

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

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, January 24, 2019. 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

Also in attendance were:

Mark Brubaker, Wilshire Associates
Marc DiCosimo, State Street Global Advisors
Stephen DiGirolamo, Wilshire Associates
Taylor Famiglietti, State Street Global Advisors
Dwayne Hancock, State Street Global Advisors

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:13 a.m.

2. **Roll Call**

Ms. Moran read a roll call:

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

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

In Recognition of Philip H. Mallett

The Board, Staff and other meeting attendees observed a moment of silence in honor of Phil Mallett who passed away on January 20, 2019. Board and Staff shared their memories of Phil and reflected on his tenure as a member of the MPAERS Board.

3. Public Comments

There were no public comments.

4. State Street Global Advisors

State Street Global Advisors was represented by:

Marc DiCosimo
Taylor Famiglietti
Dwayne Hancock

Mr. Famiglietti presented a firm overview noting that Lochiel Crafter was promoted to Head of the Global Institutional Group replacing Cyrus Taraporevala who is currently State Street Global Advisors' President and Chief Executive Officer. Mr. Famiglietti also noted that Christopher Baker replaced Alyssa Albertelli as Chief Compliance Officer. Mr. DiCosimo reviewed the fixed income investment process and presented the MPAERS' performance summary reporting that the market value of the portfolio is approximately \$249 million as of December 31, 2018. Mr. Hancock presented an overview of the global fixed income strategies noting no significant changes to the Global Equity Beta Solutions team. Mr. Famiglietti reviewed the Russell 1000, Russell 2000 Growth, US Aggregate Bond, and MSCI ACWI Ex-USA Index strategies. The Board thanked Messrs. DiCosimo, Famiglietti, and Hancock for an informative presentation.

Messrs. DiCosimo, Famiglietti, and Hancock left the meeting at 9:40 a.m.

5. Wilshire Associates

Wilshire Associates was represented by:

Mark Brubaker
Stephen DiGirolamo

Mr. Brubaker presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. Mr. DiGirolamo presented the MPAERS 4th 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.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

Messrs. Brubaker and DiGirolamo left the meeting at 10:18 a.m.

6. Attendance at Educational Conferences

Upon a motion duly made and seconded, it was:

VOTED: To authorize Board, Staff, and Legal Counsel to attend the 2019 NCPERS Conference, the 2019 Wilshire Client Conference, the 2019 GFOA Conference, and the 2019 MACRS Spring Conference and to approve all education and business related expenses as outlined in the Travel Authorization Voucher forms attached.

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

7. Ratification and Approval of Minutes of the Board Meeting held on December 18, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on December 18, 2018.

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

8. Ratification and Approval of Minutes of the Executive Session held on December 18, 2018

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Executive Session held on December 18, 2018.

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

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

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

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

**Massachusetts Port Authority
 Employees' Retirement System
 Board Meeting Minutes
 January 24, 2019**

10. **Approval of January Vouchers listed below:**

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

Funds Wired to Bank of America on 01/30/19	\$2,957,519.19	Retiree Payroll
Funds Wired to Massport Payroll Account on 01/30/19	\$ 55,345.29	
Funds Wired to People's United Checking on 01/30/19	\$ 227,206.55	
Funds Wired to Bank of America Checking on 01/30/19	\$ 23,078.92	Lease
Total	----- \$3,263,149.95	

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

VOTED: That January Vouchers are hereby approved in the total amount of \$3,263,149.95.

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 – David A. Church**

The Director of Retirement presented the Superannuation Retirement Application of David A. Church, former Communications Technician, Group 1, in the Information Technology department at the Logan Office Center.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, David A. Church, former Communications Technician, Group 1, in the Information Technology department at the Logan Office Center, currently age 55 years with 17 years, 6 months of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, David A. Church has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on February 6, 2019.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of David A. Church, former Communications Technician, Group 1, in the Information Technology department at the Logan Office Center, currently age 55 years with 17 years, 6 months of creditable service effective on February 6, 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 – Carmen E. Magnotta**

The Director of Retirement presented the Superannuation Retirement Application of Carmen E. Magnotta, 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, Carmen E. Magnotta, former Parking Utility Technician, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 62 years with 18 years, 4 months of creditable service, has applied for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32.

WHEREAS, Carmen E. Magnotta 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 B, pending the outcome of the accidental disability retirement application, under the provisions of M.G.L. Chapter 32, of Carmen E. Magnotta, former Parking Utility Technician, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan Airport, currently age 62 years with 18 years, 4 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 F. Shea**

The Director of Retirement presented the Superannuation Retirement Application of Richard F. Shea, Fire Lieutenant/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Richard F. Shea, Fire Lieutenant/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 60 years with 29 years of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Richard F. Shea has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on February 1, 2019.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Richard F. Shea, Fire Lieutenant/EMT, Group 4, in the Fire Control unit of the Aviation department at Logan Airport, currently age 60 years with 29 years of creditable service effective on February 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".

12. Director's Report

MPAERS Lease

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, the Initial Term of the Lease with the Massachusetts Port Authority (the "Authority") expires on May 31, 2019;

WHEREAS, the terms of the Lease provides for a five (5) additional year option term ("Option Term") commencing on the expiration of the Initial Term, in which all of the same terms, conditions and provisions contained in the initial Lease apply;

WHEREAS, the Massachusetts Port Authority Employees' Retirement System (the "System") has determined that it is in the best interests of the System to exercise this option;

IT IS HEREBY VOTED:

To extend the term of the Lease with the Authority by exercising the five year Option Term commencing on June 1, 2019.

