

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
October 27, 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 Friday, October 27, 2017. The following members of the Board were present:

James S. Hoyte, Chairman
Michael A. Grieco, Vice Chairman
Philip H. Mallett, Board Member (via teleconference)
John P. Pranckevicius, Treasurer-Custodian (via teleconference)
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

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:02 a.m.

Chairman Hoyte informed the Board that Members Mallett and Pranckevicius requested permission to participate in the October 27, 2017 meeting remotely because they would be unable to be physically present due to their geographical locations. Chairman Hoyte confirmed that Members Mallett and Pranckevicius' remote participation was authorized in accordance with 940 CMR 29.10(5), the remote participation section of the Attorney General's Open Meeting Law regulations, on the grounds that physical attendance would be unreasonably difficult.

Ms. Moran noted that Member Pranckevicius would be joining the meeting via teleconference when he becomes available.

2. **Roll Call**

Ms. Moran read a roll call:

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

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3. Public Comments

There were no public comments.

4. Pension Forfeiture

Ms. Moran provided some background with regard to the individuals previously charged with soliciting bribes in their capacity as ground transportation agents at Massport. She reminded the Board that four of the five individuals entered into plea agreements and pled guilty to violating Chapter 268A, Section 3 in 2014 which, in turn, implicated Chapter 32, Section 15(4), the forfeiture statute. Ms. Moran reported that the fifth individual, James Mulrey, was recently convicted of violating Chapter 268A, Section 3 which, in turn, also implicated Chapter 32, Section 15(4).

Mr. Heidlage explained that Mr. Mulrey forfeited his right to receive pension benefits but retained the right to receive his accumulated total deductions, without interest. He noted that forfeiture proceedings were initiated and a letter was sent to Mr. Mulrey on June 16, 2017 advising him of his right to a hearing, and that the letter also advised him that absent a request for a hearing within the time period specified, that the Board would move forward with forfeiture proceedings. It was noted for the record that Mr. Mulrey executed a waiver relinquishing his right to a hearing before the Board.

VOTED:

WHEREAS, former Massachusetts Port Authority Ground Transportation Unit ("GTU") Agent James Mulrey was charged with multiple counts of violating M.G.L. c. 268A, Sections 2 and 3;

WHEREAS, Mr. Mulrey was convicted of violating M.G.L. c. 268A, Section 3, which included accepting items of substantial value in his capacity as a GTU Agent at Massport;

WHEREAS, on June 16, 2017, the Retirement Board (the "Board") initiated forfeiture proceedings under M.G.L. c. 32, Section 15 against Mr. Mulrey, a letter was sent to Mr. Mulrey informing him of the initiation of proceedings, and of his right to request a hearing with the Board within fifteen (15) days;

WHEREAS, on June 20, 2017, Mr. Mulrey acknowledged the applicability of G.L. c. 32 Section 15(4) to his conviction of a violation of G.L. c. 268A, Section 3 and waived any claim to receive a retirement allowance;

WHEREAS, the Board has investigated the facts and circumstances of the criminal charges and conviction of Mr. Mulrey;

NOW, THEREFORE, upon a motion duly made and seconded;

IT IS HEREBY VOTED: based upon the Board's investigation, James Mulrey has been convicted of criminal offenses involving the laws applicable to his former position as GTU Agent with the Massachusetts Port Authority, and has therefore forfeited his right to receive a retirement allowance as set forth in M.G.L. c. 32, Section 15(4).

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Ms. Moran read a roll call:

Member Hoyte "Yes".
Member Grieco "Yes".
Member Mallett "Yes".
Member Taylor "Yes".

5. Request for Return of Accumulated Total Deductions

Ms. Moran explained refund processing procedures to the Board and reported that during this process it was discovered that James Mulrey owed past-due child support payments to the Massachusetts Department of Revenue (DOR) Child Support Enforcement Division. She further explained that the DOR issued an Income Withholding Order Notice (IWO) requiring the Board to forward a portion, as determined by the DOR but not to exceed 65% of the lump sum that remains after all applicable deductions, of Mr. Mulrey's accumulated total deductions to the Child Support Enforcement Division for his past-due child support.

