another audit of the MTRS IT systems. Ms. Glaster reminded the Board that MTRS just finished a similar audit last year. In the previous week's introductory meeting, MTRS's CTO Joe Patuto asked for a report on the previous audit and was told that CLA does not issue specific reports and would include any findings or comments in the Commonwealth's Comprehensive Annual Financial Statement. Ms. Glaster added that Comptroller's office had confirmed that there were no findings or

comments pertaining to last year's audit, and this audit is a "Part 2" from the previous year.

4. With the second mailing of the Benefit Verification Forms ("BVF") sent out at the beginning of May, Ms. Glaster reported there are now approximately 4,300 members or 6% who haven't yet returned their BVFs. The third and final mailing will be sent out in the next week and the agency will start to "pull" checks for that final group of non-responders in July. Ms. Glaster noted that the agency handled in-house the forms for those retirees who are living outside the United States, instead of using the vendor. Those forms required a notary public signature. In the first mailing 89 forms were sent out and 75% of them were returned, leaving 21 forms sent out in the second mailing earlier in the month.
5. After getting feedback that neither the June nor July Board meeting dates would work, Ms. Glaster asked the Board members to please check their schedules to see whether the August or September Board meeting date would be better for an extended hours, on-site meeting for purposes of a strategic planning session. An email will be forthcoming to the Board members to gather their responses once Ms. Glaster checks with Chairman Rodriguez on his best availability.
6. Ms. Glaster asked Board members to notify her or Ms. Petruzzello if they want to attend the upcoming MACRS spring conference. Currently, no one had indicated that they wanted to attend, and therefore, no staff members would be going. Mr. Leung-Tat replied that he will be attending but in his role as a PERAC Commissioner.

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

The meeting was adjourned at 11:11 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 May 26, 2023**

- AMENDED Agenda for May 26, 2023 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS April 21, 2023 Board meeting
- Memorandum and supporting documents pertaining to 807 CMR 2.00 Rules of Election
- Memorandum and supporting documents pertaining to Cyber Insurance Policy Approval