

**Massachusetts Port Authority  
Employees' Retirement System  
Board Meeting Minutes  
February 22, 2018**

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, February 22, 2018. 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. 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 9:01 a.m.

Chairman Hoyte informed the Board that Member Mallett requested permission to participate in the February 22, 2018 meeting remotely because he would be unable to be physically present due to his geographical location. Chairman Hoyte confirmed that Member Mallett's 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.

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 comments.

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**4. Swearing in of Fifth Board Member**

Mr. Heidlage swore in Mr. Hoyte as the Fifth Member and Chairman of the Massachusetts Port Authority Employees' Retirement System Board for a three-year term beginning January 12, 2018 and ending January 11, 2021. Chairman Hoyte read his Oath of Office aloud.

John Kelly and John Morrissey joined the meeting at 9:12 a.m.

**5. Request to retain medical expert relative to disability application**

Mr. Heidlage asked if Mr. Kelly wanted the hearing to be held in public or executive session. Mr. Morrissey requested, on behalf of Mr. Kelly, that the hearing be held in executive session. Upon a motion duly made and seconded, it was:

**VOTED:** That the Board shall go into Executive Session for consideration of Mr. Heidlage's request to retain an expert in connection with the Accidental Disability Retirement Application of John Kelly and will reconvene in public session following consideration of this item.

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".

Upon a roll call in the Executive Session, the Board reconvened to public session at 9:31 a.m.

Messrs. Kelly and Morrissey left the meeting at 9:31 a.m.  
Stephen DiGirolamo joined the meeting via teleconference at 9:33 a.m.

**6. Wilshire Associates**

Wilshire Associates was represented by:

Stephen DiGirolamo

Rebalancing

Mr. DiGirolamo presented the 2018 Rebalancing schedule noting that Wilshire's recommended changes will bring the international equity and fixed income composites more in line with existing policy targets. The Board agreed.

Upon a motion duly made and seconded, it was:

**VOTED:** To rebalance the portfolio in accordance with the Wilshire schedule attached.

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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"

Request for Proposals

Ms. Moran presented a draft Request for Proposals (RFP) for active international equity management. She reviewed the proposed timeline and reported that there had been some dialogue with Wilshire regarding ESG investing and how it would work with this mandate. Mr. DiGirolamo reported on Wilshire's Diverse Manager Initiative – past and current practices – noting that the investment manager questionnaire is structured in such a way that just about any manager that has reasonable assets can participate. Further, he noted, it is reasonable to believe, given the requirements, the Board should receive a good selection of candidate firms. Chairman Hoyte commended Wilshire on launching the Diverse Manager Initiative. The Board also discussed adding a question related to risk management on an ESG level to the questionnaire. Member Prankevicius requested Ms. Moran, in conjunction with Wilshire, develop a draft of the question to be shared with the Board. In response to Member Taylor, Mr. DiGirolamo proceeded to explain the process once all responses have been reviewed by Wilshire. A robust discussion ensued relative to active vs. passive management and whether to forego the RFP process and transfer these assets to SSgA, an existing passive manager. Member Prankevicius requested a recommendation from Wilshire in this regard and the Board agreed to continue this discussion at its March meeting.

Mr. DiGirolamo's participation in the meeting ended at 10:07 a.m.

**7. Ratification and Approval of Minutes of the Board Meeting held on January 25, 2018**

Upon a motion duly made and seconded, it was:

**VOTED:** To ratify and approve the Minutes of the Board Meeting held on January 25, 2018.

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".

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**8. Ratification and Approval of Investments for the Month of January 2018**

The schedule of investments, buys and sells, for the month of January 2018 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 January as shown on the schedule submitted by People's United Bank, schedule attached.

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".

**9. Approval of February Vouchers listed below:**

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

Funds Wired to Bank of America on 02/27/18	\$2,736,502.75	Retiree Payroll
Funds Wired to Massport Payroll Account on 02/27/18	\$ 51,314.27	
Funds Wired to People's United Checking on 02/27/18	\$ 206,954.57	
Funds Wired to Bank of America Checking on 02/27/18	\$ 22,463.91	Lease
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Total	\$3,017,235.50	

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

**VOTED:** That February Vouchers are hereby approved in the total amount of \$3,017,235.50.

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

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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".