Ms. Moran noted that a letter was sent to Mr. Mulrey on July 13, 2017 notifying him that the Board was required to withhold a portion of his accumulated total deductions as outlined in the IWO issued by the DOR. Mr. Mulrey claimed, in a call to staff, that per his attorney, the IWO does not apply because he requested a rollover of his accumulated total deductions to another eligible retirement account. Staff asked that he, or his attorney, provide the legal basis for this claim, however; to date, a response has not been received. Therefore; absent any legal basis for Mr. Mulrey's claim, Mr. Heidlage recommended the Board proceed with Mr. Mulrey's distribution with a portion going to the DOR for his past-due child support per the IWO.

Discussion ensued and Member Mallett requested that Mr. Heidlage verify whether or not there is any legal basis for exempting payment of past-due child support to the DOR from a direct rollover of funds to another qualified retirement account.

VOTED:

WHEREAS, James Mulrey has submitted to the Retirement Board (the "Board") a written request for a return of his accumulated total deductions;

WHEREAS, forfeiture of the right to receive a retirement allowance under M.G.L. c. 32, Section 15(4) does not include the forfeiture of accumulated total deductions, and specifically contemplates the right of any individual to receive a return of those deductions, without interest;

WHEREAS, routine refund processing procedure revealed that Mr. Mulrey owes past-due child support to the Commonwealth of Massachusetts Department of Revenue (DOR) Child Support Enforcement Division in the original amount of \$34,527.70 as of July 13, 2017;

WHEREAS, pursuant to Section 6 of Chapter 119A of the General Laws, the DOR issued an Income Withholding Order Notice (IWO) requiring the Board to withhold Mr. Mulrey's past-due child support payments from his lump sum return of accumulated total deductions;

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WHEREAS, the Board is directed to withhold the amount indicated on the IWO, provided the withholding does not exceed the limits imposed by the Federal Consumer Credit Protection Act. Because Mr. Mulrey owes past-due support, the applicable limit is 65% of the lump sum payment that remains after all other legally required deductions, such as federal taxes, are made. The amount claimed by the DOR to be due is less than 65% of Mr. Mulrey's accumulated total deductions;

WHEREAS, on July 13, 2017, the Board sent Mr. Mulrey notification via a certified letter informing him of the IWO and that, accordingly, the Board is required to forward a portion, as determined by the Child Support Enforcement Division, of his accumulated total deductions to the DOR for payment for his past-due child support;

WHEREAS, Mr. Mulrey contacted the Board on July 17, 2017 and claimed that, per his attorney, the IWO does not apply to his return of accumulated total deductions because he is requesting a rollover into another eligible retirement account;

WHEREAS, the Board made two additional attempts to contact Mr. Mulrey, on July 21, 2017 and August 2, 2017, requesting that he or his attorney provide the legal basis for his claim that the IWO does not apply in this circumstance but has not yet received a response. The Board has not been able to find any such legal basis for Mr. Mulrey's claim;

WHEREAS, due to lack of response and its conclusion that the DOR Income Withholding Order must be complied with, the Board has resolved to proceed with Mr. Mulrey's request for a return of accumulated total deductions with a portion payable to the DOR for past-due child support;

WHEREAS, the Child Support Enforcement Division of the DOR provided an updated amount due of \$36,029.76 for past-due child support as of September 29, 2017, however; a final amount will be determined by the DOR at time of disbursement;

NOW, THEREFORE, upon a motion duly made and seconded;

IT IS HEREBY VOTED: To approve the request of James Mulrey for a return of his accumulated total deductions, without interest and with a portion payable to the Massachusetts Department of Revenue Child Support Enforcement Division per the Income Withholding Order in a final amount as determined to be due by the DOR at time of disbursement.

Ms. Moran read a roll call:

Member Hoyte "Yes".
Member Grieco "Yes".
Member Mallett "Yes".
Member Taylor "Yes".

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6. Ratification and Approval of Minutes of the Board Meeting held on September 28, 2017

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on September 28, 2017.

Ms. Moran read a roll call:

- Member Hoyte "Yes".
- Member Grieco "Yes".
- Member Mallett "Yes".
- Member Taylor "Yes".

7. Ratification and Approval of Investments for the Month of September 2017

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

Ms. Moran read a roll call:

- Member Hoyte "Yes".
- Member Grieco "Yes".
- Member Mallett "Yes".
- Member Taylor "Yes".

8. 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 10/30/17	\$2,650,623.25	Retiree Payroll
Funds Wired to Massport Payroll Account on 10/30/17	\$ 58,037.41	
Funds Wired to People's United Checking on 10/30/17	\$ 270,474.59	
Funds Wired to Bank of America Checking on 10/30/17	\$ 22,463.91	Lease
Total	----- \$3,001,599.16	

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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 October Vouchers are hereby approved in the total amount of \$3,001,599.16.

