

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
July 25, 2023**

A meeting of the Massachusetts Port Authority Employees' Retirement Board was held via Zoom/conference call on Tuesday, July 25, 2023 pursuant to the procedures set out in Section 30A of Chapter 20 of the Acts of 2021 signed by the Governor on June 16, 2021, as amended by Section 4 of Chapter 107 of the Acts of 2022 and as further extended by Section 40 of Chapter 2 of the Acts of 2023. The following members of the Board were present:

James S. Hoyte, Chairman
Michael A. Grieco, Vice Chairman
John P. Prankevicius, Treasurer-Custodian
Betsy Taylor, Board Member
Jon G. Turco, 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:

Samie Alrakaf, Wilshire Advisors
Mike Ashton, Palmer Square Capital Management
Gar Chung, Financial Investment News
Stephen DiGirolamo, Wilshire Advisors
Cyril Espanol, With.Intelligence
Campe Goodman, Wellington Management
Jen Kaing, Wellington Management
Tyler Kennedy, Wellington Management
Brian Kloss, Brandywine Global Investment Management
Jacob McClelland, Wilshire Advisors
Taylor Moore, Palmer Square Capital Management
Angelique Richardson, Wellington Management
Elizabeth Stevko, Brandywine Global Investment Management
Katharine Tomalonis, Wellington Management

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:02 a.m.

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Chairman Hoyte noted that this meeting was held entirely by remote participation pursuant to the procedures set out in Section 30A of Chapter 20 of the Acts of 2021 signed by the Governor on June 16, 2021, as amended by Section 4 of Chapter 107 of the Acts of 2022 and as further extended by Section 40 of Chapter 2 of the Acts of 2023.

2. **Roll Call**

Ms. Moran read a roll call:

Member Hoyte "Here".
Member Grieco "Here".
Member Prankevicius "Here".
Member Taylor "Here".
Member Turco "Here".

3. **Public Comments**

There were no public comments.

4. **Section 91A Hearings**

Ms. Moran reported that PERAC sent notice of four disability retirees out of compliance with this year's Section 91A filing. She noted that as of July 25th all disability retirees are in compliance with PERAC's 2023 Section 91A filing and as such no board action was required.

5. **Wellington Management**

Wellington Management was represented by:

Campe Goodman
Jen Kaing
Tyler Kennedy
Angelique Richardson
Katharine Tomalonis

Ms. Richardson updated the Board regarding the Wellington Management organization and noted approximately \$1,176 billion of client assets under management at quarter's end. Mr. Goodman presented the MPAERS Core Bond Plus portfolio review as of June 30, 2023 discussing fund characteristics, performance, strategy, and investment process as well as economic and market conditions. The Board thanked the Wellington Management team for an informative presentation.

Mses. Kaing, Richardson and Tomalonis and Messrs. Goodman and Kennedy left the meeting at 9:33 a.m. Brian Kloss and Elizabeth Stevko joined the meeting at 9:34 a.m.

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6. Brandywine Global Investment Management

Brandywine Global Investment Management:

Brian Kloss
Elizabeth Stevko

Ms. Stevko updated the Board regarding the Brandywine Global Investment Management organization and noted approximately \$57.1 billion of client assets under management at quarter's end. Mr. Kloss presented the MPAERS Global Multi-Sector Income portfolio review as of June 30, 2023 discussing fund characteristics, performance, strategy, and investment process as well as economic and market conditions. The Board thanked the Brandywine Global Investment Management team for an informative presentation.

Mr. Kloss and Ms. Stevko left the meeting at 9:59 a.m.
Mike Ashton and Taylor Moore joined the meeting at 10:01 a.m.

7. Palmer Square Capital Management

Palmer Square Capital Management was represented by:

Mike Ashton
Taylor Moore

Mr. Ashton updated the Board regarding the Palmer Square Capital Management organization and noted approximately \$27.4 billion of client assets under management at quarter's end. Mr. Moore presented the MPAERS Opportunistic Credit Fund portfolio review as of June 30, 2023 discussing fund characteristics, performance, strategy, and investment process as well as economic and market conditions. The Board thanked the Palmer Square Management team for an informative presentation.

Messrs. Ashton and Moore left the meeting at 10:29 a.m.

8. Wilshire Advisors

Wilshire Advisors was represented by:

Samie Alrakaf
Stephen DiGirolamo
Jacob McClelland

Mr. DiGirolamo presented an overview of current market conditions reviewing the US Equity, Non-US Equity, and Fixed Income markets. He also presented the MPAERS 2nd Quarter 2023 Investment Performance Analysis reviewing total fund performance for the quarter and the one-year. The total fund was up approximately 2.6% for the quarter, 7.6% for the YTD and 10.6% for the one-year with plan assets totaling approximately \$806.2 million as of June 30, 2023. Mr. DiGirolamo also reviewed the US equity, international equity, fixed income, private equity, and real estate composites.

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Passive Management Searches

Mr. DiGirolamo reported that responses were received from two investment management firms – Rhumblin and State Street Global Advisors (SSGA). He noted that both Rhumblin and SSGA submitted proposals for the large cap core and international passive mandates but only SSGA submitted a proposal for the small cap growth passive mandate.

