

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
October 25, 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, October 25, 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
Anna Tengalia, Director of Treasury

Also in attendance were:

Mark Brubaker, Wilshire Associates (via teleconference)
Stephen DiGirolamo, Wilshire Associates

1. **Open Meeting**

Chairman Hoyte opened the meeting at 11:11 a.m.

2. **Roll Call**

Ms. Moran read a roll call:

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

3. **Public Comments**

There were no public comments.

Lisa Gaimari, member of the MPAERS, joined the meeting at 11:15 a.m.

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4. Wellington Management

Wellington Management was represented by:

Campe Goodman
Elizabeth O'Hara
Angelique Richardson

Ms. Richardson updated the Board regarding the Wellington Management organization and noted approximately \$1,068 billion of client assets under management at quarter's end. Mr. Goodman presented the MPAERS portfolio review as of September 30, 2018. He 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. Ms. O'Hara briefed the Board on Wellington's diversity efforts. The Board thanked Mr. Goodman, Ms. O'Hara, and Ms. Richardson for an informative presentation.

Mr. Heidlage left the meeting at 11:30 a.m. and returned at 11:44 a.m.
Ms. Fullerton left the meeting at 11:30 a.m. and returned at 12:05 p.m.
Ms. Gaimari left the meeting at 11:30 a.m.
Mr. Goodman, Ms. O'Hara, and Ms. Richardson left the meeting at 11:45 a.m.

5. Wilshire Associates

Wilshire Associates was represented by:

Mark Brubaker (via teleconference)
Stephen DiGirolamo

Mr. DiGirolamo presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. Mr. DiGirolamo also presented the MPAERS 3rd Quarter 2018 Investment Performance Analysis reviewing total fund performance for both the quarter and the one-year. He reviewed the US equity, international equity, fixed income, private equity, and real estate composites. The Board thanked Messrs. Brubaker and DiGirolamo for an informative presentation.

Mr. Brubaker's participation in the meeting ended at 12:02 p.m.
Mr. DiGirolamo left the meeting at 12:05 p.m.

6. Ratification and Approval of Minutes of the Board Meeting held on September 19, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on September 19, 2018.

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

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

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

Members Hoyte, Grieco, Mallett, and Taylor voted "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 People's United Checking on 09/20/18	\$	663.62	
Funds Wired to Bank of America on 10/30/18	\$2,922,225.72		Retiree Payroll
Funds Wired to Massport Payroll Account on 10/30/18	\$	66,753.05	
Funds Wired to People's United Checking on 10/30/18	\$	205,922.63	
Funds Wired to Bank of America Checking on 10/30/18	\$	23,693.93	Lease
Total		----- \$ 3,219,258.95	

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 \$3,219,258.95.

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

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

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9. **Vote to Approve Pending Retirements**

- **Superannuation Retirement – Edmund S. Dawes, Jr.**

The Director of Retirement presented the Superannuation Retirement Application of Edmund S. Dawes, Jr., former Senior Project Manager, Group 1, in the Capital Programs department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Edmund S. Dawes, Jr., former Senior Project Manager, Group 1, in the Capital Programs department at the Logan Office Center, currently age 58 years with 10 years, 2 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Edmund S. Dawes, Jr. has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on October 9, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Edmund S. Dawes, Jr., former Senior Project Manager, Group 1, in the Capital Programs department at the Logan Office Center, currently age 58 years with 10 years, 2 months of creditable service effective on October 9, 2018 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Michael S. O'Connor**

The Director of Retirement presented the Superannuation Retirement Application of Michael S. O'Connor, Aviation Officer Sergeant, Group 2, in the Aviation Security Officers unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Michael S. O'Connor, Aviation Officer Sergeant, Group 2, in the Aviation Security Officers unit of the Aviation department at Logan Airport, currently age 59 years with 34 years, 11 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Michael S. O'Connor has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on November 1, 2018.

