

Minutes of the Meeting of June 23, 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, Michael Leung-Tat, Richard L. Liston, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, and Executive Assistant Helen Petruzzello. Sarah Kim and Dennis Naughton had previously notified the Board that they were unable to attend due to personal reasons.

The meeting was called to order at 9:08 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 May 26, 2023, were reviewed, and approved as submitted. Ms. Wass made a motion, which was seconded by Ms. Gorrie to approve the minutes. On roll call, the vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	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 May 26, 2023 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 Ms. Gorrie 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
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 10:22 a.m. the Board reconvened in Open Session. At this point, the Board went into recess, reconvening at 10:31 a.m. The Board room was again opened to the public and the public teleconference line resumed.

III. Open Session

A. REQUEST FOR WAIVER FOR OVERPAYMENT

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 \$1,006.79 to Stephen C. Dauphinais. Mr. Neilon explained that an audit necessary for 3(8)(c) and benefit adjustment processing showed that Mr. Dauphinais's retirement benefit was

calculated based on erroneous information supplied on his retirement application by Fitchburg Public Schools. The error persisted for more than one year, Mr. Dauphinais did not have knowledge of it, and did not have reason to believe that his benefit amount was in error. On a motion made by Ms. Gorrie, and seconded by Mr. Leung-Tat, the Board voted to approve the waiver. The vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

B. FY24 OPERATIONAL BUDGET

Ms. Glaster recapped that at the April Board meeting she had asked the Board to consider approval of a salary reserve in excess of the 5% (2.5% cost of living adjustment “COLA” and 2.5% merit) originally proposed in the FY24 budget request, due to late-breaking news at that time of FY24 state employee union contracts providing 8% cost of living adjustments. While the Board approved an 8% reserve for purposes of approving the FY24 budget in time for the 45-day review needed by the Legislature, they delayed determining the salary reserve pending receipt of additional information on FY24 increases for PERAC staff and state managers.

Ms. Glaster reported that PERAC approved a 6% increase for their staff (3% COLA and 3% merit) on May 10, 2023, but the state managers’ FY24 increase had not yet been determined. Ms. Glaster asked the Board to approve a 6% salary reserve for MTRS staff in FY24 comprised of a 3% COLA and 3% merit pool. In addition, Ms. Glaster requested the Board authorize her to use up to the remaining 2% of the 8% reserve in the approved FY24 budget to make market-based salary adjustments for entry-level and lower paid non-management staff. Ms. Glaster stated that as the agency worked to recruit applicants for open positions, they heard from applicants that the starting salaries were too low. Therefore, the agency lost many qualified candidates who declined or withdrew offers because they were able to secure higher offers elsewhere. Ms. Glaster noted the Board’s authorization would allow her to increase starting salaries for remaining unfilled administrative and

professional level positions, and make any necessary in-kind adjustments for existing staff, to ensure retention.

The Board held a brief discussion supporting the request. On a motion made by Ms. Gorrie and seconded by Ms. Wass, the Board voted to approve the request. The vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	Yes
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

C. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster stated she was happy to announce that she heard last week from the Director of Boards and Commissions that Governor Healey was planning to reappoint Ms. Wass as her designee to the MTRS Board. Board members were pleased with the news and Ms. Wass thanked all for their support.
2. In more MTRS Board news, Ms. Glaster reported that the agency is preparing for the 2023 election for the seats on the Board currently held by Ms. Gorrie and Mr. Naughton. MTRS Director of Communications is finalizing contract details with the election vendor. By August 1st, the notice about nominations will go out to all active and retired members. Nomination papers will be available as of August 1st. Ms. Glaster provided deadlines for the submission of completed nomination papers, the mailing of ballots, and the submission of ballots.
3. Ms. Glaster reported on the status of the FY24 state budget, noting the House and Senate have established their conference committee to work out the differences in their versions. Both versions included full funding of the pension appropriation according to the recently adopted schedule, calling for a \$4.1B payment in FY24, as well as a 3% COLA for state and teacher retirees on the first \$13,000. The agency is hopeful that the budget will pass, and the Governor will sign it in time for the July benefits warrant so that COLAs can be paid in the July payment.
4. Ms. Glaster noted this is the final week before the June 30th deadline for the R+ Transfer-In Legislation election. Acknowledging that broadcast emails from

