

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 28, 2019**

A meeting of the Massachusetts Port Authority Employees' Retirement Board was held at the offices of the Massachusetts Port Authority Employees' Retirement System, One Harborside Drive, East Boston, MA 02128-2909, on Thursday, March 28, 2019. The following members of the Board were present:

James S. Hoyte, Chairman
Michael A. Grieco, Vice Chairman
Betsy Taylor, Board Member

Also present were:

Irene Moran, Director of Retirement
Laura Barbosa, Retirement Member Services Specialist
Nancy Bournival, MPAERS Controller
Lynn Fullerton, Retirement Board Coordinator
Richard Heidlage, Massport Senior Legal Counsel, Retirement
John Affuso, Massport Senior Legal Counsel, Transactions

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:11 a.m.

2. **Roll Call**

Ms. Moran read a roll call:

Member Hoyte "Here".
Member Grieco "Here".
Member Taylor "Here".

3. **Public Comments**

There were no public comments.

Stephanie Gallagher and Scott Warnetski joined the meeting at 9:11 a.m.

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4. KPMG

KPMG was represented by:

Stephanie Gallagher
Scott Warnetski

Mr. Warnetski reported that his associate, Robert Mahoney, had recently been promoted to Managing Director and proceeded to introduce his colleague, Stephanie Gallagher, as the new manager on the MPAERS audit engagement. The Board welcomed Ms. Gallagher.

Mr. Warnetski presented KPMG's Required Communications including MPAERS Financial Statements for the years ended December 31, 2018 and 2017. Ms. Gallagher and Mr. Warnetski presented audit results and reviewed the significant audit areas noting an unmodified opinion of the MPAERS' financial statements. Mr. Warnetski noted that KPMG would be issuing an audit report on the GASB 67 and 68 schedules simultaneously with the financials. The Board thanked Ms. Gallagher and Mr. Warnetski for an informative presentation.

Ms. Gallagher and Mr. Warnetski left the meeting at 9:34 a.m.

John Morrissey joined the meeting at 9:44 a.m.

5. Accidental Disability Application – John Kelly

Mr. Morrissey explained that his client, John Kelly, was unable to attend the hearing this morning. Mr. Heidlage asked if Mr. Morrissey wanted Mr. Kelly's hearing to be held in public or executive session. Mr. Morrissey requested, on behalf of Mr. Kelly, that the hearing be held in executive session.

Upon a motion duly made and seconded, it was:

VOTED: That the Board shall go into Executive Session for consideration of the Accidental Disability Retirement Application of John Kelly and will reconvene in public session following consideration of this item.

Ms. Moran read a roll call:

Member Hoyte voted "Yes".
Member Grieco voted "Yes".
Member Taylor voted "Yes".

Upon a roll call in the Executive Session, the Board reconvened to public session at 10:39 a.m.

Chairman Hoyte noted that the Findings of Fact and Rulings of Law with regard to Mr. Kelly were adopted in the executive session.

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Upon a motion duly made and seconded, it was:

VOTED:

To deny the application of John P. Kelly for accidental disability retirement pursuant to Section 7 of Chapter 32 of the General Laws of Massachusetts, as more fully discussed in the Findings of Fact attached to the minutes of the executive session and incorporated therein, effective upon approval by the Public Employee Retirement Administration Commission.

Members Hoyte, Grieco, and Taylor voted "Yes".

Mr. Morrissey left the meeting at 10:42 a.m.

6. Ratification and Approval of Minutes of the Board Meeting held on February 21, 2019

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on February 21, 2019.

Members Hoyte, Grieco, and Taylor voted "Yes".

7. Ratification and Approval of Investments for the Month of February 2019

The schedule of investments, buys and sells, for the month of February 2019 was presented to the Board for ratification.

Upon a motion duly made and seconded, it was:

VOTED: To ratify the investments as previously authorized by the Board, for the month of February as shown on the schedule submitted by People's United Bank, schedule attached.

Members Hoyte, Grieco, and Taylor voted "Yes".