10. **Vote to Approve Pending Retirements**

- **Superannuation Retirement – Jacqueline B. Addison**

The Director of Retirement presented the Superannuation Retirement Application of Jacqueline B. Addison, former 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**, Jacqueline B. Addison, former Parking Utility Technician, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 63 years with 28 years, 4 months of creditable service, has applied for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Jacqueline B. Addison has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on January 19, 2018.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option B, pending the outcome of the accidental disability retirement application, under the provisions of M.G.L. Chapter 32, of Jacqueline B. Addison, former Parking Utility Technician, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 63 years with 28 years, 4 months of creditable service effective on January 19, 2018 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 voted "Yes".  
Member Grieco voted "Yes".  
Member Mallett voted "Yes".  
Member Prankevicius voted "Yes".  
Member Taylor voted "Yes".

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- **Superannuation Retirement – Arthur J. Pelton**

The Director of Retirement presented the Superannuation Retirement Application of Arthur J. Pelton, Supervisor, HVAC Maintenance, 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**, Arthur J. Pelton, Supervisor, HVAC Maintenance, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 63 years with 28 years, 7 months of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Arthur J. Pelton has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on March 19, 2018.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of Arthur J. Pelton, Supervisor, HVAC Maintenance, Group 1, in the Building Maintenance unit of the Aviation department at Logan Airport, currently age 63 years with 28 years, 7 months of creditable service effective on March 19, 2018 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 voted "Yes".  
Member Grieco voted "Yes".  
Member Mallett voted "Yes".  
Member Prankevicius voted "Yes".  
Member Taylor voted "Yes".

11. **Contracts**

Upon a motion duly made and seconded, it was:

**VOTED:** Per the Investment Consultant Agreement effective December 31, 2014, to extend the Agreement with Wilshire Associates Incorporated for one additional two-year period from January 1, 2018 through December 31, 2019.

Ms. Moran read a roll call:

Member Hoyte voted "Yes".  
Member Grieco voted "Yes".  
Member Mallett voted "Yes".

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Member Prankevicius voted "Yes".  
Member Taylor voted "Yes".

Upon a motion duly made and seconded, it was:

**VOTED:** Per the Design Services Agreement effective October 1, 2015, to extend the Agreement with Colvin/Williams Design for one additional one-year period from October 1, 2018 through September 30, 2019.

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".

**12. Director's Report**

Retiree affidavits update

Ms. Moran reported that payments are being withheld from the three retirees who have not responded to multiple requests for affidavit submission. She noted that this is the second consecutive month payments are being withheld. She further noted that staff is continuing to make efforts to get in touch with these retirees and/or a family member.

KPMG audit fieldwork begins March 5<sup>th</sup>

Stone Consulting 1/1/18 actuarial valuation in progress

Winter Outlook to be mailed week of February 19<sup>th</sup>

**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 10:28 a.m.

Ms. Moran read a roll call:

Member Hoyte voted "Yes".  
Member Grieco "Yes".

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Member Mallett "Yes".

Member Pranckevicius "Yes".

Member Taylor "Yes".

**15. Documents and Exhibits**

Agenda – February 22, 2018

Cash Disbursements 02/01/2018 – 02/28/2018 and Warrant Number 02/2018 AP

2018 Rebalancing

Draft Request for Proposals: International Core Equity (ACWI ex. US) Investment Management

Wilshire Associates – Aberdeen Monthly Monitor, January 2018

Wilshire Associates – Monthly Performance Summary, January 31, 2018

Minutes – January 25, 2018

MPAERS Fund Composite – January 2018

Retiree and Survivor Payroll Reconciliation – February 2018

People's United Bank Checking Account Reconciliation – January 2018

People's United Bank Replacement Plan Checking Account Reconciliation – January 2018

Bank of America Checking Account Reconciliation – January 2018

Trial Balance – 1/1/2017 – 11/30/2017

2017 3(8)(c) Receivables



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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