

**Massachusetts Port Authority  
Employees' Retirement System  
Board Meeting Minutes  
January 28, 2016**

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, January 28, 2016. The following members of the Board were present:

James S. Hoyte, Chairman  
Michael A. Grieco, Vice Chairman  
Philip H. Mallett, Board Member (via teleconference)  
John P. Prankevicius, Treasurer-Custodian  
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  
Scott Merrill, Legal Counsel  
Basannya Adepegba, Massport Legal Counsel

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:07 a.m.

Chairman Hoyte informed the Board that Member Mallett requested permission to participate in the January 28, 2016 meeting remotely because he would be unable to be physically present due to his geographical location. Chairman Hoyte confirmed that Member Mallett's remote participation was authorized in accordance with 940 CMR 29.10, the remote participation section of the Attorney General's Open Meeting Law regulations.

2. **Roll Call**

Ms. Moran read a roll call:

Member Hoyte "Here".  
Member Grieco "Here".  
Member Mallett "Here".  
Member Prankevicius "Here".  
Member Taylor "Here".

3. **Public Comments**

There were no public remarks.

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John Comeau joined the meeting at 9:08 a.m.

**4. Ordinary Disability Hearing – John Comeau**

Chairman Hoyte asked if Mr. Comeau wanted the hearing to be held in public or executive session. Mr. Comeau requested 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 Ordinary Disability Retirement Application of John Comeau 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 Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

Upon a roll call in the Executive Session, the Board reconvened to public session at 9:13 a.m.

Upon a motion duly made and seconded, it was:

**VOTED:** To accept the application of John Comeau for ordinary disability retirement pursuant to Section 6 of Chapter 32 of the General Laws of Massachusetts, as more fully discussed in the Findings of Fact and Rulings of Law attached hereto and incorporated herein, effective upon approval by the Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

Mr. Comeau left the meeting at 9:14 a.m.

Mark Brubaker joined the meeting via teleconference at 9:17 a.m.

Stephen DiGirolamo joined the meeting at 9:18 a.m.

Joseph Grogan, Dwayne Hancock, Mahesh Jayakumar, and Derek Lighburn joined the meeting at 9:18 a.m.

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**5. State Street Global Advisors**

State Street Global Advisors was represented by:

Joseph Grogan  
Dwayne Hancock  
Mahesh Jayakumar  
Derek Lightburn

Mr. Lightburn presented the MPAERS' performance summary and reported that the market value of the portfolio is approximately \$255 million as of December 31, 2015. Mr. Hancock reviewed the Russell 1000, Russell 2000 Growth, US Aggregate Bond, and MSCI ACWI Ex-USA Index strategies and Mr. Jayakumar presented an overview of the global fixed income strategy. Mr. Grogan presented a firm overview noting a few changes including the additions of Ronald O'Hanley, President and Chief Executive Officer, and Steven Lipiner, Chief Financial Officer, and the departure of Greg Eric, Chief Operating Officer. He further noted that he did not expect any other significant organizational changes. The Board thanked Mr. Grogan, Mr. Hancock, Mr. Jayakumar, and Mr. Lightburn for an informative presentation.

Mr. Grogan, Mr. Hancock, Mr. Jayakumar, and Mr. Lightburn left the meeting at 9:53 a.m.

**6. Wilshire Associates**

Wilshire Associates was represented by:

Stephen DiGirolamo  
Mark Brubaker

Mr. Brubaker presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. Mr. Brubaker also presented the MPAERS 4<sup>th</sup> Quarter 2015 Investment Performance Analysis reviewing total fund performance for both the quarter and year-to-date. Mr. Brubaker noted the total fund was up 2.6% for the quarter and down 0.4% for the year versus the policy index of 3.2% and 0%, respectively, and plan assets totaled \$525.6 million as of December 31, 2015. Mr. Brubaker reviewed the US equity, international equity, fixed income, real estate, and private equity composites noting a positive return in the real estate composite as well as underperformance in the US equity, fixed income, private equity, and international equity composites.

