

**Massachusetts Port Authority  
Employees' Retirement System  
Board Meeting Minutes  
October 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 Friday, October 28, 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  
Richard Heidlage, Senior Legal Counsel, Retirement  
John Affuso, Massport Senior Legal Counsel  
Stephen DiGirolamo, Wilshire Associates

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:08 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.

4. **Pzena Investment Management**

Evan Fox and Wayne Palladino joined the meeting at 9:09 a.m.

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Pzena Investment Management was represented by:

Evan Fox  
Wayne Palladino

Mr. Fox and Mr. Palladino presented the MPAERS' portfolio summary as of September 30, 2016. Mr. Palladino updated the Board regarding the Pzena organization, reporting no changes to the portfolio management team and minimal changes to the investment management team. Mr. Fox reviewed the value of the portfolio as well as the one-year performance numbers and noted assets totaling approximately \$17.6 million as of September 30, 2016. Mr. Fox also presented an overview of current market conditions and commented on Pzena's investment strategy and market outlook going forward. The Board thanked Mr. Fox and Mr. Palladino for an informative presentation.

Mr. Fox and Mr. Palladino left the meeting at 9:56 a.m.

5. **Wellington Management**

Campe Goodman, Elizabeth O'Hara, and Angelique Richardson joined the meeting at 10:00 a.m.

Wellington Management was represented by:

Campe Goodman  
Elizabeth O'Hara  
Angelique Richardson

Mr. Goodman presented the MPAERS portfolio review as of September 30, 2015. Ms. Richardson updated the Board regarding the Wellington Management organization and noted approximately \$998 billion of client assets under management at quarter's end. Mr. Goodman provided a comprehensive review of the Core Bond Plus portfolio discussing fund characteristics, performance, strategy, and investment process as well as economic and market conditions. Mr. Goodman reviewed the market value of the fund, and also discussed fund performance. The Board thanked Mr. Goodman, Ms. O'Hara, and Ms. Richardson for an informative presentation.

Mr. Goodman, Ms. O'Hara, and Ms. Richardson left the meeting at 10:47 a.m.

6. **Wilshire Associates**

Wilshire Associates was represented by:

Stephen DiGirolamo

Mr. DiGirolamo presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. He also presented the MPAERS 3<sup>rd</sup> Quarter 2016 Investment Performance Analysis, reviewing total fund performance for both the quarter and year-to-date. He noted the total fund was up 3.9% for the quarter and 8.0% for the year, and plan assets totaled approximately \$566

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million as of September 30, 2016. Mr. DiGirolamo reviewed the US equity, international equity, fixed income, real estate, and private equity composites noting positive returns in the US equity, fixed income, and real estate composites as well as underperformance in the private equity, and international equity composites. The Board thanked Mr. DiGirolamo for an informative presentation.

**7. Ratification and Approval of Minutes of the Board Meeting held on September 29, 2016**

Upon a motion duly made and seconded, it was:

**VOTED:** To ratify and approve the Minutes of the Board Meeting held on September 29, 2016.

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

**8. Ratification and Approval of Minutes of the Executive Session held on September 29, 2016**

Upon a motion duly made and seconded, it was:

**VOTED:** To ratify and approve the Minutes of the Executive Session held on September 29, 2016.

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

**9. Ratification and Approval of Investments for the Month of September 2016**

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

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

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

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

Funds Wired to Bank of America on 10/28/16	\$2,478,887.29	Retiree Payroll
Funds Wired to Massport Payroll Account on 10/28/16	\$ 52,054.72	
Funds Wired to State Street Checking on 10/28/16	\$ 331,786.28	

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Funds Wired to Bank of America Checking on 10/28/16	\$ 21,802.63	Lease
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Total	\$2,884,530.92	

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

**VOTED:** That October Vouchers are hereby approved in the total amount of \$2,884,530.92.

**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".

11. **Vote to Approve Pending Retirements**

- **Superannuation Retirement – Francis A. Biagiotti**

The Director of Retirement presented the Superannuation Retirement Application of Francis A. Biagiotti, former Assistant Terminal Manager, Group 1, in the Port Operations unit of the Maritime Department at Conley Terminal.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, on August 9, 2006, former Massachusetts Port Authority Assistant Terminal Manager at Conley Terminal, Francis Biagiotti was indicted for the following crimes related to a payroll scandal at Conley: Fraud in Procurement in violation of G.L. c. 266, S. 67A; False Entry in Corporate Books in violation of G.L. c. 266, S. 67; and Conspiracy to Commit Larceny over \$250 in violation of G.L. c. 266, S. 30;

**WHEREAS**, following Mr. Biagiotti's indictment Massport suspended him without pay for his conduct as alleged in the criminal proceedings against him;

**WHEREAS**, on January 9, 2014, Massport terminated Mr. Biagiotti's employment based upon its own investigation of the facts proven in the criminal case, and based on the affirmance of the conviction;

**WHEREAS**, on December 29, 2015, Mr. Biagiotti filed a motion with the court for a new trial on all counts, arguing that he received ineffective assistance of counsel during the initial criminal proceedings and asking that his conviction be vacated;

**WHEREAS**, on July 27, 2016, Mr. Biagiotti's motion for a new trial was granted and his conviction was vacated;

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**WHEREAS**, on August 4, 2016, the Attorney General filed a Nolle Prosequi with the court affirming that it would not seek prosecution of Mr. Biagiotti on the original charges;

