

Minutes of the Meeting of November 17, 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, Assistant Executive Director Sean P. Neilon, General Counsel James O'Leary, Senior Legal Counsel Salvatore Coco, 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 October 27, 2023, were reviewed, and approved as submitted. Ms. Wass made a motion, which was seconded by Ms. Kim to approve the 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

The Open and Executive Session minutes of the Board meeting held on October 27, 2023 are hereby approved as submitted.

II. Open Session

A. PRIM UPDATE

Chairman Rodriguez welcomed the invited speakers and participants and noted that to maintain order, all participants other than the MTRS Board members, will be muted. He asked participants to raise their hand in the Teams application and wait for the Chairman to recognize them. Noting the number of participants, he instructed that commentary by any individual would be limited to a one minute maximum. Ms. Glaster then asked each participant to introduce themselves. Attendees included Robert Brousseau, Elected Member (and recently re-elected) of the PRIM Board representing the members of the Teachers' Retirement System since 1987. Additionally, representatives of the various constituent groups included Margaret Driscoll and Sam Rippin of the Massachusetts Association of School Business Officials, Carol Gregory of the Massachusetts Association of School Personnel Administrators, Tom Scott of the Massachusetts Association of School Superintendents, Brant Duncan and Michael Canavan of the MA Chapter of the American Federation of Teachers, Jim Lucia of Massachusetts Retirees United, Sean King, Anthony Moreschi, Matthew Scheffler and Kyle Gekopi of the Massachusetts Teachers Association, Glenn Koocher of the Massachusetts Association of School Committees and Shawn Duhamel of the Retired State, County, and Municipal Employees Association of Massachusetts.

Michael Trotsky, Executive Director and Chief Investment Officer (CIO) of the Pension Reserves Investment Management ("PRIM") Board, with support from Francesco Daniele, Director of Client Services, provided the group with a report on the past year's PRIT Fund performance. Mr. Trotsky answered questions from Ms. Glaster, the Board members and guests. Mr. Trotsky also gave a PRIM organizational update. Chairman Rodriguez thanked Mr. Trotsky for his presentation and praised the PRIM team for their ongoing excellence. The Chairman also recognized the contributions that Mr. Naughton and Mr. Brousseau have made in their roles on the PRIM Board.

B. PERAC UPDATE

Chairman Rodriguez introduced invited speakers John Parsons, Executive Director, and John Boorack, Actuary, of the Public Employee Retirement Administration Commission (“PERAC”). The Chairman acknowledged that this was the last MTRS meeting that Mr. Parsons will participate in before he retires in March. On behalf of the Board and staff, the Chairman expressed sincere appreciation for Mr. Parson’s extraordinary service, not only to the retirement community at large, but also the MTRS Board where he served as the Auditor’s designee prior to leaving the auditor’s office to become the Executive Director at PERAC.

Mr. Parsons thanked the group for their kind words and summarized the past year’s accomplishments at PERAC. Mr. Parsons highlighted an EOTSS educational training on cyber security now being offered to all local retirement boards and asked for agencies for their help by sharing any new scams they have encountered. Mr. Parsons noted the huge staffing challenges that retirement boards are experiencing and praised the experienced staff at MTRS.

Mr. Boorack stated that he expects the January 1, 2023 Massachusetts Teachers’ Retirement System Actuarial Valuation report will be finalized very soon. Mr. Boorack shared highlights of the draft report, including the gains, losses, assumptions and change in the funded ratio.. Mr. Boorack responded to various questions from the Board, Ms. Glaster and invited guests.

At 11:02 a.m. Treasurer Deborah Goldberg joined the meeting. Chairman Rodriguez welcomed Treasurer Goldberg and she summarized the initiatives the PRIM Board is taking to promote diversity in all aspects of investments while continuing its mission of maximizing returns while mitigating risks. She noted the challenges the State Retirement Board is experiencing with hiring staff. She thanked the group for their efforts in supporting and maintaining retirement security for educators. At 11:19 a.m. Treasurer Goldberg left the meeting.

Mr. Boorack resumed his presentation and addressed questions concerning the updated mortality improvement scale to MP-2021.

At 11:26 a.m. Mr. Parsons and Mr. Boorack left the meeting.

A discussion among the participants centered around continuing longstanding efforts in the Windfall Elimination Provision, Government Pension Offset, and raising the Cost of Living Adjustment (“COLA”) base for state and teacher retirees. The Chairman thanked all for attending and noted the Board had further business to conduct, some in executive session. The participants left the meeting at that time. The Board recessed at 11:43 a.m. and reconvened at 12:07 p.m.

III. Executive Session

Before entering Executive Session, the Chairman asked and received oral confirmation 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. Naughton to enter Executive Session to consider an application 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 12:08 p.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 12:38 p.m. the Board reconvened in Open Session.

IV. Open Session

C. REQUEST FOR WAIVER OF OVERPAYMENT

Legal Counsel Jesse Gibbings, Esq. representing Julie Kallikatsos joined the meeting.

