

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
July 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, July 28, 2016. The following members of the Board were present:

James S. Hoyte, Chairman
Michael A. Grieco, Vice Chairman
Philip H. Mallett, 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
John Affuso, Massport Senior Legal Counsel

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:05 a.m.

2. **Roll Call**

Ms. Moran read a roll call:

Member Hoyte "Here".
Member Grieco "Here".
Member Mallett "Here".

3. **Public Comments**

There were no public remarks.

4. **Pension Reserves Investment Management Board**

Pension Reserves Investment Management Board was represented by:

Michael Bailey
Erin McCafferty
Timothy Schlitzer
Paul Todisco

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Mr. Todisco reviewed the MPAERS Real Estate portfolio noting assets totaling \$60.7 billion as of June 30, 2016. He also reviewed the composition of the PRIM Board and reported the appointments of James Hearty, Peter Monaco, and Carly Rose to the Board. With regard to staff changes, Mr. Todisco also noted a number of promotions and new hires including the new Communication Director, Eric Convey. Additionally, he reported that PRIT would be doing its triennial Asset/Liability Study next year. Mr. Bailey introduced Erin McCafferty, the newest addition to PRIM's Private Equity Team, and reported they planned to add an investment analyst to this team by October this year. Mr. Bailey presented a summary of the Private Equity program noting strong performance at 12.2%, gross of fees, as of June 30, 2016. Mr. Schlitzer reviewed the Private Real Estate program noting strong performance at 10.4% for the year. He recalled discussion last year of the termination of TA Realty and transfer of management of its assets to AEW Capital Management and reported that the transition of \$1.1 billion in assets is now complete. He also noted that PRIM hired two new REITs managers, Brookfield IM and Presima, who they believe will bring a more active approach to the portfolio. The Board thanked Mr. Bailey, Ms. McCafferty, Mr. Schlitzer, and Mr. Todisco for an informative presentation.

Mr. Bailey, Ms. McCafferty, Mr. Schlitzer, and Mr. Todisco left the meeting at 9:56 a.m.

5. Wilshire Associates

Wilshire Associates was represented by:

Mark Brubaker
Stephen DiGirolamo

Mr. Brubaker presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. Mr. DiGirolamo presented the MPAERS 2nd Quarter 2016 Investment Performance Analysis reviewing total fund performance for both the quarter and year-to-date. Mr. DiGirolamo noted the total fund was up 1.9% for the quarter and 3.9% for the year, and plan assets totaled \$536.2 million as of June 30, 2016. Mr. DiGirolamo reviewed the US equity, international equity, fixed income, real estate, and private equity composites noting positive returns in all asset classes. The Board thanked Mr. Brubaker and Mr. DiGirolamo for an informative presentation.

Procurements update

Ms. Moran reported that the deadline for the active management RFP is August 1st noting to-date there had been a lot of activity in terms of questions from the various investment management firms. She also reported Mr. Brubaker would be joining the August meeting via teleconference to discuss the results of the passive manager search as well as the custodian search.

Chairman Hoyte mentioned that he noticed PRIM's General Counsel received recognition for his work on class action lawsuits in which PRIM was lead plaintiff and asked Mr. Brubaker if he could speak to this. Mr. Brubaker explained class action lawsuits and the securities litigation process and the role of lead plaintiff.

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FOIA Request

Ms. Moran reported that she received a FOIA request from the Boston Globe specifically related to investment securities litigation.

The Board thanked Mr. Brubaker and Mr. DiGirolamo for an informative presentation. Mr. Brubaker and Mr. DiGirolamo left the meeting at 10:34 a.m.

6. Attendance at Educational Conference

Upon a motion duly made and seconded, it was:

VOTED: To authorize Board and Staff to attend the 2016 NCPERS Public Pension Funding Forum and to approve all education and business related expenses as outlined in the Travel Authorization Voucher form attached.

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

7. Ratification and Approval of Minutes of the Board Meeting held on June 30, 2016

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on June 30, 2016.

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

8. Ratification and Approval of Minutes of the Executive Session held on June 30, 2016

Upon a motion duly made and seconded, it was:

Voted: To ratify and approve the Minutes of the Executive Session held on June 30, 2016.

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

9. Ratification and Approval of Investments for the Month of June 2016

The schedule of investments, buys and sells, for the month of June 2016 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 June 2016 as shown on the schedule submitted by State Street Bank and Trust, schedule attached.

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

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

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

Funds Wired to Bank of America on 07/28/16	\$2,365,399.71	Retiree Payroll
Funds Wired to Massport Payroll Account on 07/28/16	\$ 50,025.95	
Funds Wired to State Street Checking on 07/28/16	\$ 209,829.55	
Funds Wired to Bank of America Checking on 07/28/16	\$ 21,234.57	Lease

Total	\$2,646,489.78	

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

VOTED: That July Vouchers are hereby approved in the total amount of \$2,646,489.78.

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

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

11. **Vote to Approve Pending Retirements**

- **Superannuation Retirement – Joseph F. Conner**

The Director of Retirement presented the Superannuation Retirement Application of Joseph F. Conner, Assistant Fire Chief/EMT, Group 4, in the Fire Control unit of the Aviation Department at Logan Airport. Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Joseph F. Conner, Assistant Fire Chief/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 60 years with 29 years, 4 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Joseph F. Conner has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 1, 2016.