**WHEREAS**, Francis A. Biagiotti, former Assistant Terminal Manager, Group 1, in the Port Operations unit of the Maritime department at Conley Terminal, currently age 63 years with 30 years, 1 month of creditable service, has applied for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32 effective October 1, 2016;

**WHEREAS**, the Retirement Board has investigated the facts and circumstances of Mr. Biagiotti's case and finds that based upon Mr. Biagiotti's conviction being vacated, with no retrial, there is no basis for pension forfeiture pursuant to Section 15 nor is there a basis for the "moral turpitude" provision in Section 10 to apply because the original findings of conduct by Massport were based upon the criminal charges and conviction;

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32, of Francis A. Biagiotti, Former Assistant Terminal Manager, Group 1, in the Port Operations unit of the Maritime department at Conley Terminal, currently age 63 years with 30 years, 1 month 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 – Brian J. Holt**

The Director of Retirement presented the Superannuation Retirement Application of Brian J. Holt, former Steam Fireperson, 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**, Brian J. Holt, former Steam Fireperson, Group 4, in the Heating Plant unit of the Aviation department at Logan Airport, currently age 55 years with 11 years, 3 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Brian J. Holt has been found upon investigation by the Director of Retirement to qualify for such retirement, effective November 1, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Brian J. Holt, former Steam Fireperson, Group 4, in the Heating Plant unit of the Aviation department at Logan Airport, currently age 55 years with 11 years, 3 months of creditable service effective on November 1, 2016 subject to

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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 – Natasha Kellici**

The Director of Retirement presented the Superannuation Retirement Application of Natasha Kellici, Cashier, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS**, Natasha Kellici, Cashier, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 67 years with 12 years, 2 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Natasha Kellici has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on November 1, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Natasha Kellici, Cashier, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 67 years with 12 years, 2 months of creditable service effective on November 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 – David J. Melanson**

The Director of Retirement presented the Superannuation Retirement Application of David J. Melanson, Watch Engineer/Oil Burner 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**, David J. Melanson, Watch Engineer/Oil Burner Technician, Group 4, in the Heating Plant unit of the Aviation department at Logan Airport, currently age 57 years with 22 years, 2 months of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

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**WHEREAS**, David J. Melanson has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on November 1, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of David J. Melanson, Watch Engineer/Oil Burner Technician, Group 4, in the Heating Plant unit of the Aviation department at Logan Airport, currently age 57 years with 22 years 2 months of creditable service effective on November 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 – Vincent A. Venezia**

The Director of Retirement presented the Superannuation Retirement Application of Vincent A. Venezia, Supervisor, Airport Facilities, 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**, Vincent A. Venezia, Supervisor, Airport Facilities, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 60 years with 38 years, 11 months of creditable service, has applied for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Vincent A. Venezia has been found upon investigation by the Director of Retirement to qualify for such retirement, effective November 12, 2016.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32, of Vincent A. Venezia, Supervisor, Airport Facilities, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 60 years with 38 years, 11 months of creditable service effective on November 12, 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".

## **12. Director's Report**

### Retirement Counsel

Board and staff welcomed Massport Senior Legal Counsel - Retirement, Dick Heidlage, to the MPAERS. Mr. Heidlage expressed his appreciation and delight to be with the MPAERS.

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Upon a motion duly made and seconded, it was:

**VOTED:** To endorse Mr. Heidlage's tenure as Massport's Chapter 32 legal counsel to the MPAERS Board.

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

Member election update

Ms. Moran reported that there are three candidates thus far in the election and the submission deadline for nomination papers is November 4<sup>th</sup>. She noted that ballot packets will be mailed on December 9<sup>th</sup> with the ballot counting scheduled for January 5<sup>th</sup>, 2017.

Legislative update

Ms. Moran updated the Board regarding legislation filed at the state level of interest to Chapter 32 retirement boards and their members. She noted that while the formal session ended in July, these bills are slated to be refiled next session. They include a COLA base increase to \$16,000 from \$13,000 for members of the State retirement system, an increase to GIC's basic life insurance benefit from \$5,000 to \$10,000, and an update to the option B and C factor tables for members who retired prior to July 1, 2004.

Updated Draft 2017 Retirement Board Meeting Advance Schedule

Ms. Moran noted that the final 2017 board meeting schedule was included in board packets.

13. **New Business**

There was no new business.

14. **Adjournment**

Upon a motion duly made and seconded, it was:

**VOTED:** To adjourn the meeting at 11:25 a.m.

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

15. **Documents and Exhibits**

Agenda October 28, 2016

Cash Disbursements 10/01/2016 – 10/31/2016 and Warrant Number 10/2016 AP

Wilshire Agenda – October 2016

Pzena Investment Management Portfolio Review – October 28, 2016

Wellington Management Core Bond Plus Portfolio Review – October 28, 2016

Wilshire Executive Summary – September 30, 2016

Wilshire Monthly Performance Summary – September 30, 2016

Aberdeen EAFE Plus Monthly Monitor

Minutes – September 29, 2016



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Executive Session Minutes – September 29, 2016

MPAERS Fund Composite – September 2016

Retiree and Survivor Payroll Reconciliation – October 2016

Bank of America Checking Account Reconciliation – September 2016

State Street Bank Checking Account Reconciliation – September 2016

State Street Bank Replacement Plan Checking Account Reconciliation – September 2016

Trial Balance – 1/1/16 – 8/31/16

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