Mr. O'Leary presented the request for waiver of overpayment for Ms. Kallikatsos, a retired MTRS member who had been overpaid \$71,305.65 since her June 30, 2003 retirement date. Ms. Kallikatsos's retirement allowance was calculated using the age factor for age 55 based on the birthdate on the birth certificate she submitted during the retirement process, which matched the birthdate she had written on her retirement application. On May 10, 2023 Ms. Kallikatsos contacted MTRS and asked that her birthdate be updated because she is two years younger than reflected in her MTRS records. Ms. Kallikatsos provided updated records supporting the younger age. Based on the new documents, staff concluded that Ms. Kallikatsos's retirement allowance should have been calculated with the age factor for age 53. Staff reduced her pension accordingly and began a seven-year recovery of the overpayment in June 2023.

Ms. Kallikatsos requested that the Board consider waiving the collection of the overpayment, pursuant to its authority to do so under M.G.L. c. 32, § 20(5)(c)(3). Mr. O'Leary noted that Ms. Kallikatsos provided a late update to her financial statement that showed an increase to her amount of debt. The Board had a series of questions for Mr. O'Leary and Mr. Gibbings.

Ms. Kim left the meeting at 1:03 p.m.

With so many questions left unanswered and preferring to hear testimony directly from Ms. Kallikatsos, the Board proposed postponing this matter in order to give her the opportunity to appear before the Board.

On a motion made by Mr. Naughton, and seconded by Mr. Leung-Tat, the Board voted to postpone the request for waiver of overpayment in order to give the applicant the opportunity to testify. On roll call, the vote was as follows:

VOTED: Vice Chair Jacqueline A. Gorrie	No
Michael Leung-Tat	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Ventura Rodriguez	Yes

Attorney Gibbings left the meeting.

D. REQUEST FOR APPROVAL FOR 1099-R TAX FORM EXPENSES FOR 2023

Pursuant to Board Governance Operational Policy 1.0 that requires Board approval on any procurements for amounts greater than \$50,000, Ms. Glaster requested approval on services necessary for Tax Year 2023. After a full procurement process, one bid was received from the previous year's vendor in the amount of \$92,956 for the 1099-R data processing, printing, mailing and postage. A motion was made by Mr. Liston and seconded by Ms. Wass to approve the expenses. On roll call, the vote was as follows:

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

E. APPOINTMENT OF SEVENTH BOARD MEMBER

After the October Board meeting, Mr. Richard Liston informed Ms. Glaster of his willingness to continue to serve on the Board when his current term expires on January 31, 2024. The Board reviewed its policy on appointing the seventh member, which makes notice to the membership optional when the incumbent is willing to serve. Noting that the Board election process conducted this year included outreach out to the entire membership and that nomination papers were only received from the two incumbents with no challengers, the Chairman stated his support for re-appointing Mr. Liston. Many Board members commended Mr.

Liston's past service. On a motion made by Ms. Gorrie, and seconded by Mr. Naughton, the Board voted to reappoint Mr. Liston to another four-year term, beginning February 1, 2024 and expiring January 31, 2028. On roll call vote, the vote was as follows:

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

Mr. Liston thanked the Board for their support.

F. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster included in the Board materials a draft schedule of proposed Board meetings for Calendar Year 2024. Board members suggested changes to three of the proposed dates. The final schedule will be reviewed and approved at the December Board meeting.

Matthew Scheffler joined the meeting at approximately 1:15 p.m.

2. Ms. Glaster announced the MTRS Board Fiduciary Insurance policy renewal application was just completed, at the same premium rate as last year, \$60,785 for a \$1M policy with a \$250,000 retention.
3. With the draft of the Strategic Plan completed and shared with the executive staff members, Ms. Glaster stated her intention to include it on the Board's agenda for the January Board meeting for their review and approval.
4. Ms. Glaster announced that she is declaring a skeleton force day for the Friday following the Thanksgiving holiday. Staff members who work that day will be given a compensatory day to use by the first week in January 2024. In addition, she is allowing staff to choose one compensatory day off around the Christmas holiday week, either the Friday before or Tuesday after the Christmas holiday, or the Friday before the New Year's Day holiday. The Board expressed their gratitude to the MTRS staff for their service to the MTRS membership.

Ms. Wass commended the agency for the Public Pension Standards Award for Funding and Administration for 2023 bestowed to the MTRS by the Public Pension Coordinating Council that Ms. Glaster had included in the Board materials. Ms. Glaster gave credit to Compliance Officer Marybeth Shaughnessy-Newell and Director of Finance Alison Malone.

Mr. Naughton stated that earlier in the week, in relation to the video evidence submitted by this month's disability applicant, he raised the issue of its usage when considering applications for accidental disability retirements. He noted that with evolving technologies, video footage may not be reliable, and the Board should establish a policy for its use. Board staff will draft a policy for the Board's approval at a future meeting.

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
	Michael Leung-Tat	Yes
	Richard L. Liston	Yes
	Dennis J. Naughton	Yes
	Anne Wass	Yes
	Chairman Ventura Rodriguez	Yes

The meeting was adjourned at 1:26 p.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of November 17, 2023

- Agenda for November 17, 2023 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS October 27, 2023 Board meeting
- Memorandum and supporting documents pertaining to Request for Waiver for Overpayment
- Memorandum pertaining to Request for Approval for 1099-R Tax Form Expenses for 2023
- Memorandum and supporting document pertaining to Appointment of Seventh Board Member
- Proposed 2024 Board meeting schedule