

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
November 18, 2022**

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 Friday, November 18, 2022. The following members of the Board were present:

James S. Hoyte, Chairman
Michael A. Grieco, Vice Chairman
Michael P. O'Brien, Board Member
John P. Prankevicius, Treasurer-Custodian
Betsy Taylor, Board Member

Also present were:

Irene Moran, Director of Retirement
Laura S. Barbosa, Retirement Member Services Specialist
Nancy Bournival, MPAERS Controller
Jan Coen, Retirement Board Coordinator
Richard C. Heidlage, Massport Senior Legal Counsel, Retirement
John Affuso, Massport Senior Legal Counsel, Transactions

Also in attendance were:

Stephen DiGirolamo, Wilshire Advisors (via teleconference)

1. **Open Meeting**

Chairman Hoyte opened the meeting at 1:04 p.m.

2. **Roll Call**

Ms. Moran read a roll call:

Member Hoyte "Here".
Member Grieco "Here".
Member O'Brien "Here".
Member Prankevicius "Here".
Member Taylor "Here".

3. **Public Comments**

There were no public comments.

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4. Ratification and Approval of Minutes of the Board Meeting held on October 25, 2022

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on October 25, 2022.

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

5. Ratification and Approval of Minutes of the Special Board Meeting held on November 9, 2022

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Special Board Meeting held on November 9, 2022.

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

6. Ratification and Approval of Investments for the Month of October 2022

The schedule of investments, buys and sells, for the month of October 2022 was presented to the Board for ratification.

Mr. DiGirolamo presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. He also presented the October 2022 Monthly Investment Summary reviewing total fund performance as well as the Plan's US equity, international equity, fixed income, private equity and real estate composites. The Board thanked Mr. DiGirolamo for an informative presentation.

Upon a motion duly made and seconded, it was:

VOTED: To ratify the investments as previously authorized by the Board, for the month of October as shown on the schedule submitted by M&T Bank, schedule attached.

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

- PRIT Private Equity Vintage Year 2023 Allocation

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, the Board has previously adopted a 10.0% alternative investment allocation as part of its overall asset allocation strategy; and

WHEREAS, the Board has determined that the Public Reserves Investment Trust

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(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 \$10 million to PRIT's Vintage Year 2023 product.

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

Mr. DiGirolamo left the meeting at 1:30 p.m.

7. Approval of November Vouchers listed below:

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

Funds Wired to Bank of America on 11/29/22	\$ 3,693,584.63	Retiree Payroll
Funds Wired to Massport Payroll Account on 11/29/22	\$ 67,877.05	
Funds Wired to M&T Bank Checking on 11/29/22	\$ 86,903.19	
Funds Wired to Bank of America Checking on 11/29/22	\$ 26,590.47	Lease
Total	<u>\$ 3,874,955.34</u>	

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

VOTED: That November Vouchers are hereby approved in the total amount of \$ 3,874,955.34.

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

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

8. Independent Audit RFP

Following a robust discussion about the finalist interviews and ratings sheets, the Board Members each presented their individual rankings for the finalist firms, discussing their reasons for their rankings and provided individual ranking sheets to Ms. Moran for the procurement file. The Board also discussed the contract terms and agreed to reserve the opportunity to revisit the extension years at the end of the initial three-year period for any relevant factors that the Board wishes to consider. The Board concurred that KPMG LLP had the most advantageous of the proposals.

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Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, an RFP for independent financial audit services was issued on behalf of the MPAERS Board on September 2, 2022;

WHEREAS, as of the September 30, 2022 deadline responses were received from three firms – CliftonLarsonAllen LLP, Ernst & Young LLP and KPMG LLP;

WHEREAS, the MPAERS Board conducted an initial evaluation of the responses based upon the criteria set forth in the RFP;

WHEREAS, during the MPAERS Board meeting of October 25, 2022 the Board discussed the three proposals and agreed to interview CliftonLarsonAllen, Ernst & Young and KPMG;

WHEREAS, on November 9, 2022 the Board interviewed representatives from CliftonLarsonAllen, Ernst & Young and KPMG and determined that, taking into consideration price and other factors including the resources of the firm, experience of the individuals who will be performing the audit, firm diversity, equity and inclusion practices, technical expertise in the GASB field, and quality of the interview, KPMG's was the best of the proposals and KPMG was the most advantageous independent audit services applicant;

NOW THEREFORE, upon a motion duly made and seconded;

IT IS HEREBY VOTED: To select KPMG LLP as independent financial auditor for the MPAERS effective January 1, 2023 for an initial term of three years.

