

Minutes of the Meeting of August 23, 2024

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 Chair Iraida J. Álvarez, Vice Chair Jacqueline A. Gorrie, Sarah G. Kim, Michael Leung-Tat, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Deputy Executive Director and Chief Benefits Officer Jonathan Osimo, General Counsel and Chief Legal Officer James O'Leary, Chief Human Resources & Legal Affairs Officer Rob Fabino, Senior Legal Counsel Salvatore Coco, Senior Legal Counsel Ashley Freeman, and Executive Assistant Helen Petruzziello.

The meeting was called to order at 9:07 a.m.

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 Executive Assistant was in 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. Chair Álvarez 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 26, 2024, 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:

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
Chair Iraida J. Álvarez	Yes

The Open and Executive Session minutes of the Board meeting held on July 26, 2024, are hereby approved as submitted.

II. Executive Session

Before entering Executive Session, the Chair 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 Ms. Kim to enter Executive Session to consider an application for disability retirement benefits and potential termination of benefits due to non-compliance. 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
Chair Iraida J. Álvarez	Yes

At 9:06 a.m. the Board went into Executive Session. The public teleconference call line was suspended. The Chair stated that the Board would return to Open Session.

At 10:14 a.m. the Board reconvened in Open Session.

III. Open Session

A. SUB-COMMITTEE UPDATE ON EXECUTIVE DIRECTOR SEARCH

Rob Fabino joined the meeting at this time and updated the Board on the status of the Executive Director Search process. Mr. Fabino stated that 61 resumes were

submitted, noting that the position posting received 1155 views on *Linked-In*. Mr. Fabino reported the sub-committee had met that morning and chose three finalists that they recommend for interviews. The first interviews of the candidates will be held remotely during the month of September. The Board thanked him and the subcommittee for their work.

B. RECENT CRAB DECISIONS

Senior Legal Counsel Ashley Freeman reported on the August 2, 2024 CRAB decision in which the MTRS argument that she delivered, prevailed. As background for the Board, she reviewed the §3(8)(c) inter-system liability process, the history of the backlog of such cases, and eventual invoicing to the multiple boards and calculation requests to PERAC. In addition, she summarized the subsequent action taken by PERAC and legal action taken by the parties. Mr. Naughton thanked Ms. Freeman for the memorandum and gave MTRS Benefit Analyst Diane Del Vecchio credit for first uncovering the backlog of these cases. Ms. Glaster praised Ms. Freeman's work.

Ms. Freeman left the meeting at 10:37 a.m.

C. PLAN DESIGN DISCUSSION WITH STAKEHOLDERS

Ms. Glaster reported on the recent efforts, pursuant to the Board's 2024-2028 Strategic Plan, to elicit stakeholders' suggestions on plan design changes to attract and retain educators. MTRS had first begun its stakeholder outreach by meeting with the leadership of the Massachusetts Association of School Superintendents ("MASS"). MTRS developed a survey from that meeting that MASS forwarded to their membership. Ms. Glaster walked the Board through the responses received from that survey. In addition, she reported that she and executive staff members met with the leadership of the Massachusetts Teachers Association and the American Federation of Teachers-MA and she provided summaries of each of those meetings. Ms. Glaster thanked Ms. Gorrie, Ms. Wass and Mr. Liston for participating in the MTA meeting. Regarding possible plan change proposals, she noted that, although there was not a clear consensus on many of the plan design topics, the two topics where all stakeholders agreed were preserving the guaranteed defined benefit pension and the critical importance of improving our

retirees' cost-of-living adjustments. Ms. Glaster stated she will continue to keep the Board updated on any further developments.

D. MTRS APPOINTMENT TO THE SPECIAL COMMISSION ON STATE AND TEACHERS' COLA

As Ms. Glaster noted last month, the FY25 Budget established a Special Commission on COLAs for State and Teachers' Retirement Systems. The MTRS Board is authorized to appoint one of the nine members of the Commission, which will then be sent to the Governor for final approval. Ms. Glaster respectfully requested that the Board appoint her to serve in that capacity. She included the research and reform ideas discussed with the Board at its February 23, 2024 meeting.

On a motion made by Ms. Gorrie, and seconded by Mr. Naughton, the Board voted to nominate Ms. Glaster to serve as their appointment on the Special Commission. 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
Chair Iraida J. Álvarez	Yes

E. REQUEST FOR OUT OF STATE TRAVEL OF EXECUTIVE DIRECTOR

Pursuant to the provisions of the MTRS Official Travel Policy, which require the Board to approve any out of state travel for the Executive Director, Ms. Glaster requested the Board's approval to attend the Annual Conference of the National Council on Teacher Retirement ("NCTR") from October 5 – October 9, 2024, in Atlanta, GA. As NCTR's President, Ms. Glaster is required to arrive on October 4th to finalize conference details and prepare for committee meetings.