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

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

Year-end update

Ms. Moran reported on the following year-end items:

- 1099Rs – will be mailed to retirees and survivors on January 25th
- 1/1/2019 Actuarial Valuation – data files to be sent to Stone Consulting during the week of January 28th
- 2019 Audit – KPMG entrance meeting occurred on January 14th. Audit fieldwork to begin on March 4th. Ms. Moran reported that Stephanie Gallagher replaced Bob Mahoney as Audit Manager.
- There are no mandatory public safety members turning age 65 in 2019.
- Notification to be mailed to one inactive member approaching age 70½ in 2019.

Vacation buyback update

Ms. Moran reported that she informed the recent retirees that, due to CRAB's Order of Partial Stay, any vacation buyback payments are not to be included in the final average salary of any members retiring after November 6th and the impact this change has on their retirement allowance. She also reported that vacation buyback contribution refund checks and letters including appeal language will be mailed to these retirees next week. Mr. Heidlage explained the appeal process and discussion ensued. In terms of communication to members, Ms. Moran reported that she attended Massport's senior staff meeting on January 9th, a letter was mailed to all members, and an article was published in the January issue of Outlook. She also reminded the Board that, beginning this month, retirement contributions are no longer being withheld from vacation buyback payments.

PBI – RFQ

Ms. Moran explained the MPAERS' long-standing relationship with Pension Benefit Information (PBI), which performs death match services for retirees and inactive members of the system. Ms Moran reported that following a recent acquisition of PBI by ITM 21st – an independent life insurance services company – MPAERS' 2019 annual fee with PBI increased by 45%. Ms. Moran noted, however, that even with the fee increase the cost for these services would still be relatively modest (less than \$2,000 annually). Therefore for due diligence purposes, Ms. Moran recommended a procurement process working with Massport's Purchasing department to issue an RFQ. Ms. Moran indicated that she would report back to the board with results.

PERAC Memo # 2 – Mandatory Retirement Board Member Training – 1st Quarter 2019

Ms. Moran noted that a copy of this memo was included in packets.

PERAC Memo # 3 – 2019 Limits under Chapter 46 of the Acts of 2002

Ms. Moran reported that the compensation limit for 2019 is set at \$280,000 for certain members hired before January 1, 2011 and noted that currently two active members will reach this limit in 2019.

PERAC Memo # 4 – 2019 Limits under Section 23 of Chapter 131 of the Acts of 2010

Ms. Moran reported that the compensation limit for 2019 is set at \$179,200 for new members hired on or after January 1, 2011 and noted that currently nine active members will hit this limit in 2019.

PERAC Memo # 5 – COLA Notice

Ms. Moran noted that a copy of this memo was included in packets.

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

Affidavit update

Ms. Moran reported that, to-date, three retirees still have not submitted affidavits for 2018. She noted that January retirement allowances are being withheld until such time as these retirees comply. Ms. Moran also reported that an affidavit and conservatorship was received for one retiree who has not been in compliance since 2017.

Disability updates – Kelly, Howie, Witkowski, Addison

Mr. Heidlage updated the Board on the pending disability applications for members John Kelly, Jennifer Howie, Jan Witkowski, and Jacqueline Addison.

January Outlook mailed on January 16th

13. **New Business**

Special Election

Ms. Moran noted that the Board will hold a special election for the unexpired portion of elected member Phil Mallet's term. Per MPAERS By-Laws, the special election must be held within 90 days of vacancy and she will distribute a draft timeline as soon as possible.

14. **Adjournment**

Upon a motion duly made and seconded, it was:

VOTED: To adjourn the meeting at 11:15 a.m.

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

15. **Documents and Exhibits**

Agenda – January 24, 2019

Cash Disbursements 01/01/2019 – 01/31/2019 and Warrant Number 01/2019 AP

Wilshire Associates - Agenda

State Street Global Advisors – Portfolio Review

Wilshire Associates – Executive Summary of Investment Performance, December 31, 2018

Wilshire Associates – Monthly Performance Summary, December 31, 2018

Minutes – December 18, 2018

Executive Session Minutes – December 18, 2018

Travel Authorization Voucher – 2019 Wilshire Client Conference

Travel Authorization Voucher – 2019 NCPERS TEDS and Conference

Travel Authorization Voucher – 2019 GFOA Pre-Conference and Conference

Travel Authorization Voucher – 2019 MACRS Spring Conference and TEDS

MPAERS Fund Composite – December 2018

Retiree and Survivor Payroll Reconciliation – January 2019

Bank of America Checking Account Reconciliation – December 2018

People's United Bank Checking Account Reconciliation – December 2018

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

People's United Bank Replacement Plan Checking Account Reconciliation – December 2018
Trial Balance – 1/1/2018 – 11/30/2018
PERAC Memo # 2 / 2019 – Mandatory Retirement Board Member Training – 1st Quarter 2019
PERAC Memo # 3 / 2019 – 2019 Limits under Chapter 46 pf the Acts of 2002
PERAC Memo # 4 / 2019 – 2019 Limits under Section 23 of Chapter 131 of the Acts of 2010
PERAC Memo # 5 / 2019 – COLA Notice

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
January 24, 2019**

James S. Hoyte
Chairman

Michael A. Grieco
Vice Chairman

Betsy Taylor
Board Member

Anna M. Tenaglia
Acting Treasurer-Custodian

Irene Moran
Director of Retirement