

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
June 29, 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 Thursday, June 29, 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
Richard Heidlage, Massport Senior Legal Counsel, Retirement
John Affuso, Massport Senior Legal Counsel, Transactions

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. FY18 Pension Increase Adjustment

Upon a motion duly made and seconded, it was:

VOTED: 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 \$14,000 of the retirement allowance; and

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

WHEREAS, the Retirement Board has duly given notice to the Authority of its intent to consider implementation of this provision for fiscal year 2018; and

WHEREAS, PERAC has determined the applicable percentage of the Consumer Price Index for fiscal year 2018 to be 0.3%;

IT IS HEREBY VOTED:

To pay a pension increase adjustment for MPAERS retirees in the amount of 3% (on the first \$14,000 of the retirement allowance) effective July 1, 2017.

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

5. FY18 Appropriation

Upon a motion duly made and seconded, it was:

VOTED: To approve an FY18 appropriation to the MPAERS in the amount of \$13,362,268.

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

6. Human Resources and Compensation Committee Report and Discussion

Ms. Moran discussed FY17 accomplishments and presented her year in review memo to the Board.

Upon a motion duly made and seconded, it was:

VOTED: That the Board shall go into Executive Session, consistent with Massachusetts General Laws, Chapter 30A, Section 21, to conduct strategy sessions in preparation for negotiations with non-union personnel. The Board will reconvene in public session following consideration of this item.

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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".

Ms. Barbosa, Ms. Bournival, and Ms. Fullerton left the meeting at 9:22 a.m. and returned at 9:31 a.m. Upon a roll call in the Executive Session, the Board reconvened to public session at 9:31 a.m.

6a. Ratification and Approval of Minutes of the Special Board Meeting of the Human Resources Committee held on June 23, 2017

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Special Board Meeting of the Human Resources Committee held on June 23, 2017.

Committee Members Hoyte, Mallett, Moran, and Prankevicius voted "Yes".
Board Members Grieco and Taylor abstained.

6b. Ratification and Approval of Minutes of the Executive Session of the Human Resources Committee held on June 23, 2017

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Executive Session of the Human Resources Committee held on June 23, 2017.

Committee Members Hoyte, Mallett, Moran, and Prankevicius voted "Yes".
Board Members Grieco and Taylor abstained.

6c. MPAERS Staff Merit Increase

Upon a motion duly made and seconded, it was:

VOTED: To approve the Director's merit increase recommendations for staff effective July 1, 2017.

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

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6d. MPAERS Director of Retirement Performance Rating and Merit Increase

Upon a motion duly made and seconded, it was:

VOTED: To approve the Director of Retirement's performance rating of Highly Effective Performance (HEP) and associated merit increase of 3.9% effective July 1, 2017.

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

7. FY18 Draft Operating Budget Presentation

Ms. Moran proposed a \$3.5 million budget for FY18 representing a 1.7%, or \$59,000, decrease over the FY17 budget. She noted that this is primarily attributable to a decrease in anticipated legal expenses. Ms. Moran reviewed the proposed budget for staff salaries and benefits, the lease, legal and audit services, and other administrative expenses.

Upon a motion duly made and seconded, it was:

VOTED: To approve the Operating Budget as submitted for the MPAERS for FY18.

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

8. Ratification and Approval of Minutes of the Board Meeting held on May 17, 2017

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on May 17, 2017.

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

9. Ratification and Approval of Investments for the Month of May 2017

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

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

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10. Approval of June Vouchers listed below:

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

Funds Wired to People's United Checking on 05/30/17	\$	2,303.36	
Funds Wired to Bank of America on 06/29/17	\$	2,591,683.02	Retiree Payroll
Funds Wired to Massport Payroll Account on 06/29/17	\$	47,631.64	
Funds Wired to People's United Checking on 06/29/17	\$	172,657.77	
Funds Wired to Bank of America Checking on 06/29/17	\$	21,872.63	Lease

Total		\$2,836,148.42	

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

VOTED: That June Vouchers are hereby approved in the total amount of \$2,836,148.42.

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 – Michele C. Snyder**

The Director of Retirement presented the Superannuation Retirement Application of Michele C. Snyder, Project Controls Assistant, Group 1, in the Capital Programs department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Michele C. Snyder, Project Controls Assistant, Group 1, in the Capital Programs department at the Logan Office Center, currently age 56 years with 30 years, 4 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Michele C. Snyder has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on July 11, 2017.