In addition, Ms. Glaster requested the Board’s approval to attend the Vitech Client Summit being held October 28 – October 30, 2024 in New York City. She will be accompanied by MTRS Chief Technology Officer Surendra Puttagunta and stated the summit will provide an opportunity to interact with Vitech leadership, making note of the most recent personnel changes at the company.

On a motion made by Mr. Liston, and seconded by Ms. Wass, the Board approved both out of state travel requests. 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
Chair Iraidia J. Álvarez	Yes

F. EXECUTIVE DIRECTOR’S REPORT

1. Ms. Glaster reported that the agency was notified by the Comptroller’s Office that \$11.9 million in excess capital gains tax revenue for FY24 was transferred to the MTRS asset balance in the PRIT fund.

2. Ms. Glaster reviewed three recent amendments to Chapter 32 that could affect MTRS members. The first change is the implementation of the “HERO Act,” which makes changes to the military service purchase provisions, expanding the amount of time a veteran may purchase this service. It also allows those veterans who missed the prior service purchase deadline a second opportunity to make the purchase. Retirement boards must provide notice of the new provisions to all members within 90 days of the bill’s passage.

The second amendment adds a new exclusion to the anti-spiking provision in section 5 of Chapter 32. Salary increases resulting from the July 2018 amendment to the Massachusetts Equal Pay Act (MEPA) are now exempt from the anti-spiking provision. While it is unlikely that MTRS members would be impacted by the amendment to MEPA, the Act also exempts

salary increases from an “employer’s systemic wage adjustments.” PERAC interprets this to apply to any determination by an employer that salaries across the employer or a segment of the employer need to be adjusted. Staff are presently reviewing this provision as it may apply to MTRS members, and we’ll keep you posted.

The third change would amend section 91 by allowing the working after retirement limits to use either the salary being paid for the position from which the member retired or “the salary upon which the retirement allowance is based, whichever is greater.” Ms. Glaster reminded the Board of its longstanding interpretation of “the salary being paid for the position from which the member retired,” and noted that this topic is likely to be studied further by the Task Force on Post-Retirement Employment limits.

3. In operational news, Ms. Glaster reported that staff had completed a series of eight employer trainings on deduction reporting. Over 1,200 employers registered for the programs, and recordings of each session are posted on the Employer page of our web site, along with several other shorter training videos on specific topics.

Regarding deduction reporting, Ms. Glaster noted that the Employer Services team had another good month in July, posting 550 reports, and August is expected to be equally good. In addition, the team is implementing process changes to improve productivity, and she and members of the executive staff continue to reach out to superintendents in severely delinquent districts.

Ms. Glaster noted that after processing 971 benefit inceptions for the July 2024 warrant, the Member Services team added nearly 300 additional new benefits on the August warrant. They will continue to process the remaining summer applications in the order received and expect to complete the vast majority of them by the October warrant. Once again, they met the service goal of paying all on-time filers in their first month of retirement.

G. EXECUTIVE DIRECTOR PERFORMANCE EVALUATION

Pursuant to the Board’s two-step process of the annual performance review of the Executive Director, copies of each Board member’s individual performance

evaluations, originally discussed at the July 2024 board meeting, were included in the Board materials for reference. To assist with determining Ms. Glaster’s FY25 compensation, Chair Álvarez summarized the FY25 salary increases that other state agencies are expected to receive. The Chair added that due to her short term with the Board, she did not complete a review of Ms. Glaster’s performance but noted she “echoed” the Board’s consensus of Ms. Glaster’s exemplary performance. Upon the Board’s questioning, it was confirmed that MTRS staff members will be receiving a range of 3-5% increases, including a 2% COLA adjustment, after the agency completes its annual evaluation process. On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted to increase Ms. Glaster’s compensation by 3.5%. The roll call 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
	Chair Iraida J. Álvarez	Yes

Ms. Glaster thanked the Board for their support.

On a motion made by Ms. Kim, 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
	Chair Iraida J. Álvarez	Yes

The meeting was adjourned at 11:22 a.m.

Respectfully submitted,

Erika M. Glaster,
Executive Director

Date

Documents used in MTRS Board meeting of August 23, 2024

- Agenda for August 23, 2024 MTRS Board meeting
- Cover letter from Executive Director
- Open and Executive session minutes of MTRS July 26, 2024 Board meeting
- Memorandum pertaining to § (3)(8)(c) Inter-system Liability Appeals
- Memorandum and supporting documents pertaining to MASS Plan Design Survey Responses and Outreach efforts with MTA and AFT-MA
- Memorandum and supporting document pertaining to COLAs for State and Teachers' Retirement Systems-MTRS Board Appointment
- Memorandum pertaining to Out-of-State travel request-NCTR Annual Conference and Vitech Client Summit
- Supporting documents pertaining to Executive Director Performance Evaluation