

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 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 Tuesday, December 18, 2018. The following members of the Board were present:

James S. Hoyte, Chairman
Michael A. Grieco, Vice Chairman
Betsy Taylor, Board Member
Anna M. Tenaglia, Acting Treasurer-Custodian

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 9:03 a.m.

2. **Roll Call**

Ms. Moran read a roll call:

Member Hoyte "Here".
Member Grieco "Here".
Member Taylor "Here".
Member Tenaglia "Here".

3. **Public Comments**

There were no public comments.

Stephen DiGirolamo joined the meeting via teleconference at 9:04 a.m.
Mark Brubaker joined the meeting via teleconference at 9:08 a.m.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

4. Wilshire Associates

Wilshire Associates was represented by:

Mark Brubaker
Stephen DiGirolamo

PRIT Alternative Investment Allocation

Mr. DiGirolamo presented the 2019 Private Equity Commitment Summary and recalled that the Board last voted to increase its private equity target allocation from 5% to 7.5% back in 2013. The Wilshire recommendation for 2019 is a \$12 million commitment. Mr. Brubaker also reminded the Board that the objective for funding the private equity allocation is gradual level allocations over time so as to time-diversify and balance the portfolio.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, the Board has previously adopted a 7.5% alternative investment allocation as part of its overall asset allocation strategy; and

WHEREAS, the Board has determined that the Public Reserves Investment Trust (PRIT) alternative investment product is the optimum vehicle for gaining exposure in this asset class and that, for diversification purposes, the optimum method for funding this investment is over a period of years.

IT IS HEREBY VOTED:

To allocate \$12 million to PRIT's Vintage Year 2019 product.

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

Mr. Brubaker and Mr. DiGirolamo's participation in the meeting ended at 9:14 a.m.

5. Accidental Disability Application – Jennifer Howie

Because consideration of an accidental 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 accidental disability applications of Jennifer Howie in Executive Session. Ms. Howie was informed of the board's intent to address this matter in executive session and was informed of her right to attend the meeting.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 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 Applications of Jennifer Howie 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 Prankevicius voted "Yes"
Member Taylor voted "Yes"

Upon a roll call in the Executive Session, the Board reconvened to public session at 9:36 a.m.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Jennifer Howie, currently a superannuation retiree, has applied for Accidental Disability Retirement under the provisions of M.G.L. Chapter 32, §7; and

WHEREAS, the Board's Retirement Legal Counsel has advised the Board that, based on his investigation, on the current administrative and judicial record and as the application was filed, Ms. Howie is not entitled to accidental disability retirement as a matter of law; and

WHEREAS, by letter dated October 25, 2018, copy attached, to Ms. Howie's legal counsel, Brian C. Cloherty, Esq., the Board's legal counsel described the state of the administrative record and the law applicable to Ms. Howie's claim and advised Mr. Cloherty that, under the then-current state of the administrative record, Ms. Howie is not entitled to accidental disability retirement as a matter of law. Legal Counsel advised Mr. Cloherty that, unless by December 18, 2018, Ms. Howie responds to the letter, setting out a basis under which Ms. Howie would be entitled to prevail, he would advise the Board to deny the claim without an evidentiary hearing; and

WHEREAS, no response to the letter has been received by December 18, 2018,

NOW, THEREFORE, To deny the claim of Jennifer Howie for accidental disability retirement.

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

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

6. Ratification and Approval of Minutes of the Board Meeting held on November 29, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on November 29, 2018.

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

7. Ratification and Approval of Minutes of the Executive Session held on November 29, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Executive Session held on November 29, 2018.

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

8. Ratification and Approval of Minutes of the Special Board Meeting held on December 6, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Special Board Meeting held on December 6, 2018.

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

9. Ratification and Approval of Investments for the Month of November 2018

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

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

10. Approval of December Vouchers listed below:

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

Funds Wired to Bank of America on 12/28/18	\$2,892,123.66	Retiree Payroll
Funds Wired to Massport Payroll Account on 12/28/18	\$ 60,633.43	

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

Funds Wired to People's United Checking on 12/28/18	\$	71,908.16	
Funds Wired to Bank of America Checking on 12/28/18	\$	23,078.92	Lease
Total		<u>\$ 3,047,744.17</u>	

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

VOTED: That December Vouchers are hereby approved in the total amount of \$3,047,744.17.