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

Ms. Moran read a roll call:

Member Hoyte "Yes".
Member Grieco "Yes".
Member Mallett "Yes".
Member Taylor "Yes".

9. **Vote to Approve Pending Retirements**

• **Termination Retirement Allowance – Emerson Cunningham**

The Director of Retirement presented the Termination Retirement Application of Emerson Cunningham, former HVAC Mechanic, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Emerson Cunningham, former HVAC Mechanic, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 57 years with 20 years, 3 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, the Authority has submitted to the Board the Employer's Certification in Connection with Termination Retirement Allowance in which it certified that Mr. Cunningham was terminated from his position without moral turpitude on his part and that the termination did not result from a violation of a law, rule or regulation applicable to his office or position;

WHEREAS, Emerson Cunningham has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on October 3, 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 Emerson Cunningham, former HVAC Mechanic, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 57 years with 20 years, 3 months of creditable service effective on

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October 3, 2017 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

Member Hoyte "Yes".
Member Grieco "Yes".
Member Mallett "Yes".
Member Taylor "Yes".

Member Prankevicius joined the meeting via teleconference at 9:30 a.m.

- **Superannuation Retirement – Arduino Parravano**

The Director of Retirement presented the Superannuation Retirement Application of Arduino Parravano, former Noise Monitoring Technician, Group 1, in the Noise Abatement unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Arduino Parravano, former Noise Monitoring Technician, Group 1, in the Noise Abatement unit of the Aviation department at Logan Airport, currently age 55 years with 14 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Arduino Parravano has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on November 1, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Arduino Parravano, former Noise Monitoring Technician, Group 1, in the Noise Abatement unit of the Aviation department at Logan Airport, currently age 55 years with 14 years of creditable service effective on November 1, 2017 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

Member Hoyte "Yes".
Member Grieco "Yes".
Member Mallett "Yes".
Member Prankevicius "Yes".
Member Taylor "Yes".

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10. **Director's Report**

PERAC Audit fieldwork update

Ms. Moran reported that we are presently in week four of the PERAC audit and she has been informed that field work is 80% complete.

PERAC Memo #28 – Selection of Fifth Member and Board Employees

Ms. Moran reported that PERAC issued this memo relative to the selection of the board's fifth member. She noted that, in PERAC's opinion, boards must go through a competitive bidding process when selecting their fifth member. Mr. Heidlage explained that there is no requirement in Chapter 32 relative to any specific process of selecting the fifth member and, in his opinion, assuming the other four board members come to a consensus on the fifth member, he doesn't believe the Board is required to go through any other process. Further, as noted by Mr. Heidlage, if he is mistaken, the fifth member will continue in office, as a member who can vote on matters before the board, until the end of his or her term.

PRIM Investor Conference – November 9th

Ms. Moran noted that a copy of the PRIM Investor Conference agenda is in board packets.

Open Meeting Law Regulations updated

Ms. Moran reported some minor changes to the Open Meeting Law Regulations and noted that the updated regulations (clean and red-line versions) as well as an explanation of changes was included in board packets.

Retiree affidavits update – 77% returned as of October 23rd

2018 Retirement Board Meeting Advance Schedule

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 9:47 a.m.

Ms. Moran read a roll call:

Member Hoyte "Yes".
Member Grieco "Yes".
Member Mallett "Yes".
Member Pranckevicius "Yes".
Member Taylor "Yes".

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13. Documents and Exhibits

Agenda – October 27, 2017

Cash Disbursements 10/01/2017 – 10/31/2017 and Warrant Number 10/2017 AP

Minutes – September 28, 2017

Wilshire Associates – Monthly Performance Summary, September 30, 2017

Wilshire Associates – Aberdeen Monthly Monitor January - September 2017

MPAERS Fund Composite – September 2017

Retiree and Survivor Payroll Reconciliation – October 2017

People's United Bank Checking Account Reconciliation – September 2017

Bank of America Checking Account Reconciliation – September 2017

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

Trial Balance – 1/1/2017 – 8/31/2017

PERAC Memo # 28 / 2017 – Selection of Fifth Member and Board Employees

2017 PRIM Investor Conference Agenda

Open Meeting Law Regulations – effective October 6, 2017

Open Meeting Law Regulations – red-line version

Open Meeting Law Regulations – Explanation of Changes

Draft 2018 Retirement Board Meeting Schedule

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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