

**Minutes of the Meeting of July 31, 2009**

of the

**MASSACHUSETTS TEACHERS' RETIREMENT BOARD**

**I. Regular Matters of Business**

Chairman Jeff Wulfson presided at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board"). Also in attendance were: Vice Chair Linda Ruberto, Ellen Hargraves, Karen A. Mitchell, John A.M. Dow, Jr., John W. Parsons, Nicola Favorito, Executive Director Joan Schloss, Deputy Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, General Counsel James Salvie, Associate General Counsel Aaron Morrison, Emily Cousens, Director/Legal Counsel, State Auditor's Office, and Executive Assistant Helen Petruzziello.

The meeting was called to order at approximately 9:10 a.m. by Chairman Wulfson.

The minutes of the previous Board meeting, held on June 26, 2009, were reviewed and approved as submitted, on a motion by Ms. Hargraves and seconded by Ms. Ruberto. The motion carried 7 – 0.

**VOTED: The Open and Executive Session minutes of the Board meeting held on June 26, 2009, are hereby approved as submitted.**

John Parsons announced that he is changing his position in the State Auditor's Office and introduced Emily Cousens as the incoming Auditor's designee. Chairman Wulfson congratulated Mr. Parsons and thanked him for his past service.

**II. Executive Session**

A motion was made by Ms. Ruberto, and seconded by Ms. Mitchell, to bring matters relating to disability retirement into Executive Session. On roll call, the vote was as follows:

<b>VOTED:</b>	Vice Chair Linda Ruberto	Yes
	Ellen Hargraves	Yes
	Karen A. Mitchell	Yes
	John W. Parsons	Yes
	Nicola Favorito	Yes
	John A.M. Dow, Jr.	Yes
	Chairman Jeff Wulfson	Yes

At approximately 9:15 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to open session.

At approximately 10:40 a.m., the Board reconvened in Open Session and Chairman Wulfson announced the Board's actions during Executive Session on the applications for disability retirement benefits.

## **ORDINARY DISABILITY RETIREMENT**

### **1. Diane Gass**

The application of Diane Gass for ordinary disability retirement benefits was reviewed, together with the medical panel reports and other information. On a motion to approve the application, made by Mr. Favorito and seconded by Ms. Mitchell, the roll call vote was as follows:

<b>VOTED:</b>	Vice Chair Linda Ruberto	Yes
	Ellen Hargraves	Yes
	Karen A. Mitchell	Yes
	John Parsons	Yes
	Nicola Favorito	Yes
	John A.M. Dow, Jr.	Yes
	Chairman Jeff Wulfson	Yes

**VOTED: The application of Diane Gass for ordinary disability retirement benefits was approved.**

### **2. Joanne Gray**

The application of Joanne Gray for ordinary disability retirement benefits was reviewed, together with the medical panel reports and other information. On a motion to approve the application, made by Ms. Ruberto and seconded by Ms. Hargraves, the roll call vote was as follows:

<b>VOTED:</b>	Vice Chair Linda Ruberto	Yes
	Ellen Hargraves	Yes

Karen A. Mitchell	Yes
John Parsons	Yes
Nicola Favorito	Yes
John A.M. Dow, Jr.	Yes
Chairman Jeff Wulfson	Yes

**VOTED: The application of Joanne Gray for ordinary disability retirement benefits was approved.**

## ACCIDENTAL DISABILITY RETIREMENT

### 1. Kathleen Yuskaitis

The application of Kathleen Yuskaitis for accidental disability retirement benefits was reviewed, together with the medical panel reports and other information. On a motion to deny the application as a matter of law, made by Ms. Ruberto and seconded by Ms. Hargraves, the roll call vote was as follows:

<b>VOTED:</b>	Vice Chair Linda Ruberto	Yes
	Ellen Hargraves	Yes
	Karen A. Mitchell	No
	John W. Parsons	No
	Nicola Favorito	Yes
	John A.M. Dow, Jr.	Yes
	Chairman Jeff Wulfson	Yes

**VOTED: The application of Kathleen Yuskaitis for accidental disability retirement benefits was denied.**

## III. Open Session

### A. AMENDMENT TO 807 CMR 3.04-Part-time Service Regulation

A new draft was introduced of a proposed amendment to the Board's part-time service regulation. At the April Board meeting, several Board members were concerned that pro-ration would affect not only the calculation of a member's benefit, but the member's eligibility for certain benefits that have creditable service thresholds. Staff provided information on other systems' procedures and presented different hypothetical case studies.

A motion was made by Ms. Mitchell, and seconded by Ms. Ruberto, to put the proposed amendment out for public comment. The motion was approved with 6 members in favor, none opposed, and Mr. Dow voting "present."

