

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 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, March 29, 2018. 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 9:08 a.m.

Christine Narcisse and Jonathan Reich joined the meeting at 9:08 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 comments.

4. **Accidental Disability Hearing – Jonathan Reich**

Mr. Heidlage asked if Mr. Reich wanted the hearing to be held in public or executive session. Ms. Narcisse requested, on behalf of Mr. Reich, that the hearing be held in executive session.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

Upon a motion duly made and seconded, it was:

VOTED: That the Board shall go into Executive Session for consideration of the Accidental Disability Retirement Application of Jonathan Reich 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 9:20 a.m.

Chairman Hoyte noted that the Findings of Fact and Rulings of Law with regard to Mr. Reich were adopted in the executive session.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Jonathan Reich, Port Officer, Security Services unit of the Maritime Department at the Fish Pier has applied for accidental disability retirement pursuant to G.L. c. 32, § 7; and

WHEREAS, after hearing, the Board made Findings of Fact and rulings that establish Mr. Reich's qualification for such retirement; and,

WHEREAS, pursuant to G.L. c. 32, § 7(2) the effective date of an accidental disability retirement is "on the date the injury was sustained or the hazard or account of which he is being retired was undergone, or on the date six months prior to the filing of the written application for such retirement with the board and his respective employer, or on the date for which he last received regular compensation for his employment in the public service, whichever date last occurs;" and

WHEREAS, the applicable date is January 18, 2017 which is the date six months prior to the application date;

NOW, THEREFORE, to approve the application of Jonathan Reich for accidental disability retirement pursuant to G.L. c. 32, § 7 effective on January 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".

Ms. Narcisse and Mr. Reich left the meeting at 9:21 a.m.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

5. Ratification and Approval of Minutes of the Board Meeting held on February 22, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on February 22, 2018.

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

6. Ratification and Approval of Minutes of the Executive Session held on February 22, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Executive Session held on February 22, 2018.

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

7. Ratification and Approval of Investments for the Month of February 2018

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

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

Robert Mahoney and Scott Warnetski joined the meeting at 9:25 a.m.

8. KPMG

KPMG was represented by:

Robert Mahoney
Scott Warnetski

Mr. Warnetski presented KPMG's Required Communications including MPAERS Financial Statements for the years ended December 31, 2017 and 2016. Mr. Mahoney presented audit results and reviewed the significant audit areas noting an unmodified opinion of the MPAERS' financial statements. Mr. Mahoney noted that KPMG would be issuing an audit report on the GASB 67 and 68 schedules simultaneously with the financials. The Board thanked Messrs. Mahoney and Warnetski for an informative presentation.

Messrs. Mahoney and Warnetski left the meeting at 9:55 a.m.

**Massachusetts Port Authority
 Employees' Retirement System
 Board Meeting Minutes
 March 29, 2018**

Stephen DiGirolamo joined the meeting via teleconference at 9:56 a.m.

9. Wilshire Associates

Wilshire Associates was represented by:

Stephen DiGirolamo (via teleconference)

Ms. Moran briefly recalled Board discussion from the previous meeting regarding a potential Request for Proposals (RFP) for active international equity management. As requested by Member Grieco, Mr. DiGirolamo prepared and presented an International Equity Review comparing the performance of MPAERS' active mandates against the index over the last twenty years. A robust discussion ensued relative to active vs. passive management. Based on their analysis, Wilshire recommended moving forward with the international equity RFP and to include both active and passive management strategies. The Board agreed to modify the RFP to include both active and passive managers.

Mr. DiGirolamo's participation in the meeting ended at 10:38 a.m.

10. Approval of March Vouchers listed below:

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

Funds Wired to Bank of America on 03/29/18	\$2,723,645.98	Retiree Payroll
Funds Wired to Massport Payroll Account on 03/29/18	\$ 52,317.30	
Funds Wired to People's United Checking on 03/29/18	\$ 107,592.99	
Funds Wired to Bank of America Checking on 03/29/18	\$ 22,463.91	Lease
Total	----- \$2,906,020.18	

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

VOTED: That March Vouchers are hereby approved in the total amount of \$2,906,020.18.

