

Minutes of the Meeting of July 29, 2016

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 Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, Deputy General Counsel James O'Leary, Director of Human Resources Rob Fabino and Executive Assistant Helen Petruzzello. Ms. Quinn was absent due to personal reasons.

The meeting was called to order at approximately 9:02 a.m.

The minutes of the previous Board meeting, held on June 24, 2016, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Ms. Wass. The motion carried 6-0.

VOTED: The Open and Executive minutes of the Board meeting held on June 24, 2016, are hereby approved as submitted.

II. Executive Session

A motion was made by Ms. Wass, and seconded by Ms. Gorrie, to enter into executive session in order to review applications for disability retirement and termination retirement. On roll call, the vote was as follows:

VOTED: Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

At approximately 9:03 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 10:21 a.m. the Board reconvened in Open Session and recessed for a break, reconvening at approximately 10:31 a.m.

III. Open Session

A. PROPOSED AMENDMENTS TO MTRS PERSONNEL POLICY MANUAL

Executive Director Erika Glaster and Director of Human Resources Rob Fabino presented and reviewed the details of the proposed amendments to the MTRS Personnel Policies and Procedures Manual. The Board held a brief discussion and gave suggested recommendations which Board staff will incorporate into the final version. On a motion made by Ms. Gorrie, and seconded by Mr. Liston, the Board voted 6-0 to approve the amendments with the suggested changes.

B. REVIEW OF REGULATION 807 CMR 19.00, ELIGIBILITY FOR OUT OF STATE SERVICE PURCHASES

After review of Regulation 807 CMR 19.00, *Eligibility for Out of State Service Purchases*, Mr. O'Leary proposed retaining the regulation in its current form and making no changes. On a motion made by Mr. Naughton, and seconded by Ms. Wass, the Board voted 6-0 to approve the recommendation.

C. ANNUAL REQUEST FOR WRITE-OFF OF ESTATE ACCOUNTS RECEIVABLE

Pursuant to G.L. c. 32, § 20(5)(m) and the MTRS Retiree Death Overpayments Recovery Policy, Ms. Glaster presented the recommendation for the write-off of uncollectible estate accounts receivable. On a motion made by Mr. Liston, and seconded by Ms. Wass, the Board voted 6-0 to approve the write-off in the amount of \$32,374.13 for estate accounts receivable for the fiscal year period ending June 30, 2013.

D. FY 2017 LEGISLATIVE DISCUSSION

Ms. Glaster provided a presentation of some potential cost saving measures to the plan for consideration for future legislation. Additionally, she inquired whether the Board desired to continue their advocacy on legislation filed in 2015. After a brief discussion, on a motion made by Mr. Liston, and seconded by Mr. Naughton, the Board voted 6-0 to refile H. 20: An Act related to the forfeiture of pension upon conviction of child pornography and other offenses.

E. MTRS WEBSITE, THEN AND NOW: NEW FEATURES, UPDATES AND STATS, 2012-2016

Due to time constraints, this item was tabled to a future agenda.

F. EXECUTIVE DIRECTOR'S REPORT

1. Mr. Naughton asked for the Board's input on the recent proposal of transferring assets of the Massachusetts Bay Transit Authority retirement system to the management of the PRIT fund. The Board held a brief discussion on their concerns. Chairman Wulfson asked Mr. Naughton, in his role as the MTRS representative to the PRIM Board, to keep the MTRS Board apprised of any discussions at PRIM surrounding this proposal. Furthermore, the Board hopes to follow up with PRIM representatives at the MTRS Annual System Review and Constituents' Forum to be held this upcoming fall. Ms. Glaster noted that Jenn Sullivan, Assistant Secretary for Capital Finance in the office of Administration and Finance ("ANF"), will also be invited to the meeting.
2. Ms. Glaster reported that she expected the lease for the office relocation space would be finalized by Monday of the next week. She stated that the buildout is progressing as scheduled.
3. Ms. Glaster informed the Board that as a result of concerted efforts by the staff over 1,000 new benefit recipients have been added to the July 2016 warrant and the cost of living adjustments ("COLA") will be included in the July payments for the eligible recipients.
4. Ms. Glaster reported that the Commonwealth January 2016 valuation report is expected to be released at the August PERAC Commission meeting. The

Board asked that staff draft a statement for interested parties in anticipation of questions regarding the expected reduction in the funded ratio related to the decrease in the assumed investment rate of return from 7.75% to 7.5%.

5. Ms. Glaster noted that Mr. Favorito has reached out to Jenn Sullivan of ANF for an update on the Exclusive Benefit Rule issues. Ms. Glaster noted that PERAC has obtained outside legal counsel and Ice Miller has given their approval for their opinion to be shared with PERAC's counsel.
6. Ms. Glaster asked Board members to review the information included in the board materials regarding registration for upcoming continuing educational opportunities and the NCTR annual conference.
7. Ms. Glaster notified the Board that the Commonwealth's Human Resources Division ("HRD") recently announced a hiring freeze. However, HRD stated that positions paid for using trust account funding are not subject to the restrictions, so they do not apply to the MTRS.

On a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted unanimously to adjourn the meeting at approximately 12:06 p.m.

Respectfully submitted,

Erika M. Glaster, Executive Director

Date

Documents used in MTRS Board meeting of July 29, 2016

- Agenda for July 29, 2016 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of June 24, 2016 MTRS Board meeting
- Memorandum and supporting documents pertaining to termination retirement application
- Memorandum and supporting documents pertaining to MTRS Personnel Policy Manual
- Memorandum and supporting documents pertaining to Review of Regulation 807 CMR 19.00, Eligibility for Out of State Service Purchases
- Memorandum pertaining to Annual Request for Write-off of Estate Accounts Receivable
- Memorandum pertaining to FY 2017 Legislative Discussion