**VOTED: The proposed amendment to 807 CMR 3.04-Part-time Service Regulation was submitted for public comment.**

**B. POLICY ON CONDUCTING CRIMINAL OFFENDER RECORD INFORMATION BACKGROUND CHECKS**

The Board considered two proposed policies governing criminal background checks on job applicants as well as existing staff. The Board suggested changes to the policy concerning existing employees, and tabled it for consideration at the next scheduled board meeting on August 28, 2009. The Board took no action on the other policy.

**C. REVIEW OF POPULAR REPORT**

The Board next reviewed the draft of the Popular Report. It will be posted on the MTRS website and emailed to members.

**D. AMENDMENT TO 807 CMR 17.00-WORKERS' COMPENSATION VERIFICATION REGULATION**

General Counsel Jim Salvie introduced a proposed amendment to eliminate the requirement that members' signatures be notarized. Staff suggested that the notary requirement may be overly burdensome to members, especially this segment of the population, who are disabled. Verification of the identity of the benefit recipient, as opposed to their receipt of workers' compensation, is not the primary purpose of this regulation.

A motion was made by Ms. Hargraves, and seconded by Ms. Ruberto, to amend this regulation on an emergency basis (i.e. effective immediately, with notice and comment to follow.) The motion carried, 7 – 0.

**VOTED: The proposed amendment to 807 CMR 17.00-Workers' Compensation Verification Regulation was approved on an emergency basis, with public comment to follow.**

**E. AMENDMENT TO 807 CMR 6.00-REGULAR COMPENSATION**

General Counsel Jim Salvie proposed amending 807 CMR, 6.00, the regular compensation regulation, in response to the new statutory definition of regular compensation effective July 1, 2009. This proposal will accomplish two things: (1) it will remove life and disability insurance premiums from regular compensation; and (2) it will make the employer's *knowledge* of the member's retirement, as opposed to the member's *notice* of retirement, the reason to exclude certain items defined as early retirement incentives.

A motion was made by Mr. Dow, and seconded by Ms. Hargraves, to amend this regulation on an emergency basis (i.e. effective immediately, with notice and comment to follow.) The motion carried, 7 – 0.

**VOTED: The proposed amendment to 807 CMR 6.00-Regular Compensation was approved on an emergency basis, with public comment to follow.**

## **EXECUTIVE DIRECTOR'S REPORT**

1. Ms. Schloss advised the Board of issues raised by the Massachusetts Association of School Superintendents regarding the recent Pension Reform legislation. After discussion, the Board asked staff to work on further guidelines for the Board's review.

The Board took a break for lunch at approximately 12:25 p.m.

2. The meeting reconvened at approximately 12:45 p.m. Ms. Schloss updated the Board on the status of Change Order #6 for MYTRS Network Security Redesign to satisfy ITD's Network Security Standards. As of 7/23/09, there are two options under consideration. Ms. Schloss reported that MTRS submitted a variance request to ITD on 7/28/09 and it is anticipated that Vitech's Change Order (ver.) 6.1 for MyTRS Network Redesign will be discussed at the August Board Meeting.

3. Ms. Schloss updated the Board on the continued meetings of the Special Commission on Massachusetts Contributory Pension Systems and referred the Board to Mr. Neilon's report.

4. Ms. Schloss stated that Board Meeting materials will be posted on the MTRS website soon. It was recommended that schedule of meetings, agendas and minutes are included.

5. Ms. Schloss asked the Board to review the out-of-state travel expense per diem. Currently, there is a \$100 reimbursement for meals. Some felt, in today's economy, this may be viewed as excessive, regardless of the fact that out-of-state travel has been frozen. Mr. Favorito recommended that this issue be included on the August Board meeting's agenda, after a review of PRIM's and the Redbook's policies.

The August Board meeting originally planned for Wednesday, August 25, 2009 was re-scheduled to August 28, 2009.

## **EXECUTIVE DIRECTOR EVALUATION**

At approximately 1:20 p.m., the Board took up the matter of the Executive Director's annual performance evaluation. At this point, Ms. Glaster, Mr. Neilon, Mr. Salvie and Ms. Petruzzello left the room. Chairman Wulfson distributed a compilation of the evaluations and comments completed by Board members. The Chairman acknowledged the positive direction and continued overall progress that the MTRS was making under Joan's stewardship.

Board members reviewed the comments and evaluations. The Chairman noted that despite the overwhelmingly positive review, the MTRS was unfortunately not in a position at present to adjust the Executive Director's compensation.

Executive Director Schloss indicated she appreciated the continued support of the Board members and stated she was fortunate to have positive relationships with the Board and her senior staff. She noted that despite the progress that has been made over the course of the year, there remained significant work yet to be accomplished and she looked forward to those challenges.

Upon a motion made by Mr. Dow and seconded by Ms. Hargraves, the Board voted unanimously to adjourn the meeting at 1:30 p.m.

Respectfully submitted,

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**Joan Schloss, Executive Director**

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Date