

**Massachusetts Port Authority  
Employees' Retirement System  
Board Meeting Minutes  
September 29, 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, September 29, 2016. The following members of the Board were present:

James S. Hoyte, Chairman  
Michael A. Grieco, Vice Chairman  
Philip H. Mallett, Board Member  
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  
John Affuso, Massport Senior Legal Counsel  
Mark Brubaker, Wilshire Associates  
Stephen DiGirolamo, Wilshire Associates

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".  
Member Prankevicius "Here".  
Member Taylor "Here".

3. **Public Comments**

There were no public remarks.

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4. **Wilshire Associates**

Wilshire Associates was represented by:

Mark Brubaker  
Stephen DiGirolamo

Active Core Fixed Income Search

Mr. Brubaker reported that responses were received from 36 active core fixed income investment management firms and recommended trimming the list to three finalist firms – Janus Capital, The TCW Group, and Wellington Management. Mr. DiGirolamo presented a summary of each finalist firm reviewing their organization, management team, management philosophy, product, investment process, performance track record, fees, and an overall rating. Mr. DiGirolamo noted that Wilshire deemed incumbent manager, Wellington Management, as the most highly advantageous of the finalist firms and provided the reasons for this ranking. Therefore; Wilshire recommended the Board retain Wellington Management for the fixed income management mandate and the Board concurred.

Upon a motion duly made and seconded, it was:

**VOTED:** To select Wellington Management as the investment management firm to the Massachusetts Port Authority Employees' Retirement System for the Active Core Fixed Income mandate.

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

Active Small Cap Value Search

Mr. DiGirolamo reported that responses were received from 41 active small cap value investment management firms and recommended trimming the list to three finalist firms – Boston Partners, Pzena Investment Management, and WEDGE Capital Management. Mr. DiGirolamo presented a summary of each finalist firm reviewing their organization, management team, management philosophy, product, investment process, performance track record, fees, and an overall rating. Mr. DiGirolamo noted that Wilshire deemed incumbent manager, Pzena Investment Management, as the most highly advantageous of the finalist firms and provided the reasons for this ranking. Therefore; Wilshire recommended the Board retain Pzena Investment Management for the active small cap value management mandate and the Board concurred.

Upon a motion duly made and seconded, it was:

**VOTED:** To select Pzena Investment Management as the investment management firm to the Massachusetts Port Authority Employees' Retirement System for the Active Small Cap Value mandate.

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

Mr. Brubaker and Mr. DiGirolamo left the meeting at 10:12 a.m.

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**5. Ratification and Approval of Minutes of the Board Meeting held on August 18, 2016**

Upon a motion duly made and seconded, it was:

**VOTED:** To ratify and approve the Minutes of the Board Meeting held on August 18, 2016.

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

**6. Ratification and Approval of Minutes of the Executive Session held on August 18, 2016**

Upon a motion duly made and seconded, it was:

**VOTED:** To ratify and approve the Minutes of the Executive Session held on August 18, 2016.

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

**7. Ratification and Approval of Investments for the Month of August 2016**

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

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

**8. Approval of September Vouchers listed below:**

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

Funds Wired to Bank of America on 09/29/16	\$2,427,762.84	Retiree Payroll
Funds Wired to Massport Payroll Account on 09/29/16	\$ 41,063.55	
Funds Wired to State Street Checking on 09/29/16	\$ 36,431.99	
Funds Wired to Bank of America Checking on 09/29/16	\$ 21,802.63	Lease
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Total	\$2,527,061.01	

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

**VOTED:** That September Vouchers are hereby approved in the total amount of \$2,527,061.01.

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

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

9. **Vote to Approve Pending Retirements**

- **Superannuation Retirement – Jorge W. Avila**

The Director of Retirement presented the Superannuation Retirement Application of Jorge W. Avila, former Electrician/Industrial Control Meter Technician, Group 4, in the Heating Plant unit of the Aviation Department at Logan Airport.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS,** Jorge W. Avila, former Electrician/Industrial Control Meter Technician, Group 4, in the Heating Plant unit of the Aviation department at Logan Airport, currently age 55 years with 11 years, 2 months of creditable service, has applied for Superannuation Retirement, Option C under the provisions of M.G.L. Chapter 32.

**WHEREAS,** Jorge W. Avila has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on October 1, 2016.

**NOW, THEREFORE,** To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Jorge W. Avila, former Electrician/Industrial Control Meter Technician, Group 4, in the Heating Plan unit of the Aviation department at Logan Airport, currently age 55 years with 11 years, 2 months of creditable service effective on October 1, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Kevin P. Duffy**

The Director of Retirement presented the Superannuation Retirement Application of Kevin P. Duffy, Supervisor, Structural Maintenance, Group 1, in the Worcester Maintenance unit of the Aviation Department at Worcester Airport.

