

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

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 Wednesday, May 17, 2017. 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
John Affuso, Massport Senior Legal Counsel, Transactions
Larry Stone, Stone Consulting, Inc.

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.

4. **Attendance at Educational Conference**

Upon a motion duly made and seconded, it was:

**Massachusetts Port Authority
 Employees' Retirement System
 Board Meeting Minutes
 May 17, 2017**

VOTED: To authorize Retirement Board Counsel to attend the 2017 MACRS Spring Conference and to approve all education and business related expenses as outlined in the Travel Authorization Voucher form attached.

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

5. Ratification and Approval of Minutes of the Board Meeting held on April 27, 2017

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on April 27, 2017.

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

6. Ratification and Approval of Investments for the Month of April 2017

The schedule of investments, buys and sells, for the month of April 2017 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 April 2017 as shown on the schedule submitted by People's United Bank, schedule attached.

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

7. Approval of May Vouchers listed below:

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

Funds Wired to People's United Checking on 04/28/17	\$	1,395.36	
Funds Wired to People's United Checking on 05/04/17	\$	174.42	
Funds Wired to Bank of America on 05/30/17		\$2,569,096.06	Retiree Payroll
Funds Wired to Massport Payroll Account on 05/30/17	\$	58,582.50	
Funds Wired to People's United Checking on 05/30/17	\$	131,106.94	
Funds Wired to Bank of America Checking on 05/30/17	\$	21,872.63	Lease
Total		----- \$2,782,227.91	

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

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

VOTED: That May Vouchers are hereby approved in the total amount of \$2,782,227.91.

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".

8. **Vote to Approve Pending Retirements**

• **Superannuation Retirement – Anthony M. D'Apolito**

The Director of Retirement presented the Superannuation Retirement Application of Anthony M. D'Apolito, Motor Equipment Repairperson, 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, Anthony M. D'Apolito, Motor Equipment Repairperson, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 69 years with 18 years, 3 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Anthony M. D'Apolito has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on June 1, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Anthony M. D'Apolito, Motor Equipment Repairperson, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 69 years with 18 years, 3 months of creditable service effective on June 1, 2017 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 – Albert B. Dalton**

The Director of Retirement presented the Superannuation Retirement Application of Albert B. Dalton, Associate Chief Legal Counsel, Group 1, in the Legal department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

VOTED:

WHEREAS, Albert B. Dalton, Associate Chief Legal Counsel, Group 1, in the Legal department at the Logan Office Center, currently age 61 years with 35 years, 4 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Albert B. Dalton has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on June 1, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Albert B. Dalton, Associate Chief Legal Counsel, Group 1, in the Legal department at the Logan Office Center, currently age 61 years with 35 years, 4 months of creditable service effective on June 1, 2017 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".

- **Termination Retirement Allowance – Joseph A. Gaidis**

The Director of Retirement presented the Termination Retirement Application of Joseph A. Gaidis, former Construction Engineer, Group 1, in the Capital Programs department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Joseph A. Gaidis, former Construction Engineer, Group 1, in the Capital Programs department at the Logan Office Center, currently age 57 years with 21 years, 10 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, Joseph A. Gaidis has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 30, 2017.

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 Joseph A. Gaidis, former Construction Engineer, Group 1, in the Capital Programs department at the Logan Office Center, currently age 57 years with 21 years, 10 months of creditable service effective on April 30, 2017 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 – Thomas E. Proctor**

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

The Director of Retirement presented the Superannuation Retirement Application of Thomas E. Proctor, former Skilled Laborer, Group 1, in the Bridge Maintenance unit of the Bridge department at the Tobin Bridge.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Thomas E. Proctor, former Skilled Laborer, Group 1, in the Bridge Maintenance unit of the Bridge department at the Tobin Bridge, currently age 56 years with 18 years, 7 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Thomas E. Proctor has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on June 1, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Thomas E. Proctor, former Skilled Laborer, Group 1, in the Bridge Maintenance unit of the Bridge department at the Tobin Bridge, currently age 56 years with 18 years, 7 months of creditable service effective on June 1, 2017 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 – James J. Tassinari**

The Director of Retirement presented the Superannuation Retirement Application of James J. Tassinari, 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, James J. Tassinari, Working Foreperson, 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 C, under the provisions of M.G.L. Chapter 32.