Mr. Brubaker discussed the state of Aberdeen's performance over the past three years. Mr. Brubaker stated that Wilshire still has confidence in Aberdeen and he recommended the Board stay the course with Aberdeen for a while longer and continue to monitor them. Alternatively, he suggested if the Board didn't share this same confidence, the Board could begin the process of exiting Aberdeen slowly, over a six-month period. The Board agreed with Wilshire's recommendation to stay the course for the time being, but to closely monitor performance. Wilshire will provide further information about next steps for distribution to the Board by the next meeting. The Board thanked Mr. Brubaker for an informative presentation.

Mr. Brubaker's participation in the meeting ended at 10:33 a.m.

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Ms. Moran reported that recently, for the first time, PERAC issued an investment fee analysis for all Chapter 32 retirement system as of December 31, 2014. She also reported that while the statistics provided were helpful, some key data were missing namely investment performance and expense ratio information. So in order to provide a more meaningful comparison, she recounted asking Wilshire to produce another report. Mr. DiGirolamo presented his PERAC 2014 Investment Fee Review which summarized not only the expense information PERAC reported on but also expense ratio, performance figures and an attribution analysis for the MPAERS and other comparable plans. He noted that in 2014 the MPAERS paid thirty-seven basis points in fees, which as compared to the other plans is very good. Mr. DiGirolamo further noted that the MPAERS ranked in the 94<sup>th</sup> percentile in terms of expense ratio to performance as compared to all 106 plans. Mr. DiGirolamo indicated that Wilshire would provide this information on an annual basis going forward. The Board thanked Mr. DiGirolamo for an informative presentation.

Mr. DiGirolamo left the meeting at 10:44 a.m.

**7. Attendance at Educational Conferences**

Upon a motion duly made and seconded, it was:

**VOTED:** To authorize Board and Staff to attend the 2016 NCPERS Conference, the 2016 Wilshire Client Conference, the 2016 GFOA Conference and the 2016 MACRS Spring Conference and to approve all education and business related expenses as outlined in the Travel Authorization Voucher forms attached.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

**8. Ratification and Approval of Minutes of the Board Meeting held on December 17, 2015**

Upon a motion duly made and seconded, it was:

**VOTED:** To ratify and approve the Minutes of the Board Meeting held on December 17, 2015.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

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9. **Ratification and Approval of Investments for the Month of December 2015**

The schedule of investments, buys and sells, for the month of December 2015 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 December 2015 as shown on the schedule submitted by State Street Bank and Trust, schedule attached.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

10. **Approval of January Vouchers listed below:**

The Director presented January vouchers with attachments for approval, please see attached warrant report for detail.

Funds Wired to Bank of America on 01/28/16	\$2,328,899.79	Retiree Payroll
Funds Wired to Massport Payroll Account on 01/28/16	\$ 41,628.22	
Funds Wired to State Street Checking on 01/28/16	\$ 231,711.05	
Funds Wired to Bank of America Checking on 01/28/16	\$ 21,234.57	Lease
Total	----- \$2,623,473.63	

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

**VOTED:** That January Vouchers are hereby approved in the total amount of \$2,623,473.63.

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

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Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

11. **Vote to Approve Pending Retirements**

• **Superannuation Retirement – Mark Faithful**

The Director of Retirement presented the Superannuation Retirement Application of Mark Faithful, Wildlife Maintenance Technician, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, Mark Faithful, Wildlife Maintenance Technician, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 70 years with 24 years, 4 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Mark Faithful has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on February 1, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Mark Faithful, Wildlife Maintenance Technician, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 70 years with 24 years, 4 months of creditable service effective on February 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

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- **Termination Retirement Allowance – Deborah Hadden Gray**

The Director of Retirement presented the Termination Retirement Application of Deborah Hadden Gray, former Port Director, Group 1, in the Maritime Administration unit of the Maritime department at the Fish Pier.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, Deborah Hadden Gray, former Port Director, Group 1, in the Maritime Administration unit of the Maritime department at the Fish Pier, currently age 51 years with 20 years of creditable service, has applied for a Termination Retirement Allowance, Option C, under the provisions of M.G.L. Chapter 32, Section 10(2)(a).

**WHEREAS**, Deborah Hadden Gray has been found upon investigation by the Director of Retirement to qualify for such retirement effective on January 16, 2016.