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

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

11. **Vote to Approve Pending Retirements**

• **Superannuation Retirement – Richard P. Bartlett**

The Director of Retirement presented the Superannuation Retirement Application of Richard P. Bartlett, Ground Transportation Agent, Group 1, in the Ground Transportation unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Richard P. Bartlett, Ground Transportation Agent, Group 1, in the Ground Transportation unit of the Aviation department at Logan Airport, currently age 63 years with 13 years, 6 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Richard P. Bartlett has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on January 8, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Richard P. Bartlett, Ground Transportation Agent, Group 1, in the Ground Transportation unit of the Aviation department at Logan Airport, currently age 63 years with 13 years, 6 months of creditable service effective on January 8, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

- **Superannuation Retirement – Kevin P. Finn**

The Director of Retirement presented the Superannuation Retirement Application of Kevin P. Finn, Heavy Equipment Operator Training Officer, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Kevin P. Finn, Heavy Equipment Operator Training Officer, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 61 years with 39 years, 6 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Kevin P. Finn has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on January 1, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Kevin P. Finn, Heavy Equipment Operator Training Officer, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 61 years with 39 years, 6 months of creditable service effective on January 1, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – William E. Hayes**

The Director of Retirement presented the Superannuation Retirement Application of William E. Hayes, Fire Fighter/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, William E. Hayes, Fire Fighter/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 56 years with 30 years, 1 month of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, William E. Hayes has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on January 1, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of William E. Hayes, Fire Fighter/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 56 years

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

with 30 years, 1 month of creditable service effective on January 1, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Louis E. Hinckley**

The Director of Retirement presented the Superannuation Retirement Application of Louis E. Hinckley, Director, Information Technology, Group 1, in the Information Technology department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Louis E. Hinckley, Director, Information Technology, Group 1, in the Information Technology department at the Logan Office Center, currently age 62 years with 34 years, 7 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Louis E. Hinckley has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on January 1, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Louis E. Hinckley, Director, Information Technology, Group 1, in the Information Technology department at the Logan Office Center, currently age 62 years with 34 years, 7 months of creditable service effective on January 1, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Richard G. Pelosi**

The Director of Retirement presented the Superannuation Retirement Application of Richard G. Pelosi, Heavy Equipment Operator, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Richard G. Pelosi, Heavy Equipment Operator, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 60 years with 36 years, 8 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

WHEREAS, Richard G. Pelosi has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on January 1, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Richard G. Pelosi, Heavy Equipment Operator, Group 1, in the Field Maintenance unit of the Aviation department at Logan Airport, currently age 60 years with 36 years, 8 months of creditable service effective on January 1, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Superannuation Retirement – Elizabeth A. Sarkodie-Mensah**

The Director of Retirement presented the Superannuation Retirement Application of Elizabeth A. Sarkodie-Mensah, former Librarian, Group 1, in the Legal department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Elizabeth A. Sarkodie-Mensah, former Librarian, Group 1, in the Legal department at the Logan Office Center, currently age 63 years with 10 years, 3 months of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

WHEREAS, Elizabeth A. Sarkodie-Mensah has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on January 1, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of Elizabeth A. Sarkodie-Mensah, former Librarian, Group 1, in the Legal department at the Logan Office Center, currently age 63 years with 10 years, 3 months of creditable service effective on January 1, 2019 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

- **Termination Retirement Allowance – Yvonne M. Sousa**

The Director of Retirement presented the Termination Retirement Application of Yvonne M. Sousa, former Trusted Agent, Group 1, in the Aviation Security unit of the Aviation department at Logan Airport.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Yvonne M. Sousa, former Trusted Agent, Group 1, in the Aviation Security unit of the Aviation department at Logan Airport, currently age 57 years with 27 years, 5 months of creditable service, has applied for a Termination Retirement Allowance, Option B, under the provisions of M.G.L. Chapter 32, Section 10(2)(a).

WHEREAS, Yvonne M. Sousa has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on November 10, 2018.

