

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 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 Tuesday, November 14, 2017. The following members of the Board were present:

James S. Hoyte, Chairman
Michael A. Grieco, Vice Chairman
John P. Prankevicius, Treasurer-Custodian
Betsy Taylor, Board Member

Also present were:

Laura Barbosa, Retirement Member Services Specialist
Lynn Fullerton, Retirement Board Coordinator
Richard Heidlage, Massport Senior Legal Counsel, Retirement
John Affuso, Massport Senior Legal Counsel, Transactions
Mark Brubaker, Wilshire Associates
Daniel Ingram, Wilshire Associates

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:09 a.m.

2. **Roll Call**

Ms. Barbosa read a roll call:

Member Hoyte "Here".
Member Grieco "Here".
Member Prankevicius "Here".
Member Taylor "Here".

3. **Public Comments**

There were no public comments.

John Flynn and Wayne Palladino joined the meeting at 9:14 a.m.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 2017**

4. Pzena Investment Management

Pzena Investment Management was represented by:

John Flynn
Wayne Palladino

Messrs. Flynn and Palladino presented the MPAERS' portfolio summary as of September 30, 2017. 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. Flynn reviewed the value of the portfolio as well as the one-year performance numbers and noted assets totaling approximately \$21.3 million as of October 31, 2017. Mr. Flynn also presented an overview of current market conditions and commented on Pzena's investment strategy and market outlook going forward. The Board thanked Messrs. Flynn and Palladino for an informative presentation.

Mr. Heidlage left the meeting at 9:20 a.m.
Messrs. Flynn and Palladino left the meeting at 9:45 a.m.

5. Wilshire Associates – ESG Investing Presentation

Wilshire Associates was represented by:

Mark Brubaker
Daniel Ingram

Mr. Ingram presented a high level overview of ESG Investing. He explained the link between environmental, social, and governance factors and risk and return drivers. Mr. Ingram highlighted some of the benefits to ESG investing and discussed a range of ESG related services Wilshire could provide to the Board including educational workshops and research, strategy design and integration into asset and manager selection. The Board thanked Mr. Ingram for an informative presentation.

Member Prankevicius left the meeting at 10:00 a.m.
Campe Goodman and Elizabeth O'Hara joined the meeting at 10:45 a.m.

6. Wellington Management

Wellington Management was represented by:

Campe Goodman
Elizabeth O'Hara

Mr. Goodman presented the MPAERS portfolio review as of September 30, 2017. Ms. O'Hara updated the Board regarding the Wellington Management organization and noted approximately \$1.05 billion of client

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 2017**

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 and Ms. O'Hara for an informative presentation.

Mr. Heidlage returned to the meeting at 11:00 a.m.
Mr. Goodman and Ms. O'Hara left the meeting at 11:22 a.m.

7. Wilshire Associates

Mr. Brubaker presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. He also presented the MPAERS 3rd Quarter 2017 Investment Performance Analysis, reviewing total fund performance for both the quarter and year-to-date. He noted the total fund was up 3.6% for the quarter and 12.4% for the year, and plan assets totaled approximately \$630 million as of September 30, 2017. Mr. Brubaker also reviewed the US equity, international equity, fixed income, real estate, and private equity composites. The Board thanked Mr. Brubaker for an informative presentation.

Messrs. Brubaker and Ingram left the meeting at 11:49 a.m.

8. Ratification and Approval of Minutes of the Board Meeting held on October 27, 2017

Upon a motion duly made and seconded, it was:

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

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

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

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

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

**Massachusetts Port Authority
 Employees' Retirement System
 Board Meeting Minutes
 November 14, 2017**

10. Approval of November Vouchers listed below:

The Director presented November vouchers with attachments for approval; please see attached warrant report for detail:

Funds Wired to Bank of America on 11/29/17	\$2,661,103.60	Retiree Payroll
Funds Wired to Massport Payroll Account on 11/29/17	\$ 52,319.71	
Funds Wired to People's United Checking on 11/29/17	\$ 117,961.56	
Funds Wired to Bank of America Checking on 11/29/17	\$ 22,463.91	Lease
Total	----- \$2,853,848.78	

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

VOTED: That November Vouchers are hereby approved in the total amount of \$2,853,848.78.

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

Ms. Barbosa noted a refund payment to James Mulrey, a former GTU Agent whose pension was forfeited under Chapter 32, Section 15(4) as the result of being convicted of violating Chapter 268A, Section 3. She further noted that a portion of Mr. Mulrey's accumulated total deductions were sent to the Massachusetts Department of Revenue (DOR) Child Support Enforcement Division for past-due child support per an Income Withholding Order issued by the DOR.