8. Approval of March Vouchers listed below:

The Director presented March vouchers with attachments for approval; please see attached warrant report for detail:

Funds Wired to Bank of America on 03/28/19	\$2,896,927.93	Retiree Payroll
Funds Wired to Massport Payroll Account on 03/28/19	\$ 54,649.34	
Funds Wired to People's United Checking on 03/28/19	\$ 155,633.88	
Funds Wired to Bank of America Checking on 03/28/19	\$ 23,078.92	Lease

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Total

\$3,130,290.07

Following a review of the vouchers on the attached warrant report and upon a motion duly made and seconded, it was:

VOTED: That March Vouchers are hereby approved in the total amount of \$3,130,290.07.

RESOLVED FURTHER: That the Treasurer-Custodian is hereby authorized to make payment upon the aforesaid vouchers.

Members Hoyte, Grieco, and Taylor voted "Yes".

9. **Vote to Approve Pending Retirements**

• **Superannuation Retirement – Caryn M. Harding**

The Director of Retirement presented the Superannuation Retirement Application of Caryn M. Harding, Assistant Director, Organizational Development & Employee Relations, Group 1, in the Human Resources department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Caryn M. Harding, Assistant Director, Organizational Development & Employee Relations, Group 1, in the Human Resources department at the Logan Office Center, currently age 67 years with 14 years, 9 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Caryn M. Harding has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 6, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Caryn M. Harding, Assistant Director, Organizational Development & Employee Relations, Group 1, in the Human Resources department at the Logan Office Center, currently age 67 years with 14 years, 9 months of creditable service effective on April 6, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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Members Hoyte, Grieco, and Taylor voted "Yes".

- **Superannuation Retirement – David S. Lutkins**

The Director of Retirement presented the Superannuation Retirement Application of David S. Lutkins, IT Senior Project Manager, Group 1, in the Information Technology department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, David S. Lutkins, IT Senior Project Manager, Group 1, in the Information Technology department at the Logan Office Center, currently age 56 years with 17 years, 11 months of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

WHEREAS, David S. Lutkins has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 1, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of David S. Lutkins, IT Senior Project Manager, Group 1, in the Information Technology department at the Logan Office Center, currently age 56 years with 17 years, 11 months of creditable service effective on April 1, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Members Hoyte, Grieco, and Taylor voted "Yes".

10. **Carol Saffran Allowance**

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Carol Saffran retired from the Massachusetts Port Authority Employees' Retirement System under a Termination Allowance, Option C, under the provisions of MGL Chapter 32, Section 10(2) effective June 30, 2002; and

WHEREAS, Ms. Saffran in a recent email questioned her retirement allowance calculation in that both her part-time service and part-time salary were prorated when applied to her retirement calculation and therefore reduced her annual benefit in a disproportional way; and

WHEREAS, upon staff review of Ms. Saffran's salary, employment history and retirement allowance calculation, it was determined that the salary average applied to Ms. Saffran's retirement allowance calculation was based on three calendar years of part-time salary rather than on the salary equivalent to three years of full-time creditable service as required by § 5 of Chapter

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32. It was therefore determined that Ms. Saffran's retirement allowance calculation was understated; and

WHEREAS, Section 20(5)(C)(2) requires that errors should be corrected for purposes of computing a retirement benefit;

NOW, THEREFORE, IT IS HEREBY VOTED:

- (a) To correct Ms. Saffran's termination retirement allowance calculation going forward; and (b) to pay Ms. Saffran the additional retirement allowance benefit payments owed from June 30, 2002 through the date of payment along with regular interest as determined by the provisions of M.G.L., c. 32, Section 22(6)(b).

Members Hoyte, Grieco, and Taylor voted "Yes".

11. Director's Report

PERAC's response to MPAERS' proposed supplemental regulation on part-time service

Ms. Moran reported that PERAC did not approve the MPAERS' supplemental regulation on part-time service because the section pertaining to ordinary disability retirement was not consistent with M.G.L. Chapter 32. Therefore, Ms. Moran proposed that the supplemental regulation on part-time service be modified by removing this section. The Board agreed.