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".

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

11. **Ordinary Disability Applications**

- Christina Mines
- Juan Perez

Because consideration of an ordinary disability retirement application involves discussion and evaluation of the medical condition of an applicant within the meaning of General Laws Chapter 30A, §11 A-1/2, the Chair believed it was appropriate to hold the consideration of the ordinary disability applications of Christina Mines and Juan Perez in Executive Session. Ms. Mines and Mr. Perez were informed of the board's intent to address these matters, individually, in executive session and were informed of their right to attend the meeting.

Upon a motion duly made and seconded, it was:

VOTED: That the Board shall go into Executive Session for consideration of the Ordinary Disability Retirement Applications of Christina Mines and Juan Perez and will reconvene in public session following consideration of these items.

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 10:44 a.m.

Chairman Hoyte noted that the Findings of Fact and Rulings of Law with regard to Christina Mines and Juan Perez were adopted in the executive session.

Christina Mines

Upon a motion duly made and seconded, it was:

VOTED: To accept the application of Christina Mines for ordinary disability retirement pursuant to Section 6 of Chapter 32 of the General Laws of Massachusetts, as more fully discussed in the Findings of Fact and Rulings of Law attached hereto and incorporated herein, effective upon approval by the Public Employee Retirement Administration Commission.

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

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

Juan Perez

Upon a motion duly made and seconded, it was:

VOTED: To accept the application of Juan Perez for ordinary disability retirement pursuant to Section 6 of Chapter 32 of the General Laws of Massachusetts, as more fully discussed in the Findings of Fact and Rulings of Law attached hereto and incorporated herein, effective upon approval by the Public Employee Retirement Administration Commission.

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

12. **Vote to Approve Pending Retirements**

- **Superannuation Retirement – Scott H. Albis**

The Director of Retirement presented the Superannuation Retirement Application of Scott H. Albis, Electrician, Group 4, in the Electrical Maintenance unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Scott H. Albis, Electrician, Group 4, in the Electrical Maintenance unit of the Aviation department at Logan Airport, currently age 62 years with 10 years, 7 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Scott H. Albis has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 1, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Scott H. Albis, Electrician, Group 4, in the Electrical Maintenance unit of the Aviation department at Logan Airport, currently age 62 years with 10 years, 7 months of creditable service effective on April 1, 2018 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 – Howard T. Costa**

The Director of Retirement presented the Superannuation Retirement Application of Howard T. Costa, former Deputy Fire Chief, Support Services, Group 4, in the Fire Control unit of the Aviation department at Logan Airport.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Howard T. Costa, former Deputy Fire Chief, Support Services, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 53 years with 29 years, 2 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Howard T. Costa has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 1, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Howard T. Costa, former Deputy Fire Chief, Support Services, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 53 years with 29 years, 2 months of creditable service effective on April 1, 2018 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 – Ronald G. Gaudet**

The Director of Retirement presented the Superannuation Retirement Application of Ronald G. Gaudet, Assistant Manager, Transportation Operations, 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, Ronald G. Gaudet, Assistant Manager, Transportation Operations, Group 1, in the Transportation Operations unit of the Aviation department at Logan Airport, currently age 60 years with 33 years, 6 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Ronald G. Gaudet has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 16, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Ronald G. Gaudet, Assistant Manager, Transportation Operations, Group 1, in the Transportation Operations unit of the Aviation department at Logan Airport, currently age 60 years with 33 years, 6 months of creditable service effective on April 16, 2018 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".