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

11. Vote to Approve Pending Retirements

- **Superannuation Retirement – John Crisostamo**

The Director of Retirement presented the Superannuation Retirement Application of John Crisostamo, Facilities 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, John Crisostamo, Facilities Mechanic, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 62 years with 36 years, 11 months of

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 2017**

creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, John Crisostamo has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on December 1, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of John Crisostamo, Facilities Mechanic, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 62 years with 36 years, 11 months of creditable service effective on December 1, 2017 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Geraldine M. Foley**

The Director of Retirement presented the Superannuation Retirement Application of Geraldine M. Foley, Ground Transportation Research Assistant, Group 1, in the Transportation Operations unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Geraldine M. Foley, Ground Transportation Research Assistant, Group 1, in the Transportation Operations unit of the Aviation department at Logan Airport, currently age 67 years with 10 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Geraldine M. Foley has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on December 1, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Geraldine M. Foley, Ground Transportation Research Assistant, Group 1, in the Transportation Operations unit of the Aviation department at Logan Airport, currently age 67 years with 10 years of creditable service effective on December 1, 2017 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 2017**

- **Superannuation Retirement – Joseph M. Lawless**

The Director of Retirement presented the Superannuation Retirement Application of Joseph M. Lawless, Director, Maritime Security, Group 2, in the Security Services unit of the Maritime department at the Fish Pier.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Joseph M. Lawless, Director, Maritime Security, Group 2, in the Security Services unit of the Maritime department at the Fish Pier, currently age 59 years with 37 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Joseph M. Lawless has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on December 1, 2017.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Joseph M. Lawless, Director, Maritime Security, Group 2, in the Security Services unit of the Maritime department at the Fish Pier, currently age 59 years with 37 years of creditable service effective on December 1, 2017 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Members Hoyte, Grieco, and Taylor voted “Yes”.

- **Superannuation Retirement – Ellen M. Morrell**

The Director of Retirement presented the Superannuation Retirement Application of Ellen M. Morrell, Parking Utility Technician, 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, Ellen M. Morrell, Parking Utility Technician, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 67 years with 12 years, 4 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Ellen M. Morrell has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on December 1, 2017.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 2017**

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Ellen M. Morrell, Parking Utility Technician, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 67 years with 12 years, 4 months of creditable service effective on December 1, 2017 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

12. Director's Report

Selection of the Fifth Member – Vote scheduled for December 14th meeting

Mr. Heidlage noted that the selection of the Fifth Member has been scheduled for the regular December meeting instead of the January meeting because the entire Board will be present.

PERAC Audit fieldwork update

Mr. Heidlage noted that the PERAC Audit exit interview is scheduled for November 30th and informed the Board that, due to lack of communication from PERAC, staff is unaware of the results of the audit.

Retiree affidavits update

Ms. Barbosa reported that 96% of retiree affidavits have been received to-date. She noted the deadline is November 20th and the third and final requests will be mailed soon thereafter.

Special Retirement Board Meeting – Friday, December 8, 2017

Mr. Heidlage reminded the Board of the special meeting scheduled for December 8th.

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 12:02 p.m.

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

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 2017**

15. Documents and Exhibits

Agenda – November 14, 2017

Cash Disbursements 11/01/2017 – 11/30/2017 and Warrant Number 11/2017 AP

Minutes – October 27, 2017

Wilshire Associates – Manager Presentation Agenda

Pzena Investment Management Portfolio Review & Outlook, November 14, 2017

Wilshire Associates – Educational Session on ESG Investing, November 2017

Wellington Management – Core Bond Plus Portfolio Review, November 14, 2017

Wilshire Associates – Executive Summary of Investment Performance, 3rd Quarter 2017

Wilshire Associates – 2018 Private Equity Commitment Summary, November 14, 2017

MPAERS draft revised Investment Goals, Policies, and Procedures

Wilshire Associates – Monthly Performance Summary, October 31, 2017

MPAERS Fund Composite – October 2017

Retiree and Survivor Payroll Reconciliation – November 2017

Attorney/Client Privilege Memo – Mulrey Child Support Order, October 27, 2017

Massachusetts DOR Child Support Enforcement Division Income Withholding Order, September 29, 2017

People's United Bank Checking Account Reconciliation – October 2017

Bank of America Checking Account Reconciliation – October 2017

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

Trial Balance – 1/1/2017 – 9/30/2017

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 14, 2017**

James S. Hoyte
Chairman

Michael A. Grieco
Vice Chairman

John P. Prankevicius
Treasurer-Custodian

Betsy Taylor
Board Member