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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 Michele C. Snyder, Project Controls Assistant, Group 1, in the Capital Programs department at the Logan Office Center, currently age 56 years with 30 years, 4 months of creditable service effective on July 11, 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 – Garth A. Tomlinson**

The Director of Retirement presented the Superannuation Retirement Application of Garth A. Tomlinson, former 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, Garth A. Tomlinson, former Heavy Equipment Operator, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 62 years with 30 years of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

WHEREAS, Garth A. Tomlinson has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on June 18, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of Garth A. Tomlinson, former Heavy Equipment Operator, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 62 years with 30 years of creditable service effective on June 18, 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 – Christine M. Vitale**

The Director of Retirement presented the Termination Retirement Application of Christine M. Vitale, former Administrative Assistant, Group 1, in the Hanscom Administration unit of the Aviation department at Hanscom Field.

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Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Christine M. Vitale, former Administrative Assistant, Group 1, in the Hanscom Administration unit of the Aviation department at Hanscom Field, currently age 57 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, the Authority has submitted to the Board the Employer's Certification in Connection with Termination Retirement Allowance in which it certified that Ms. Vitale was terminated from her position without moral turpitude on her part and that the termination did not result from a violation of a law, rule or regulation applicable to her office or position;

WHEREAS, Christine M. Vitale 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 Termination Allowance, Option C, under the provisions of M.G.L. Chapter 32, Section 10(2)(a) of Christine M. Vitale, former Administrative Assistant, Group 1, in the Hanscom Administration unit of the Aviation department at Hanscom Field, currently age 57 years with 20 years 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".

12. Director's Report

MPA Board approves \$1,000 COLA base increase from \$13,000 to \$14,000 and a \$1,500 board member stipend increase from \$3,000 to \$4,500 at June 15th meeting

CAFR print run June 21st

Ms. Moran reported that the CAFR was sent to the GFOA on June 28th.

Pioneer Institute white paper on MA public pension system expense ratios

The board discussed the Pioneer Institute's April 2017 Report on Retirement Systems and the conclusions drawn by the report.

Member Prankevicius left the meeting at 10:11 a.m. and returned at 10:31 a.m.

Vernava case to SJC

Mr. Heidlage discussed the Vernava case with the Board. He explained that while this case is not directly on point with the issue of vacation buybacks being regular compensation, it is dealing with whether or not the use of sick and/or vacation leave to supplement a pension is regular compensation. Mr. Heidlage indicated

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that he would defer his analysis on the issue of whether or not vacation buybacks are regular compensation until such time as the SJC has ruled on the Vernava case.

Group reclassification request

Ms. Moran reported that Robert Logue, a Group 2 member, petitioned the Board for a reclassification to Group 4. A memo from Mr. Heidlage was distributed to the Board. Mr. Heidlage recalled the Carroll case in which the Board denied Mr. Carroll's Group 4 reclassification request. Mr. Carroll appealed and the Board's decision was upheld by both DALA and CRAB. Discussion ensued relative to Mr. Logue's request as well as the Carroll case. Mr. Heidlage pointed out that the Board is bound by the Carroll decision as a matter of law and therefore, Mr. Logue's request should be denied. The Board agreed to continue discussion on Mr. Logue's request at a later meeting.

13. **New Business**

Jan Witkowski Legislation

Ms. Moran reported that the State House News Service is reporting that State Representative Paul Brodeur has filed legislation for the MPAERS to grant an ADR to Jan Witkowski.

14. **Adjournment**

Upon a motion duly made and seconded, it was:

VOTED: To adjourn the meeting at 10:51 a.m.

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

15. **Documents and Exhibits**

Agenda – June 29, 2017

Cash Disbursements 05/01/2017 – 06/30/2017 and Warrant Number 06/2017 AP

Minutes – May 17, 2017

MPAERS FY18 Budget Summary

MPAERS FY18 Proposed Operating Budget

MPAERS FY17 Expenses

FY17 Year in Review memo

Human Resources Committee Minutes – June 23, 2017

Human Resources Committee Executive Session Minutes – June 23, 2017

Wilshire Associates – Monthly Performance Summary, May 31, 2017

Wilshire Associates – Aberdeen Monthly Monitor May 2017

MPAERS Fund Composite – May 2017

Retiree and Survivor Payroll Reconciliation – June 2017

Bank of America Checking Account Reconciliation – May 2017

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People's United Bank Checking Account Reconciliation – May 2017

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

State Street Bank Checking Account Reconciliation – May 2017

State Street Bank Replacement Plan Checking Account Reconciliation – May 2017

Trial Balance – 1/1/2017 – 4/30/2017

2016 Section 3(8)(c) Receivables

Attorney/Client Privilege memo: Pioneer Institute April 2017 Report on Retirement Systems

Attorney/Client Privilege memo: Port Officers' Request for Reclassification from Group 2 to Group 4

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Vice Chairman

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Board Member

John P. Prankevicius
Treasurer-Custodian

Betsy Taylor
Board Member

Irene Moran
Director of Retirement