**NOW, THEREFORE**, To approve the application for Termination Allowance, Option C, under the provisions of M.G.L. Chapter 32, Section 10(2)(a) of Deborah Hadden Gray, former Port Director, Group 1, in the Maritime Administration unit of the Maritime department at the Fish Pier, currently age 51 years with 20 years of creditable service, effective on January 16, 2016, subject to certification to be issued by the Commonwealth of Massachusetts, Division of Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

- **Superannuation Retirement – Barbara E. McGonagle**

The Director of Retirement presented the Superannuation Retirement Application of Barbara E. McGonagle, former Executive Assistant, Group 1, in the Strategic Communications and Marketing department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, Barbara E. McGonagle, former Executive Assistant, Group 1, in the Strategic Communications and Marketing department at the Logan Office Center, currently age 60 years

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with 20 years, 3 months of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Barbara E. McGonagle has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on February 1, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of Barbara E. McGonagle, former Executive Assistant, Group 1, in the Strategic Communications and Marketing department at the Logan Office Center, currently age 60 years with 20 years, 3 months of creditable service effective on February 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

- **Superannuation Retirement – James D. Murray**

The Director of Retirement presented the Superannuation Retirement Application of James D. Murray, Wildlife Maintenance Technician, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, James D. Murray, Wildlife Maintenance Technician, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 60 years with 40 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, James D. Murray has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on February 1, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of James D. Murray, Wildlife Maintenance Technician, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 60 years with 40 years of creditable service effective on February 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.



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Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

12. **Vote to Approve Option D Survivor Benefits**

• **Option D Survivor Benefits – Patrick J. Morrison**

The Director of Retirement presented the Application for Option D Survivor Benefits for Patrick J. Morrison, survivor of Kathleen M. Morrison.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, Kathleen M. Morrison, former Cashier, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, age 67 years with 5 years, 3 months of creditable service, died on July 7, 2014 and,

**WHEREAS**, Kathleen M. Morrison is survived by her husband, Patrick J. Morrison, with whom she was living at the time of her death and who has been found upon investigation by the Director of Retirement to qualify for such Survivor Benefits, effective on July 8, 2014.

**NOW, THEREFORE**, To approve the Application for Option D Survivor Benefits for Patrick J. Morrison, husband and beneficiary of Kathleen M. Morrison under the provisions of M.G.L. Chapter 32, Section 12(2), subject to certification to be issued by the Commonwealth of Massachusetts, Division of Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"  
Member Grieco voted "Yes"  
Member Mallett voted "Yes"  
Member Prankevicius voted "Yes"  
Member Taylor voted "Yes"

Member Grieco left the meeting at 11:12 a.m.

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13. **Vote to Approve Accidental Death Benefit**

• **Accidental Death Benefit – Jacqueline Wilson**

The Director of Retirement presented the Accidental Death Benefit Application of Jacqueline Wilson, beneficiary of Herbert Lee Wilson, III.

The following vote is proposed:

**VOTED:**

**WHEREAS**, Herbert Lee Wilson, III was retired for Accidental Disability Retirement under the provisions of M.G.L. Chapter 32, § 7; and,

**WHEREAS**, The Massachusetts Port Authority Employees' Retirement Board has found that the death of Herbert Lee Wilson, III was caused by the same factors for which he was found to be entitled to Accidental Disability Retirement; and,

**WHEREAS**, Jacqueline Wilson is his beneficiary and found to be otherwise entitled to benefits under § 9 of said Chapter 32;

**WHEREAS**, at their meeting of December 17, 2015 the Board tabled the vote on the Accidental Death Benefit until January 28<sup>th</sup>;

**IT IS HEREBY VOTED:**

To grant Jacqueline Wilson, beneficiary of Herbert Lee Wilson, III, an Accidental Death Benefit pursuant to M.G.L. Chapter 32, § 9, subject to certification to be issued by the Commonwealth of Massachusetts, Division of Public Employee Retirement Administration Commission.

Mr. Merrill reported that sufficient supporting documentation with regard to Mr. Wilson's cause of death had not yet been received. Ms. Moran requested that the Board once again table a determination on Jacqueline Wilson's request for Section 9 benefits pending receipt of additional documentation.

Upon a motion duly made and seconded, it was:

**VOTED:** To table a determination on the Section 9 benefit request from Jacqueline Wilson, beneficiary of Herbert Lee Wilson, pending receipt and review of additional medical documentation.

