

## Minutes of the Meeting of August 25, 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 Jonathan Osimo, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, Associate General Counsel Lori Krusell, 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 July 28, 2023, were reviewed, and approved as submitted. Mr. Liston made a motion, which was seconded by Mr. Leung-Tat 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 July 28, 2023 are hereby approved as submitted.**

## **II. Open Session**

### **A. VITECH CONTRACT APPROVAL**

Ms. Glaster introduced MTRS Chief Technology Officer Joseph Patuto and Director of Application and Data Services Surendra Puttagunta to the Board. She welcomed and introduced representatives from Vitech, including Chief Sales Officer Christopher Amarante, Sr. Vice President for Delivery Michael Aronow, and Vice President and MTRS Account Executive Brian McKinney.

Mr. McKinney shared his screen and provided the Board with a presentation focusing on MyTRS product support and V3locity upgrade as a service (“UaaS”), followed by an open discussion. Mr. McKinney acknowledged the excessive MyTRS defects and the performance issues with employer self-service functionality following the last upgrade. He answered multiple questions from the Board on Vitech’s UaaS model and the actions taken to address issues.

Board members expressed their dissatisfaction with the experience of the last upgrade. Ms. Kim encouraged the Vitech representatives to keep in mind the positive influence that teachers have made on their own lives when they are working on the issues with their product. She added that retiring teachers should not have any additional stress at that significant time in their lives, and they deserve an excellent product. Other Board members concurred.

At 10:06 a.m., the Vitech representatives left the meeting. Ms. Glaster reviewed the details of the proposed contract terms included in the Board materials, including the breakdown of annual costs and the financial holdbacks to mitigate risks associated with future upgrades. She also noted that pursuant to the “Due Diligence” posting approval issued by the Operational Services Division (“OSD”), MTRS is required to conduct a full procurement in 2026 for services to start in 2028. The Board members held a long discussion and expressed their hesitancy to

approve the contract based on the experience with the last upgrade and the resulting backlogs. They also expressed concern for the toll of the added stress on the MTRS staff. However, they acknowledged and respected the significant efforts made by staff in negotiating the agreement.

On a motion made by Ms. Gorrie, and seconded by Mr. Liston, the Board voted to approve the five-year contract covering the period from 9/1/2023 to 8/31/2028, for a total cost of \$10,787,231. 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
Chairman Ventura Rodriguez	Yes

The Board went into a brief recess at 10:22 a.m. and Mr. Patuto and Mr. Puttagunta left the meeting. The Board reconvened at 10:30 a.m.

### **III. 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. Naughton and seconded by Ms. Wass to enter Executive Session to consider a possible forfeiture, applications for disability retirement benefits and potential termination 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
Dennis J. Naughton	Yes

Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

At 10:31 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 12:23 p.m. the Board reconvened in Open Session and went into recess. The Board reconvened at 12:35 p.m. at which point the room was again opened to the public and the public teleconference line resumed.

#### **IV. Open Session**

##### **B. APPROVAL FOR OUT OF STATE TRAVEL FOR EXECUTIVE DIRECTOR**

Pursuant to the provisions of the MTRS Official Travel Policy, the Board must approve any out of state travel for the Executive Director. Therefore, Ms. Glaster requested the Board's approval to attend the Annual Conference of the National Council on Teacher Retirement ("NCTR") from October 6 – October 11, 2023, in LaJolla, California. As NCTR's President-Elect, Ms. Glaster is scheduled to moderate the second day of the conference.

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

##### **C. EXECUTIVE DIRECTOR'S REPORT**

1. Ms. Glaster provided the Board with an update on the 2023 Board Election, stating that in the previous month the agency included the election notice in a

- news mailer to those retirees without an email address on file. On July 31<sup>st</sup>, notice was sent via email to all other retired and active members, as well as employers. Ms. Glaster reported that to date, only Ms. Gorrie and Mr. Naughton have requested nomination papers, which are due on Monday, October 16<sup>th</sup> and must contain at least 100 valid MTRS member signatures. If there are only two candidates, Ms. Glaster stated an election will not be conducted. She will keep the Board updated.
2. With the signing of the FY24 state budget, Ms. Glaster reported that the retiree Cost-of-Living Adjustments (“COLA”) of 3% on the first \$13,000 (\$32.50/month) for both July and August (a max of \$65) will be included in the August benefit checks. The September checks will reflect the retirees’ new monthly FY24 benefit. A broadcast email will be sent prior to the date the checks are deposited explaining the retroactive COLA.
  3. Included in Mr. Neilon’s report, Ms. Glaster noted the proposed changes to the distribution of excess capital gains and the extra \$100M appropriation to the pension fund were not acted on and may be taken up when the Legislature returns from the August break.
  4. Ms. Glaster reported that Frank Valeri, President of the Mass Retirees Association is in discussion with the Governor’s office regarding the establishment of a special commission to study COLAs for MTRS and MSERS retirees. The last time such a study was conducted was in 1996.
  5. Ms. Glaster remarked on the favorable results reflected in the 2<sup>nd</sup> quarter report of the Pension Reserves Investment Trust (“PRIT”) Fund Statement electronically forwarded to the Board members earlier in the week. The MTRS assets in the fund increased to \$37.4 B.
  6. In operational news, Ms. Glaster announced that the 2022 active member actuarial file was delivered to PERAC earlier in the month. Due to the backlog of employer deduction reports that have not yet been posted, Vitech had to help create the file, which would normally be a batch job in the system. Vitech provided this free of charge and will continue to do this in the next two years while the agency catches up on its deduction reporting backlog, per the next 5-year contract.
  7. Ms. Glaster provided an update on the next phase of the R+ Transfer-In Legislation project. She stated that earlier in the month, spreadsheets were emailed to the superintendent of each school district providing the election status and correct contribution rate for each of their eligible members and

