

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
October 25, 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 Tuesday, October 25, 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
Barbara Balzarini, Wilshire Advisors
Larysa Bemco, Baillie Gifford
Kelly Cameron, Baillie Gifford
Tyler Kennedy, Wellington Management
Matt McKenna, Wellington Management

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:19 a.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".

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3. Public Comments

There were no public comments.

4. Wellington Management

Wellington Management was represented by:

Tyler Kennedy
Matt McKenna

Mr. McKenna updated the Board regarding the Wellington Management organization and noted approximately \$1,190 billion of client assets under management at quarter's end. Mr. McKenna presented the MPAERS International Opportunities portfolio review as of September 30, 2022 discussing fund characteristics, performance, strategy, and investment process as well as economic and market conditions. The total fund was down approximately 9.3% for the quarter and 28.2% YTD. The Board thanked the Wellington Management team for an informative presentation.

Mr. Kennedy and Mr. McKenna left the meeting at 10:03 a.m.
Larysa Bemco and Kelly Cameron joined the meeting at 10:05 a.m.

5. Baillie Gifford

Baillie Gifford was represented by:

Larysa Bemco
Kelly Cameron

Ms. Cameron presented the MPAERS' portfolio summary as of September 30, 2022. Ms. Bemco updated the Board regarding the Baillie Gifford organization noting they currently have approximately \$254 billion in total assets under management as of September 30, 2022. Ms. Bemco also discussed diversity and inclusion practices within the Baillie Gifford firm. The Board thanked the Baillie Gifford team for an informative presentation.

Ms. Bemco and Ms. Cameron left the meeting at 10:45 a.m.

6. Wilshire Advisors

Wilshire Advisors was represented by:

Stephen DiGirolamo
Barbara Balzarini

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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 3rd Quarter 2022 investment performance analysis reviewing total fund performance for the quarter and the one-year. The total fund was down approximately 2.9% for the quarter, 16.5% for the YTD and 12.8% for the one-year with plan assets totaling approximately \$730 million as of September 30, 2022. Mr. DiGirolamo also reviewed the US equity, international equity, fixed income, private equity, and real estate composites. The Board thanked the Wilshire Advisors team for an informative presentation.

7. Ratification and Approval of Minutes of the Board Meeting held on September 27, 2022

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on September 27, 2022.

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

8. Ratification and Approval of Investments for the Month of September 2022

The schedule of investments, buys and sells, for the month of September 2022 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 September as shown on the schedule submitted by M&T Bank, schedule attached.

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

9. 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 Bank of America on 10/28/22	\$ 3,690,620.29	Retiree Payroll
Funds Wired to Massport Payroll Account on 10/28/22	\$ 65,852.35	
Funds Wired to M&T Bank Checking on 10/28/22	\$ 433,760.07	
Funds Wired to Bank of America Checking on 10/28/22	\$ 27,870.03	Lease
Total	----- \$ 4,218,102.74	

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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 \$ 4,218,102.74.

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."

10. **Director's Report**

2023 Tentative Retirement Board Meeting Schedule

Ms. Moran requested the Board review the tentative meeting schedule and advise staff of any conflicts.

FY23 Goals

COLA Legislation Update

Ms. Moran noted nothing new to report with regard to pending legislation authorizing retirement boards to increase the FY23 COLA from 3% to 5%. Ms. Moran said she would continue to track the legislation and provide the Board with updates.

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

Board and staff continued discussion relative to Vacation Buyback Payments as Regular Compensation. Ms. Moran reported that Mr. Heidlage is working on a draft of a new Vacation Buyback Supplementary Regulation to be distributed to the Board for review next week. Mr. Heidlage discussed the draft supplementary regulation and next steps with the Board.

Independent Auditor RFP Update

Ms. Moran reported that three responses were received in response to the MPAERS Independent Financial Audit Services RFP issued on September 2, 2022. She noted that a summary of the respondent firms will be distributed to the Board by next week. Following a brief discussion, the Board agreed to invite these three firms to interview on Wednesday, November 9, 2022. Ms. Moran indicated she would notify finalists accordingly.

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Upon a motion duly made and seconded, it was:

VOTED: to interview CliftonLarsonAllen LLP, Ernst & Young LLP, and KPMG LLP on November 9, 2022.

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

Design Services RFP Update

Ms. Moran reported that four responses were received in response to the MPAERS Design Services RFP issued on September 16, 2022.

MPAERS Board Member Election Update

Ms. Moran reported that the nomination period closes on Monday, October 31, 2022.

2022 Retirement Drop-in Sessions Recap

Ms. Moran reported that the 2022 Retirement Drop-in meetings are still ongoing noting that that the drop-ins to date have been very well attended.

Records Project Update

Ms. Moran reported that this project is ongoing and she will continue to provide the Board with updates.

Investigative Report – Quincy Retirement Board

The Board discussed PERAC's recent investigative report regarding the theft of funds from the Quincy Retirement Board. Ms. Moran reported that staff is in the process of reviewing the MPAERS internal controls and investment manager directives.

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 12:11 p.m.

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

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13. **Documents and Exhibits**

Agenda – October 25, 2022

Minutes – September 27, 2022

Cash Disbursements Warrant – Warrant Number 10/2022 AP

Cash Disbursements 10/01/2022 – 10/31/2022 and Warrant Number 10/2022 AP

Wellington Management – International Opportunities Presentation, October 25, 2022

Baillie Gifford – International Alpha Presentation, October 2022

Wilshire Associates – Quarterly Executive Summary, September 2022

Wilshire Advisors, LLC – Monthly Investment Summary, September 2022

MPAERS Fund Composite – September 2022

Retiree and Survivor Payroll Reconciliation – October 2022

Bank of America Checking Account Reconciliation – September 2022

People's United Bank Checking Account Reconciliation – September 2022

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

2021 3(8)(c) Receivables

Trial Balance – 1/1/2022 – 8/31/2022

Cash Disbursements Report – 8/1/2022 – 8/31/2022

Cash Receipts Report – 8/1/2022 – 8/31/2022

Adjustments Report – 8/1/2022 – 8/31/2022

2023 Tentative Retirement Board Meeting Schedule

Memo – FY23 Goals

PERAC Memo #23/2022 – Vacation Buybacks as Regular Compensation

PERAC Investigative Report – Quincy Retirement Board

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Chairman

Michael A. Grieco
Vice Chairman

Michael P. O'Brien
Board Member

John P. Pranckevicius, CPA
Treasurer-Custodian

Betsy Taylor
Board Member

Irene Moran
Director of Retirement