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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 Michael S. O'Connor, Aviation Officer Sergeant, Group 2, in the Aviation Security Officers unit of the Aviation department at Logan Airport, currently age 59 years with 34 years, 11 months of creditable service effective on November 1, 2018 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Paul M. Stordy**

The Director of Retirement presented the Superannuation Retirement Application of Paul M. Stordy, Utilities Control Engineer, Group 4, in the Utilities Management unit of the Capital Programs department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Paul M. Stordy, Utilities Control Engineer, Group 4, in the Utilities Management unit of the Capital Programs department at the Logan Office Center, currently age 63 years with 20 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Paul M. Stordy has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on November 1, 2018.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Paul M. Stordy, Utilities Control Engineer, Group 4, in the Utilities Management unit of the Capital Programs department at the Logan Office Center, currently age 63 years with 20 years of creditable service effective on November 1, 2018 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

Member Prankevicius joined the meeting at 12:25 p.m.

10. **Director's Report**

Supplemental Regulation – Part-Time Service

Mr. Heidlage reported that no members attended the hearing regarding the supplemental regulation on creditable service held earlier that morning. He reminded the Board of the current regulation and noted that the proposed changes will only effect new employees hired on or after the effective date of this regulation, not current members.

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Upon a motion duly made and seconded, it was:

VOTED:

For all employees whose service with the Authority commenced on or before the day prior to the effective date of this supplementary regulation, the supplementary regulation then in effect shall continue to apply. For all employees whose service with the Authority commenced on or after the effective date of this regulation, the following supplementary regulation shall apply:

1(a). Regularly employed full time employees shall receive one year of creditable service for each year of full time employment as defined for the position.

1(b). Except as set forth below, for all purposes in G.L. c. 32, creditable service for any member in service regularly employed on a part-time basis shall be calculated on a pro-rated basis as it relates to a full-time position, equal to the period of service multiplied by a fraction, no greater than 1, the numerator of which is the actual number of hours of service performed in each week divided by the number of hours in a normal week for the member's position. The prorated service shall be based on the actual hours worked as it relates to the full time hours of the position.

1(c). For purposes of determining whether a member has completed the 10 or more years of creditable service required under G.L. c. 32, § 6 for an ordinary disability retirement only, membership service shall be credited on a full-time basis regardless of whether the member's service was rendered on a part-time or full-time basis. The calculation of the retirement allowance, however, shall be determined according to subsection (b) above with service being pro-rated in the proportion that the actual service bears to full time service.

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

Member Mallett left the meeting at 12:30 p.m.

John Kelly ADR hearing re-scheduled for November 29th

Jennifer Howie ADR hearing scheduled for November 29th

Mr. Heidlage briefly reviewed Ms. Howie's ADR case. He informed the Board that he is removing Ms. Howie's hearing at this time and explained his concerns regarding her case. Mr. Heidlage provided a copy of his letter to Ms. Howie's attorney, Brian Cloherty, notifying him of such.

PERAC Memo #28 – Mandatory Retirement Board Member Training – 4th Quarter 2018

Draft Outlook

Retiree affidavits update – 74% returned as of October 19th

2019 Retirement Board Meeting Advance Schedule

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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 12:47 p.m.

Ms. Moran read a roll call:

Member Hoyte "Yes".

Member Grieco "Yes".

Member Prankevicius "Yes".

Member Taylor "Yes".

13. **Documents and Exhibits**

Agenda – October 25, 2018

Wilshire Associates - Investment Presentation Agenda

Wellington Management Core Bond Plus Portfolio Review

Wilshire Associates – Executive Summary of Investment Performance, September 30, 2018

Wilshire Associates – Monthly Performance Summary, September 30, 2018

Minutes – September 19, 2018

Cash Disbursements 09/01/2018 – 10/31/2018 and Warrant Number 10/2018 AP

MPAERS Fund Composite – September 2018

Retiree and Survivor Payroll Reconciliation – October 2018

People's United Bank Checking Account Reconciliation – September 2018

Bank of America Checking Account Reconciliation – September 2018

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

Trial Balance – 1/1/2018 – 8/31/2018

Attorney/Client Privilege Memorandum from Richard Heidlage: Part-time Employee Creditable Service/Pension Calculation

PERAC Memo # 28 / 2018: Mandatory Retirement Board Member Training – 4th Quarter 2018

2019 Retirement Board Meeting schedule

Draft letter from Richard Heidlage to Brian Cloherty concerning Jennifer Howie's Accidental Disability Retirement Application

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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