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

9. **Director's Report**

2023 Tentative Retirement Board Meeting Schedule

COLA Legislation – on Governor Baker's desk for approval as of 11/8/22

Ms. Moran reported that on November 16, 2022 the Governor signed Chapter 269 of the Acts of 2022 authorizing retirement boards to increase the FY23 COLA from 3% to 5% effective July 1, 2022.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Chapter 269 of the Acts of 2022, entitled "An Act Relative to Cost-of-Living Adjustments for Retirees," was enacted on November 16, 2022; and

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WHEREAS, said Act provides that "Notwithstanding section 103 of Chapter 32 of the General Laws or any other general or special law to the contrary, the retirement board of any system that has accepted said section 103 may elect to establish a cost-of-living adjustment increase of not less than 3 per cent and not greater than 5 percent on the base amount provided for in said section 103 for fiscal year 2023; and

WHEREAS, the MPAERS has accepted said section 103 of Chapter 32 of the General Laws; and

WHEREAS, said Chapter 269 by its terms takes effect on July 1, 2022; and

WHEREAS, the Board has previously voted to pay a pension increase adjustment for MPAERS retirees in the amount of 3% (on the first \$14,000 of the retirement allowance) effective July 1, 2022; now therefore

IT IS HEREBY VOTED, To pay an additional pension increase adjustment for MPAERS retirees in the amount of 2% (on the first \$14,000 of the retirement allowance) effective July 1, 2022 such that the total pension increase adjustment effective July 1, 2022 is 5% (on the first \$14,000 of the retirement allowance).

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

Vacation buybacks as regular compensation

- Chapter 147 of the Acts of 2022
- O'Leary decision
- PERAC Memo #23- Vacation Buybacks as Regular Compensation
- Draft MPAERS Supplemental Regulation on Vacation Buybacks

A draft of the new Vacation Buyback Supplementary Regulation was distributed to the Board. Following a robust discussion, the Board agreed to send the draft supplemental regulation to PERAC for their review and comments.

Design Services RFP Process and Timeline

Ms. Moran reported that four responses were received in response to the MPAERS Design Services RFP issued on September 16, 2022. She noted that a summary of the respondent firms and staff's recommendation will be presented to the Board at the next monthly meeting.

MPAERS Board member election – incumbents declared re-elected

The Board congratulated Members O'Brien and Taylor on their re-election.

2022 Retirement Drop-in Sessions Recap

Records Project Update – proposal to Board by December meeting

10. **New Business**

There was no new business.

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11. **Adjournment**

Upon a motion duly made and seconded, it was:

VOTED: To adjourn the meeting at 2:45 p.m.

Members Hoyte, Grieco, O'Brien, Prankevicius and Taylor voted "Yes."

12. **Documents and Exhibits**

Agenda – November 18, 2022

Minutes – October 25, 2022

Special Meeting Minutes – November 9, 2022

Cash Disbursements Warrant – Warrant Number 11/2022 AP

Cash Disbursements 11/01/2022 – 11/30/2022 and Warrant Number 11/2022 AP

Wilshire Advisors – Monthly Investment Summary, October 2022

Wilshire Advisors – 2023 Private Equity Commitment Summary

MPAERS Fund Composite – October 2022

Retiree and Survivor Payroll Reconciliation – November 2022

Bank of America Checking Account Reconciliation – October 2022

People's United Bank Checking Account Reconciliation – October 2022

People's United Bank Replacement Plan Checking Account Reconciliation – October 2022

2021 3(8)(c) Receivables

Trial Balance – 1/1/2022 – 9/30/2022

Cash Disbursements Report – 9/1/2022 – 9/30/2022

Cash Receipts Report – 9/1/2022 – 9/30/2022

Adjustments Report – 9/1/2022 – 9/30/2022

FY23 Budget to Actual

Audit RFP Matrix and Fee Comparison

2023 Tentative Retirement Board Meeting Schedule

Draft Vacation Buyback Supplementary Regulation

PERAC Memo #28/2022 – 840 CMR 28.00 Electronic Signatures

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Vice Chairman

Michael P. O'Brien
Board Member

John P. Pranckevicius, CPA
Treasurer-Custodian

Betsy Taylor
Board Member

Irene Moran
Director of Retirement