- the generic email address were probably going into members' spam folders, the agency added a new approach and sent two emails from the email account of Dave Percoco, MTRS Director of Transfers, Refunds and Enrollments. In the email members were encouraged to Google the MTRS and go to our website's R+ Resource Center to legitimize the messages being sent. This approach has been extraordinary and increased the percentage of responses, which is now at 53.6% of the eligible members (3360 opting IN, and 862 opting OUT). Ms. Glaster announced that one more personalized email will be sent to the remaining eligible members, with the election vendor following up with the election credentials necessary for online voting before the deadline. Ms. Glaster commended the efforts of staff in supporting the members through this process.
5. Ms. Glaster reported that while attending the NCTR Directors' meeting earlier in the month, she heard of a data breach involving PBI, the death match vendor that MTRS employs. The breach was due to a vulnerability in third party software that PBI uses to share data files with some of its clients. Fortunately, MTRS does not use this software and Ms. Glaster received an email from PBI that morning confirming there was no evidence of any impact on MTRS data.
 6. Ms. Glaster informed the Board that the third and final mailing of the Benefit Verification Forms ("BVF") went out the day before to the 1,821 benefit recipients who had not yet responded to the previous two mailings. As in the past, the returns for this third mailing will come directly to the main office for processing. The agency will "pull" the July checks for that final group of non-responders.
 7. Providing statistics on the summer retirement applications, Ms. Glaster noted that the agency has received 1,381 applications between both offices, which represents an 18% reduction from last year. Of that total, 797 are "on-time" filers who are on schedule to receive their first benefit payment in July.
 8. Ms. Glaster announced organizational changes that were made to address the employer deduction reporting backlog. She explained that intermittent issues continue with MyTRS and despite the best efforts of the Employer Service Unit staff, the backlog is getting worse. The two-prong approach includes (1) addressing the source of the problem, MyTRS, by transferring Director of Employer Services Robert George to IT to apply his unique experience, expertise and technical acumen to work directly with Vitech in resolving current and future issues, and (2) increasing internal staff resources to work

with our employers to eliminate the backlogs by realigning Employer Services under Jon Osimo to partner with Member Services staff who will be cross-trained on deduction reporting. The changes will take place by the end of July and Mr. Osimo will provide the Board with regular updates.

Ms. Glaster added that contract negotiations with Vitech are ongoing and the contract needs to be signed by the end of August.

9. Ms. Glaster thanked the Board for confirming their availability to meet in-person for the September 29th Board meeting and Strategic Planning Session. She will provide further details as the date approaches but told the Board members it will run from 9 am to 3 pm with lunch provided.

The Chairman announced that the Executive Director evaluation cycle will take place with the upcoming two months of meetings. Evaluation forms will be forwarded to Board members prior to, and discussed at, the July meeting. The individual forms will be compiled and included in the August Board meeting materials, at which point the Executive Director's FY24 compensation will be determined. Chairman Rodriguez described the new Executive Director Evaluation form that will be used this year. Ms. Glaster noted that goals and objectives that were set with the MTRS leadership team last year pursuant to its Strategic Management Plan will be included on the form, as well as a summary of the results for each goal, some of which were met and some that were not. Board members will be asked to provide evaluations on these factors and other skills and competencies that had been used to measure performance in past years.

On a motion made by Ms. Gorrie and seconded by Mr. Leung-Tat, the Board voted to adjourn the meeting. On roll call, the vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	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,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of June 23, 2023

- Agenda for June 23, 2023 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS May 26, 2023 Board meeting
- Memorandum and supporting documents pertaining to Request for Waiver for Overpayment
- Memorandum and supporting document pertaining to FY24 Operational Budget