Mr. DiGirolamo reviewed the search specifications and presented an overview as well as a quantitative analysis of both firms. He also presented overall rating for each of the three passive investment products – Large Cap Core, International Equity, and Small Cap Growth. Mr. DiGirolamo noted that Wilshire deemed incumbent manager, State Street Global Advisors, as the most highly advantageous of the two firms and provided the reasons for this ranking. Following a robust discussion, Member Prankevicius requested that Wilshire provide additional historical information about the firms at the next meeting in August and the Board concurred.

The Board thanked the Wilshire Advisors team for an informative presentation.

9. Ratification and Approval of Minutes of the Board Meeting held on June 27, 2023

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on June 27, 2023.

Ms. Moran read a roll call:

Member Hoyte voted “Yes”.
Member Grieco voted “Yes”.
Member Prankevicius “Yes”.
Member Taylor “Yes”.
Member Turco “Yes”.

10. Ratification and Approval of Investments for the Month of June 2023

The schedule of investments, buys and sells, for the month of June 2023 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 June as shown on the schedule submitted by M&T Bank, schedule attached.

Ms. Moran read a roll call:

Member Hoyte voted “Yes”.
Member Grieco voted “Yes”.
Member Prankevicius “Yes”.

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Member Taylor "Yes".
Member Turco "Yes".

11. Approval of July Vouchers listed below:

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

Funds Wired to Bank of America on 7/28/23	\$ 3,780,582.28	Retiree Payroll
Funds Wired to Massport Payroll Account on 7/28/23	\$ 69,206.59	
Funds Wired to M&T Checking on 7/28/23	\$ 379,740.26	
Funds Wired to Bank of America Checking on 7/28/23	\$ 26,590.47	Lease
Total	\$ 4,256,119.60	

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

VOTED: That July Vouchers are hereby approved in the total amount of \$4,256,119.60.

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

Ms. Moran read a roll call:

Member Hoyte voted "Yes".
Member Grieco voted "Yes".
Member Prankevicius "Yes".
Member Taylor "Yes".
Member Turco "Yes".

12. Director's Report

Year-In-Review Memo

Ms. Moran discussed the significant accomplishments in FY23 and presented the recommendation relative to staff performance ratings and merit increases. The board expressed their appreciation to staff.

Merit Increases FY24:

Upon a motion duly made and seconded, it was:

VOTED: To increase current MPAERS staff salaries by 6% effective July 2, 2023.

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Ms. Moran read a roll call:

Member Hoyte voted "Yes".
Member Grieco voted "Yes".
Member Pranckevicius "Yes".
Member Taylor "Yes".
Member Turco "Yes".

Donnegan Project Update

PERAC Audit Report - final

Annual Report mailed to retirees July 12, 2023

RFP's for passive strategies- Update

Non-US Equity
US Equity Large Cap Core
US Equity Small Cap Core

Master Custody RFP Update

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
-Draft regulation sent to PERAC December 23, 2022

PERAC Memo #16 Mandatory Board Member Training – 3rd Quarter

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 11:53 a.m.

Ms. Moran read a roll call:

Member Hoyte voted "Yes".
Member Grieco voted "Yes".
Member Pranckevicius voted "Yes".

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Member Taylor voted "Yes".

Member Turco voted "Yes".

15. **Documents and Exhibits**

Agenda – July 25, 2023

Minutes – June 27, 2023

Cash Disbursements Warrant – Warrant Number 07/2023 AP

Cash Disbursements 07/01/2023 – 07/31/2023 and Warrant Number 07/2023 AP

Wellington Management – Core Bond Plus Portfolio Review, July 2023

Brandywine Global Investment Management – Global Multi-Sector Income Portfolio Review, July 2023

Palmer Square Capital Management – Opportunistic Credit Fund Portfolio Review, July 2023

Wilshire Advisors – Quarterly Executive Summary, June 2023

Wilshire Advisors – Passive Non-U.S. Equity Manager Search, July 2023

Wilshire Advisors – Passive U.S. Equity Large Cap Core Manager Search, July 2023

Wilshire Advisors – Passive U.S. Equity Small Cap Growth Manager Search, July 2023

Wilshire Advisors – Monthly Investment Summary, June 2023

MPAERS Fund Composite – June 2023

Retiree and Survivor Payroll Reconciliation – July 2023

Bank of America Checking Account Reconciliation – June 2023

People's United Bank Checking Account Reconciliation – June 2023

People's United Bank Replacement Plan Checking Account Reconciliation – June 2023

2022 3(8)(c) Receivables

Trial Balance – 1/1/2023 – 5/31/2023

Cash Disbursements Report – 5/1/2023 – 5/31/2023

Cash Receipts Report – 5/1/2023 – 5/31/2023

Adjustments Report – 5/1/2023 – 5/31/2023

FY23 Year-In-Review Memorandum

PERAC Memo #15/2023 – Mandatory Retirement Board Member Training – 3rd Quarter 2023

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James S. Hoyte
Chairman

Michael A. Grieco
Vice Chairman

John P. Pranckevicius, CPA
Treasurer-Custodian

Betsy Taylor
Board Member

Jon G. Turco
Board Member

Irene Moran
Director of Retirement