Upon a motion duly made and seconded, it was:

VOTED:

For all employees whose service with the Authority commenced on or before the day prior to the effective date of this supplementary regulation, the supplementary regulation then in effect shall continue to apply. For all employees whose service with the Authority commenced on or after the effective date of this regulation, the following supplementary regulation shall apply:

1(a). Regularly employed full time employees shall receive one year of creditable service for each year of full time employment as defined for the position.

1(b). For all purposes in G.L. c. 32, creditable service for any member in service regularly employed on a part-time basis shall be calculated on a pro-rated basis as it relates to a full-time position, equal to the period of service multiplied by a fraction, no greater than 1, the numerator of which is the actual number of hours of service performed in each week divided by the number of hours in a normal week for the member's position. The prorated service shall be based on the actual hours worked as it relates to the full time hours of the position.

Members Hoyte, Grieco, and Taylor voted "Yes".

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Election update

Ms. Moran reminded the Board that ballot counting will take place on Friday, April 5th at 9 am in the Human Resources Training Room at the Logan Office Center. She noted that she would report results to the Board via email when counting is complete.

Disability update – Witkowski

Mr. Heidlage stated that, due to the complexities of Mr. Witkowski's case, the purpose of this discussion is to request the Board employ an independent medical expert to review Mr. Witkowski's medical records. Mr. Heidlage distributed a memorandum to the Board for review. Discussion ensued.

Upon a motion duly made and seconded, it was:

VOTED:

To authorize counsel for the retirement board to enter into an agreement with Boston Neuropsychological Services, LLC to provide medical records review and related expert medical advisory services to the board with respect to the ADR application of its member Jan Witkowski, with such terms as he shall consider appropriate and provided that the price for the initial review services and review of any similar report submitted by Mr. Witkowski shall not exceed \$10,000.

Members Hoyte, Grieco, and Taylor voted "Yes".

Death Match Services RFQ

Ms. Moran reported that contract negotiations are ongoing with Pension Benefit Information (PBI). Ms. Moran indicated that she would report back to the board in April with a status update.

12. **New Business**

Vacation Buybacks

Ms. Moran reported that new retiree, Richard Pelosi, filed a notice of appeal with the Division of Administrative Law Appeals (DALA) appealing the Contributory Retirement Appeal Board's (CRAB) decision to exclude vacation buyback payments from his pension calculation.

13. **Adjournment**

Upon a motion duly made and seconded, it was:

VOTED: To adjourn the meeting at 11:24 a.m.

Members Hoyte, Grieco, and Taylor voted "Yes".

14. **Documents and Exhibits**

Agenda – March 28, 2019

Cash Disbursements 03/01/2019 – 03/31/2019 and Warrant Number 03/2019 AP

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Minutes – February 21, 2019

KPMG Audit Results

PERAC Annual Statement draft

Wilshire Associates – Monthly Performance Summary, February 28, 2019

MPAERS Fund Composite – February 2019

2018 3(8)(c) Receivables

Retiree and Survivor Payroll Reconciliation – March 2019

Bank of America Checking Account Reconciliation – February 2019

People's United Bank Checking Account Reconciliation – February 2019

People's United Bank Replacement Plan Checking Account Reconciliation – February 2019

Trial Balance – 1/1/2019 – 1/31/2019

Cash Disbursements Report – 1/1/2019 – 1/31/2019

Cash Receipts Report – 1/1/2019 – 1/31/2019

Adjustments Report – 1/1/2019 – 1/31/2019

Letter from PERAC re: Supplemental Regulation on Part-Time Service

Revised Supplemental Regulation on Part-Time Service

Attorney/Client Privilege Memorandum from Richard C. Heidlage re: Witkowski – Request to Retain

Medical Experts

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Chairman

Michael A. Grieco
Vice Chairman

Betsy Taylor
Board Member

Irene Moran
Director of Retirement