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

- **Superannuation Retirement – Brian S. Gibbons**

The Director of Retirement presented the Superannuation Retirement Application of Brian S. Gibbons, Port Officer, 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, Brian S. Gibbons, Port Officer, Group 2, in the Security Services unit of the Maritime department at the Fish Pier, currently age 62 years with 39 years, 4 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Brian S. Gibbons has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 1, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Brian S. Gibbons, Port Officer, Group 2, in the Security Services unit of the Maritime department at the Fish Pier, currently age 62 years with 39 years, 4 months of creditable service effective on April 1, 2018 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 – Bruce E. Gusler**

The Director of Retirement presented the Superannuation Retirement Application of Bruce E. Gusler, Working Foreperson, Group 1, in the Hanscom Maintenance unit of the Aviation department at Hanscom Field.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Bruce E. Gusler, Working Foreperson, Group 1, in the Hanscom Maintenance unit of the Aviation department at Hanscom Field, currently age 60 years with 40 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Bruce E. Gusler has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 1, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Bruce E. Gusler, Working Foreperson, Group 1, in the Hanscom Maintenance unit of the Aviation department at Hanscom Field, currently

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

age 60 years with 40 years of creditable service effective on April 1, 2018 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 – Talibah O. Salih**

The Director of Retirement presented the Superannuation Retirement Application of Talibah O. Salih, former Drafter, Group 1, in the Capital Programs department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Talibah O. Salih, former Drafter, Group 1, in the Capital Programs department at the Logan Office Center, currently age 67 years with 13 years, 10 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Talibah O. Salih has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on April 1, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Talibah O. Salih, former Drafter, Group 1, in the Capital Programs department at the Logan Office Center, currently age 67 years with 13 years, 10 months of creditable service effective on April 1, 2018 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".

13. Director's Report

Inactive member refund request – Russell Mazzola

Ms. Moran reported that former Bridge Assistant Director, Russell Mazzola submitted a request for a refund of his account. Ms. Moran noted that Mr. Mazzola was terminated from Massport in 1997 for misappropriation of Massport property. She explained that, while M.G.L. Chapter 32, Section 10(1) precludes Mr. Mazzola from receiving pension benefits, he does retain the right to receive his accumulated total deductions, with interest. Ms. Moran also explained that no action by the Board was required and that Mr. Mazzola's refund request would be processed next month.

Part-time service issue

Ms. Moran alerted the Board to an issue with a career part-time employee who has been working well over her standard scheduled hours. She reviewed the MPAERS' Supplementary Regulation on Creditable Service and explained how service is treated for a career part-time employee versus an employee with

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

periods of both full- and part-time service. Ms. Moran noted that this individual worked nearly full-time in recent years receiving the equivalent full-time salary but her part-time status did not change. In the next several months Ms. Moran expects to present to the Board a proposal to modify the current supplementary regulation or recommendations for administrative changes or both.

CAFR – update board and staff photos

Ms. Moran mentioned that a photographer would be present at the April 27th meeting to update Board and staff photos for both the annual report and use in the board room.

PERAC Memo #13 – Mandatory Ethics Training

14. **New Business**

There was no new business.

15. **Adjournment**

Upon a motion duly made and seconded, it was:

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

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

16. **Documents and Exhibits**

Agenda – March 29, 2018

Cash Disbursements 03/01/2018 – 03/31/2018 and Warrant Number 03/2018 AP

KPMG Audit Results

Wilshire Associates – MPAERS International Equity Review, March 2018

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

Wilshire Associates – Aberdeen Monthly Monitor, January – February, 2018

Wilshire Associates – Monthly Performance Summary, February 28, 2018

Minutes – February 22, 2018

Executive Session Minutes – February 22, 2018

MPAERS Fund Composite – February 2018

Retiree and Survivor Payroll Reconciliation – March 2018

People's United Bank Checking Account Reconciliation – February 2018

Bank of America Checking Account Reconciliation – February 2018

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

Trial Balance – 1/1/2018 – 1/31/2018

2017 3(8)(c) Receivables

Attorney/Client Privilege Memorandum: Mazzola – Eligibility for Superannuation Pension

Attorney/Client Privilege Memorandum: Part-Time Employee Creditable Service/Pension Calculation

PERAC Memo #13/2018: Mandatory Ethics Training, February 23, 2018

Draft PERAC Annual Statement for the year ended December 31, 2017

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
March 29, 2018**

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