NOW, THEREFORE, To approve the application for Termination Allowance, Option B, under the provisions of M.G.L. Chapter 32, Section 10(2)(a) of Yvonne M. Sousa, former Trusted Agent, Group 1, in the Aviation Security unit of the Aviation department at Logan Airport, currently age 57 years with 27 years, 5 months of creditable service effective on November 10, 2018 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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

12. Director's Report

John Kelly ADR Update

Mr. Heidlage reported that findings of fact for John Kelly's accidental disability retirement application will be distributed to the Board for review prior to the next meeting on January 24th.

Follow-up on experience study discussion

Ms. Moran reviewed updated employer contribution projections from Larry Stone for the next five years at both a 7% and 7.25% discount rate as well as the resulting changes to the present value of future benefits and the fiscal 2020 contribution. Brief discussion ensued relative to this information and the Board collectively agreed there was nothing compelling enough to warrant a change to the current discount rate at this time.

Upon a motion duly made and seconded, it was:

VOTED: To continue to utilize a 7.25% discount rate for FY 2020.

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

PERAC Memo # 33 – CRAB's Order of Partial Stay Regarding Regular Compensation Status
of Payments Made in Lieu of Unused Leave Time

Ms. Moran explained that CRAB issued an Order of Partial Stay directing retirement board's to not include vacation buyback payments in the final average salary of members who retire after November 6, 2018 and to cease deducting retirement contributions from all active member's vacation buyback payments immediately.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

Further, she explained, per CRAB's order, any retirement contributions deducted from vacation buyback payments between 2001 and 2018 must be refunded, with regular interest, to the member at time of retirement. Ms. Moran noted that members who retired prior to November 6, 2018 are not yet affected under this order pending judicial review.

Ms. Moran reported that staff is currently dealing with the mechanics of implementing this order as well as notifications to members. She noted that Massport's Payroll office would no longer be withholding retirement contributions on vacation buyback payments beginning in January 2019. She further informed the board that there were eight members who had or were in the process of filing for retirement after November 6, 2018 who would be immediately impacted by the Order. She stated that retirement allowance calculations for these members would not include vacation buybacks and she also reported that staff was working with Massport's payroll department regarding the calculation of refund payments. She conveyed that the eighteen years of vacation buyback payment history needed to calculate retirement deduction refunds is not readily available and that payroll staff was determining how best to provide the information needed. Member Taylor suggested that additional temporary staffing may be needed to assist with this implementation effort. Ms. Moran concurred. In terms of communication to members, Ms. Moran noted that an article would be published in the upcoming issue of Outlook and that a letter to members would be mailed in early January, a draft of which was included in board packets. She asked that the board review it at their earliest convenience and get back to her with any comments.

Retiree affidavits update

Ms. Moran reported that, to-date, seven retirees still have not submitted affidavits for 2018. She noted that January retirement allowances are being withheld until such time as these retirees comply.

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 10:35 a.m.

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

15. **Documents and Exhibits**

Agenda – December 18, 2018

Cash Disbursements 12/01/2018 – 12/31/2018 and Warrant Number 12/2018 AP

Minutes – November 29, 2018

Executive Session Minutes – November 29, 2018

Special Meeting Minutes – December 6, 2018

Wilshire Associates – 2019 Private Equity Commitment Summary, December 6, 2018

Wilshire Associates – Monthly Performance Summary, November 30, 2018

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

Letter to Brian Cloherty, Esq RE: Jennifer Howie Accidental Disability Application

MPAERS Fund Composite – November 2018

Retiree and Survivor Payroll Reconciliation – December 2018

Bank of America Checking Account Reconciliation – November 2018

People's United Bank Checking Account Reconciliation – November 2018

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

Trial Balance – 1/1/2018 – 10/31/2018

Stone Consulting – Experience Study, December 6, 2018

Draft Vacation Buyback letter to member's

Attorney/Client Privilege Memo RE: Vacation Buybacks: PERAC Memo #33-2018, December 6, 2018

PERAC Memo #33 / 2018 – CRAB's Order of Partial Stay Regarding Regular Compensation Status of Payments Made in Lieu of Unused Leave Time

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
December 18, 2018**

James S. Hoyte
Chairman

Michael A. Grieco
Vice Chairman

Betsy Taylor
Board Member

Anna M. Tenaglia
Acting Treasurer-Custodian

Irene Moran
Director of Retirement