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Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, Kevin P. Duffy, Supervisor, Structural Maintenance, Group 1, in the Worcester Maintenance unit of the Aviation department at Worcester Airport, currently age 67 years with 20 years of creditable service, has applied for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Kevin P. Duffy has been found upon investigation by the Director of Retirement to qualify for such retirement, effective October 8, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32, of Kevin P. Duffy, Supervisor, Structural Maintenance, Group 1, in the Worcester Maintenance unit of the Aviation department at Worcester Airport, currently age 67 years with 20 years of creditable service effective on October 8, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Michael Gartland**

The Director of Retirement presented the Superannuation Retirement Application of Michael Gartland, Heavy Equipment Operator, 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**, Michael Gartland, Heavy Equipment Operator, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 63 years with 31 years, 2 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Michael Gartland has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on October 1, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Michael Gartland, Heavy Equipment Operator, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 63 years with 31 years, 2 months of creditable service effective on October 1, 2016 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, Mallett, Prankevicius, and Taylor voted "Yes".

- **Superannuation Retirement – Ira Wallach**

The Director of Retirement presented the Superannuation Retirement Application of Ira Wallach, former 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, former Associate Chief Legal Counsel, Group 1, in the Legal department at the Logan Office Center currently age 68 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 previously applied to retire effective August 13, 2016 and subsequently withdrew his application.

**WHEREAS**, Ira M. Wallach has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 24, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Ira Wallach, former Associate Chief Legal Counsel, Group 1, in the Legal department at the Logan Office Center, currently age 68 years with 35 years, 6 months of creditable service effective on August 24, 2016 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

10. **Director's Report**

Frank Biagiotti – application for retirement

Upon a motion duly made and seconded, it was:

**VOTED:** That the Board shall go into Executive Session for discussion related to threatened or pending litigation concerning Francis Biagiotti's application for retirement and will reconvene in public session following consideration of this item.

Ms. Moran read a roll call:

Member Hoyte voted "Yes"

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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 10:41 a.m.

Jan Witkowski ADR case – MA Appeals Court hearing, September 22, 2016

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. Mr. Merrill reported that oral arguments were held at the appeals court on September 22, 2016 and that it could take 3-4 months for a decision.

Member Services Update:

Active member self-service rollout  
Retiree affidavits mailed September 28<sup>th</sup>  
Social Security presentations  
Drop-in sessions

Ms. Moran noted the accomplishments of staff members Laura Barbosa and Lynn Fullerton relative to the ongoing member services activities. She reported the successful rollout of active member self-service and its popularity with employees. She also mentioned an increase in attendance at both the social security presentations and drop-in sessions.

Procurements Update:

Custodial Bank and Passive Management RFP respondents notified of board's selections  
Custodial Bank conversion – October 3, 2016  
SSgA – New contracts will be executed in February when existing contracts expire

Ms. Moran noted the accomplishments of Nancy Bournival relative to the People's United Bank conversion.

Retirement Counsel

Mr. Merrill announced that he was leaving Foley Hoag effective October 14, 2016 for an exciting opportunity with Northeastern University. He noted that there are no other attorneys at Foley Hoag with Chapter 32 experience. Discussion ensued relative to next steps including issuance of a request for proposals and interim counsel during the transition period. Chairman Hoyte suggested that Ms. Moran and Mr. Merrill provide a memo with possible options to the Board.

Chairman Hoyte and Member Prankevicius commended Mr. Merrill for a job well done throughout his years as MPAERS legal counsel. Members Grieco, Mallett, and Taylor concurred. Mr. Merrill thanked the Board and Staff and discussed his new role at Northeastern.

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Upon a motion duly made and seconded, it was:

**VOTED:** To appreciate Mr. Merrill's outstanding work for the MPAERS and wish him well in his new role at Northeastern University.

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

Member election process begins October, 2016

Ms. Moran reported that the election notice will be distributed to members on October 3<sup>rd</sup> and nomination papers will become available on October 4<sup>th</sup>.

Draft 2017 Retirement Board Meeting Advance Schedule

Ms. Moran noted that a draft 2017 retirement board meeting schedule was included in board packets.

11. **New Business**

There was no new business.

12. **Adjournment**

Upon a motion duly made and seconded, it was:

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

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

13. **Documents and Exhibits**

Agenda September 29, 2016

Cash Disbursements 09/01/2016 – 09/30/2016 and Warrant Number 09/2016 AP

Wilshire Core Fixed Income Manager Search

Wilshire US Small Cap Value Equity Manager Search

Minutes – August 18, 2016

Executive Session Minutes – August 18, 2016

Wilshire Monthly Performance Summary – August 31, 2016

Aberdeen EAFE Plus Monthly Monitor

MPAERS Fund Composite – August 2016

Retiree and Survivor Payroll Reconciliation – September 2016

Bank of America Checking Account Reconciliation – August 2016

State Street Bank Checking Account Reconciliation – August 2016

State Street Bank Replacement Plan Checking Account Reconciliation – August 2016

Trial Balance – 1/1/16 – 7/31/16

Draft 2017 Retirement Board Meeting Schedule

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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