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NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Joseph F. Conner, Assistant Fire Chief/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 60 years with 29 years, 4 months of creditable service effective on August 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – William F. Kulda**

The Director of Retirement presented the Superannuation Retirement Application of William F. Kulda, Working Foreperson, 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, William F. Kulda, Working Foreperson, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 63 years with 26 years, 8 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, William F. Kulda has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 1, 2016.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of William F. Kulda, Working Foreperson, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 63 years with 26 years, 8 months of creditable service effective on August 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Thomas A. LaBella**

The Director of Retirement presented the Superannuation Retirement Application of Thomas A. LaBella, Contract Services Supervisor, Group 1, in the Building Maintenance unit of the Aviation Department at Logan Airport.

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Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Thomas A. LaBella, Contract Services Supervisor, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 69 years with 22 years, 9 months of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

WHEREAS, Thomas A. LaBella has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 1, 2016.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of Thomas A. LaBella, Contract Services Supervisor, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 69 years with 22 years, 9 months of creditable service effective on August 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Quinton L. Robinson**

The Director of Retirement presented the Superannuation Retirement Application of Quinton L. Robinson, Port Officer, Group 2, in the Security Services unit of the Maritime Department at the Fish Pier.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Quinton L. Robinson, Port Officer, Group 2, in the Security Services unit of the Maritime department at the Fish Pier, currently age 56 years with 33 years, 8 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Quinton L. Robinson has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 1, 2016.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Quinton L. Robinson, Port Officer, Group 2, in the Security Services unit of the Maritime department at the Fish Pier, currently age 56 years with 33 years, 8 months of creditable service effective on August 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

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- **Superannuation Retirement – Ira Wallach**

The Director of Retirement presented the Superannuation Retirement Application of Ira Wallach, Associate Chief Legal Counsel, Group 1, in the Legal Department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Ira Wallach, Associate Chief Legal Counsel, Group 1, in the Legal department at the Logan Office Center, currently age 67 years with 35 years, 6 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Ira Wallach has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 13, 2016.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Ira Wallach, Associate Chief Legal Counsel, Group 1, in the Legal department at the Logan Office Center, currently age 67 years with 35 years, 6 months of creditable service effective on August 13, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Members Hoyte, Grieco, and Mallett voted “Yes”.

- **Termination Retirement Allowance – Richard P. Walsh**

The Director of Retirement presented the Termination Retirement Application of Richard P. Walsh, former Manager, Aviation Services, Group 1, in the Operations unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Richard P. Walsh, former Manager, Aviation Services, Group 1, in the Operations unit of the Aviation department at the Logan Airport, currently age 50 years with 26 years, 8 months 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, Richard P. Walsh has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on June 11, 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 Richard P. Walsh, former Manager,

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Aviation Services, Group 1, in the Operations unit of the Aviation department at Logan Airport, currently age 50 years with 26 years, 8 months of creditable service effective on June 11, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Douglas C. Wheaton**

The Director of Retirement presented the Superannuation Retirement Application of Douglas C. Wheaton, Transportation Contract Manager, Group 1, in the Transportation Services unit of the Aviation Department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Douglas C. Wheaton, Transportation Contract Manager, Group 1, in the Transportation Services unit of the Aviation department at Logan Airport, currently age 57 years with 26 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Douglas C. Wheaton has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 1, 2016.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Douglas C. Wheaton, Transportation Contract Manager, Group 1, in the Transportation Services unit of the Aviation department at Logan Airport, currently age 57 years with 26 years of creditable service effective on August 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

12. Director's Report

ADR application for Jennifer Howie update

Ms. Moran reported that a hearing notice for August was sent to Ms. Howie and Mr. Merrill reported that he reached out to Mr. Cloherty, Ms. Howie's attorney, but has not heard back from him.

PERAC Memo #18 – Mandatory Retirement Board Member Training – 3rd Quarter 2016

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13. **New Business**

Section 91A filing

Ms. Moran discussed the Annual Statement of Earned Income filing process and how it is administered by PERAC. She reported that two MPAERS disability retirees – Angela Lamberti and Michael Manni – had not completed their annual Section 91A filing and that written notice of non-compliance and their right to a hearing had been provided to both members on July 5th. She informed the Board that Ms. Lamberti has since complied. Member Mallett reported that he spoke to Mr. Manni noting that Mr. Manni didn't realize he neglected to file one schedule and he requested additional time to submit his paperwork. The Board agreed to allow Mr. Manni additional time to complete his filing.

14. **Adjournment**

Upon a motion duly made and seconded, it was:

VOTED: To adjourn the meeting at 11:00 a.m.

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

15. **Documents and Exhibits**

Agenda July 28, 2016

Cash Disbursements 07/01/2016 – 07/31/2016 and Warrant Number 07/2016 AP

PRIT Fund Performance Review – July 28, 2016

Wilshire Executive Summary – June 30, 2016

Wilshire Monthly Performance Summary – June 30, 2016

Aberdeen Monthly Monitor

Travel Advance Voucher – 2016 NCPERS Public Pension Funding Forum

Minutes – June 30, 2016

Executive Session Minutes – June 30, 2016

MPAERS Fund Composite – June 2016

Retiree and Survivor Payroll Reconciliation – July 2016

Bank of America Checking Account Reconciliation – June 2016

State Street Bank Checking Account Reconciliation – June 2016

State Street Bank Replacement Plan Checking Account Reconciliation – June 2016

Trial Balance – 1/1/16 – 5/31/16

2015 Section 3(8)(c) Receivables

PERAC Memo # 18/2016 – Mandatory Retirement Board Member Training – 3rd Quarter 2016

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James S. Hoyte
Chairman

Michael A. Grieco
Vice Chairman

Philip H. Mallett
Board Member

Irene Moran
Director of Retirement