Ms. Moran read a roll call:

Member Hoyte "Yes".  
Member Mallett "Yes".  
Member Prankevicius "Yes".  
Member Taylor "Yes".

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**14. Director's Report**

MPAERS and MPA Practices Document

The Board discussed the most recent draft MPAERS and MPA Practices document and next steps. The Board requested that Ms. Moran add language to the document with regard to the MPAERS' relationship with Massport's Legal department and then forward it to Massport's Chief Legal Counsel for review.

PERAC Memo #1 – Schedule 7 Fee Report

Ms. Moran noted that a copy of this memo was included in packets.

PERAC Memo #2 – 2016 Limits under Chapter 46 of the Acts of 2002

Ms. Moran reported that the compensation limit for 2016 is set at \$265,000 for members hired before January 1, 2011 and noted that there may be a few active members hitting this limit. She noted that she has reached out to Ice Miller and will report back to the Board with more information.

PERAC Memo #3 – 2016 Limits under Section 23 of Chapter 131 of the Acts of 2010

Ms. Moran reported that the compensation limit for 2016 is set at \$169,600 for new members hired on or after January 1, 2011 and noted that currently five active members hit this limit annually, and there are potentially three others whose compensation may also exceed the limit in 2016.

PERAC Memo #4 – COLA Notice

Ms. Moran noted that a copy of this memo was included in packets.

**15. New Business**

Jan Witkowski Appeal

Mr. Merrill recalled Mr. Witkowski's case for the Board. He noted that Mr. Witkowski's appeals had been denied by DALA, CRAB, and the Superior Court. Mr. Merrill also recalled that Mr. Witkowski had filed an appeal with the appeals court as well as an application for a direct appellate review with the Supreme Judicial Court. Mr. Merrill reported that the Supreme Judicial Court has denied this application.

Maureen Foley Workers' Compensation Settlement

Mr. Merrill briefed the Board regarding a Workers Comp Lump Sum Settlement relating to Maureen Foley. He reported that Ms. Foley's lump sum is \$60,000 and of that \$20,000, was allocated to the MPAERS. He noted that the actual net offset percentage is approximately 40% once the attorney fees are deducted, as those fees must be paid per statute and really do not count toward the offset value.

**16. Adjournment**

Upon a motion duly made and seconded, it was:

**VOTED:** To adjourn the meeting at 11:23 a.m.

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Ms. Moran read a roll call:

Member Hoyte "Yes".  
Member Mallett "Yes".  
Member Prankevicius "Yes".  
Member Taylor "Yes".

17. **Documents and Exhibits**

Agenda – January 28, 2016

Cash Disbursements 01/01/2016 – 01/31/2016 and Warrant Number 01/2016 AP

State Street Global Advisors Quarterly Review – January 28, 2016

Wilshire Executive Summary – December 31, 2015

Wilshire PERAC 2014 Investment Fee Review – January 2016

Travel Authorization Voucher – NCPERS Conference

Travel Authorization Voucher – Wilshire Client Conference

Travel Authorization Voucher – GFOA Conference

Travel Authorization Voucher – MACRS Spring Conference

Minutes – December 17, 2015

Wilshire Monthly Performance Summary – December 31, 2015

MPAERS Fund Composite – December 2015

Retiree and Survivor Payroll Reconciliation – January 2016

Bank of America Checking Account Reconciliation – December 2015

State Street Bank Checking Account Reconciliation – December 2015

State Street Bank Replacement Plan Checking Account Reconciliation – December 2015

Trial Balance – November 2015

2014 Section 3(8)(c) Receivables

MPAERS and Authority Interactions and Practices

PERAC Memorandum #01, 2016 – Schedule 7 Report

2014 Schedule 7 Fee Report

PERAC Memorandum #02, 2016 – 2016 Limits under Chapter 46 of the Acts of 2002

PERAC Memorandum #03, 2016 – 2016 Limits under Chapter 131 of the Acts of 2010

PERAC Memorandum #04, 2016 – COLA Notice

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James S. Hoyte  
Chairman

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Michael A. Grieco  
Vice Chairman

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Philip H. Mallett  
Board Member

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John P. Prankevicius  
Treasurer-Custodian

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Betsy Taylor  
Board Member

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Irene Moran  
Director of Retirement