WHEREAS, James J. Tassinari has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on June 11, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of James J. Tassinari, Working Foreperson, 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 June 11, 2017 subject to

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

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".

9. **Director's Report**

COLA 30-day notice to Authority – May 30th deadline

Draft budget to board – week of June 5th

Human Resources Committee Meeting – week of June 19th

PERAC's PROSPER account set-up for board members and staff

10. **New Business**

Board Member Stipends

Ms. Moran presented a comparison of Board Member stipends of the ten largest public retirement systems excluding the State Retirement System. The Board discussed the results including assets under management, 1-, 5-, and 10-year performance numbers, funded ratio, and stipend for each of these ten retirement systems.

11. **Stone Consulting, Inc.**

Stone Consulting was represented by:

Larry Stone

11a. Discussion of Actuarial Study

Mr. Stone recalled discussion regarding the January 1, 2017 Valuation results from the April 29th meeting. He reviewed actuarial assumptions and methodologies. Mr. Stone also reviewed potential alternative assumptions changes with the Board including salary and interest rates as well as mortality tables. Mr. Stone also recalled discussion regarding the cost calculation relative to potential COLA base and Section 90A, 90C, 90D increases. Mr. Stone then presented an updated cost calculation relative to the 90A, 90C, 90D increases based on Board discussion from the previous meeting. Following a robust discussion, the Board elected to increase the COLA base effective July 1st and not to make any assumption changes for this valuation.

11b. Vote to Adopt the COLA base increase

WHEREAS, § 51 of Chapter 127 of the Acts of 1999 allows the Authority to authorize the Retirement Board annually to grant a pension increase adjustment for retirees in excess of the percentage increase allowed by G.L.c.32, § 103 (c), up to a maximum of 3% on the first \$12,000 of the retirement allowance; and

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

WHEREAS, said provision has been accepted by the Retirement Board and approved by the Authority; and

WHEREAS, § 18 of Chapter 188 of the Acts of 2010 allows the Authority to authorize the Retirement Board to increase the retiree COLA base in increments of \$1,000; and

Upon a motion duly made and seconded, it was:

VOTED: To increase the COLA base to \$14,000 from \$13,000 effective July 1, 2017.

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

11c. Vote to Adopt Actuarial Valuation

Upon a motion duly made and seconded, it was:

VOTED: To approve the January 1, 2017 Actuarial Valuation assuming no assumption changes.

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

Mr. Stone left the meeting at 10:55 a.m.

12. Adjournment

Upon a motion duly made and seconded, it was:

VOTED: To adjourn the meeting at 11:05 a.m.

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

13. Documents and Exhibits

Agenda – May 17, 2017

Cash Disbursements 05/01/2017 – 05/31/2017 and Warrant Number 05/2017 AP

Minutes – April 27, 2017

Stone Consulting, Inc. January 1, 2017 Actuarial Valuation Preliminary Results – April 27, 2017

Stone Consulting, Inc. January 1, 2017 COLA Base and 90A, C, D Cost Calculation – April 27, 2017

Stone Consulting, Inc. January 1, 2017 90A, C, D Cost Calculation – May 17, 2017

MPAERS Proposal for COLA Base and Section 90 Increases and Methodology – May 17, 2017

MPAERS Board Member Stipends Comparison – May 17, 2017

TAV Form – 2017 MACRS Spring Conference – May 15, 2017

Wilshire Associates – Monthly Performance Summary, April 30, 2017

MPAERS Fund Composite – April 2017

Retiree and Survivor Payroll Reconciliation – May 2017

Bank of America Checking Account Reconciliation – April 2017

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

State Street Bank Checking Account Reconciliation – April 2017

State Street Bank Replacement Plan Checking Account Reconciliation – April 2017

People's United Bank Checking Account Reconciliation – April 2017

People's United Bank Replacement Plan Checking Account Reconciliation – April 2017

Trial Balance – 1/1/2017 – 3/31/2017

2016 Section 3(8)(c) Receivables

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
May 17, 2017**

James S. Hoyte
Chairman

Michael A. Grieco
Vice Chairman

Philip H. Mallett
Board Member

John P. Prankevicius
Treasurer-Custodian

Betsy Taylor
Board Member

Irene Moran
Director of Retirement