- requesting that any required rate changes be made on the next available payroll. Individual emails for each member were then sent to the payroll officials for each district, copied to the members, providing each member's election status and correct rate, and again requesting that required rate changes be made on the next available payroll. Once the necessary rate changes are made, refunds or invoices will be processed. It is expected this will take several months to complete.
8. Regarding the Benefit Verification Form ("BVF") project, Ms. Glaster reported that after sending the third and final mailing at the end of June, checks were pulled in July for approximately 700 retirees. The agency notified those members that their checks were pulled which resulted in many calls and returned forms. Some members were adamant that they had mailed in their forms, and ultimately it was discovered that the mailing vendor did not close the PO box in June as requested. Several members sent their forms to that PO box using an envelope from one of the previous two mailings. The vendor forwarded approximately 50 forms from the box. Staff reached out to the affected retirees and sent out their paper checks. Currently there are 190 retirees who have not submitted their BVF.
  9. Ms. Glaster noted that the 1,532 summer retirement applications received to date for the 2023 retirement season is 20% fewer than last year. Commending the Member Services staff, Ms. Glaster noted that the July pension warrant included 908 first pays, and the August warrant included another 268. While the number of applications may be lower, staff have reported the complexity of the regular compensation determinations is higher than usual. They are attributing that to changes in compensation made without the normal formalities, due to COVID. When questioned on the cause of the reduction in the number of applications, Ms. Glaster answered that the agency has been expecting this decrease in retirement applications for the past few years due to our shifting demographics. The RetirementPlus benefit allowed members to retire an average of three years earlier (late 50's versus early 60's), so most of the Baby Boomer generation of teachers has already retired. The expected decrease in the number of retirement applications was delayed somewhat during the COVID pandemic as many teachers decided to retire early.
  10. Ms. Glaster stated she is looking forward to seeing all the Board members at the September 29<sup>th</sup> Board meeting, being hosted at the Charlestown office. The plans are to present one Accidental Disability Retirement application and

spend the rest of the day working on the agency's strategic plan. Breakfast and lunch will be provided. Dr. Kim Burns, a state-approved contractor who has done a lot of strategic planning work with public higher education, will facilitate the session.

#### **D. EXECUTIVE DIRECTOR'S EVALUATION**

In the final step of the two-step process of the annual performance review for Ms. Glaster, Chairman Rodriguez provided some background information to the Board. Copies of Board members' individual performance evaluation reviews, originally discussed at the July 2023 board meeting, were included in the Board materials for reference. To assist with determining the FY24 compensation, Chairman Rodriguez summarized the FY24 salary increases for the Massachusetts state managers, and the staff of the state retirement board and PERAC. In addition, he noted that based on the 6% pool approved for MTRS, the staff may get an adjustment in the 5% to 7% range including COLA and merit. Upon the Board's questioning, it was confirmed that state managers are receiving an 8% increase implemented in two 4% increments. The Board held a brief discussion, noting the positive reviews from each Board member's written evaluation, and stating that exceptional staff members could receive a 7% increase. In agreement that Ms. Glaster falls into the exceptional category, it was proposed that she receive a 7% raise. However, Ms. Glaster expressed her preference that the Board members not consider an increase greater than the staff salary pool percentage. Therefore, on a motion made by Ms. Wass, and seconded by Ms. Gorrie, the Board voted to approve a 6% salary increase for Ms. Glaster. 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

Ms. Glaster thanked the Board for their ongoing support and encouraged them to send any feedback on the new evaluation tool.

Mr. Osimo shared with the Board that the office just received a retirement application of an 84-year-old member who started teaching in 1960.

On a motion made by Ms. Gorrie and seconded by Ms. Kim, 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 1:03 p.m.

Respectfully submitted,

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Erika M. Glaster,  
Executive Director

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Date



**Documents used in MTRS Board meeting of August 25, 2023**

- Agenda for August 25, 2023 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS July 28, 2023 Board meeting
- Memorandum pertaining to Request for approval for Out of State Travel for Executive Director
- Supporting documents pertaining to Executive Director Evaluation