

**Massachusetts Port Authority  
Employees' Retirement System  
Board Meeting Minutes  
October 26, 2023**

A meeting of the Massachusetts Port Authority Employees' Retirement Board was held via Zoom/conference call on Thursday, October 26, 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:

Stephen DiGirolamo, Wilshire Advisors  
Jacob McClelland, Wilshire Advisors  
Matt McKenna, Wellington Management  
Angelique Richardson, Wellington Management  
Laura Sagona Wurz, Financial Investment News  
Sachin Sharma, Baillie Gifford  
Julie Skedd, Baillie Gifford  
Tara Stillwell, Wellington Management

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:00 a.m.

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.

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**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. Ratification and Approval of Minutes of the Board Meeting held on September 26, 2023**

Upon a motion duly made and seconded, it was:

**VOTED:** To ratify and approve the Minutes of the Board Meeting held on September 26, 2023.

Ms. Moran read a roll call:

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

**5. Wellington Management**

Wellington Management was represented by:

Matt McKenna  
Angelique Richardson  
Tara Stillwell

Ms. Richardson updated the Board regarding the Wellington Management organization and noted approximately \$1,200 billion of client assets under management at quarter's end. Mr. McKenna reported the upcoming retirement of Nicholas Choumenkovitch, Senior Managing Director and Portfolio Manager in June 2024 and noted that Tara Stillwell, Senior Managing Director and Portfolio Manager, would now oversee the MPAERS' portfolio. Ms. Stillwell introduced herself to the Board and presented a portfolio review as of September 30, 2023 discussing fund characteristics, performance, strategy, and investment process as well as economic and market conditions. The total fund was down approximately 5.7% for the quarter and up 2.6% YTD. The Board thanked the Wellington Management team for an informative presentation.

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Mr. McKenna, Ms. Richardson and Ms. Stillwell left the meeting at 9:35 a.m.  
Sachin Sharma and Julie Skedd joined the meeting at 9:35 a.m.

**6. Baillie Gifford**

Baillie Gifford was represented by:

Sachin Sharma  
Julie Skedd

Ms. Skedd updated the Board regarding the Baillie Gifford organization noting the addition of 13 new staff to their investment research graduate program. Ms. Skedd also discussed diversity and inclusion practices within the Baillie Gifford firm. Mr. Sharma presented the MPAERS' portfolio summary as of September 30, 2023. The Board thanked the Baillie Gifford team for an informative presentation.

Mr. Sharma and Ms. Skedd left the meeting at 10:06 a.m.

**7. Wilshire Advisors**

Wilshire Advisors was represented by:

Stephen DiGirolamo  
Jacob McClelland

**Performance Review**

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 3<sup>rd</sup> Quarter 2023 investment performance analysis reviewing total fund performance for the quarter and the one-year. The total fund was down approximately 3.2% for the quarter and up 4.1% for the YTD with plan assets totaling approximately \$782 million as of September 30, 2023. Mr. DiGirolamo also reviewed the US equity, international equity, fixed income, private equity, and real estate composites.

**Small Cap Value Manager Search**

Mr. DiGirolamo reported that responses were received from 33 active small cap value investment management firms and identified three highly rated firms – Ariel, Boston Partners, and Pzena Investment Management. Mr. DiGirolamo presented a summary of each firm reviewing their organization, management team, management philosophy, product, investment process, performance track record, fees, and an overall rating. Mr. DiGirolamo noted that Wilshire deemed these managers as highly advantageous and provided the reasons for this ranking. Following a robust discussion; Wilshire recommended the Board interview Ariel, Boston Partners, and Pzena Investment Management for the active small cap value management mandate. The Board agreed.

**Core Fixed Income Manager Search**

Mr. DiGirolamo reported that responses were received from 41 core fixed income investment management firms. He noted that some firms submitted responses for multiple strategies. Mr. DiGirolamo identified four

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highly rated firms – Wellington, PGIM, Longfellow, and Payden & Rygel. Mr. DiGirolamo presented a summary of each firm reviewing their organization, management team, management philosophy, product, investment process, performance track record, fees, and an overall rating. Mr. DiGirolamo noted that Wilshire deemed Wellington and PGIM as highly advantageous and Longfellow and Payden & Rygel as advantageous and also provided the reasons for these rankings. Mr. DiGirolamo also suggested allocating this mandate to multiple managers versus a single manager. Following a robust discussion; Wilshire recommended the Board interview Wellington, PGIM, Longfellow, and Payden & Rygel for the core fixed income management mandate. The Board agreed.

Upon a motion duly made and seconded, it was:

**VOTED:** To interview Ariel, Boston Partners, and Pzena Investment Management for the small cap value mandate on November 9, 2023 and Wellington, PGIM, Longfellow, and Payden & Rygel for the core fixed income mandate on November 30, 2023.

Ms. Moran read a roll call:

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

The Board thanked the Wilshire Advisors team for an informative presentation.  
Mr. McClelland left the meeting at 11:36 a.m.

**8. Ratification and Approval of Investments for the Month of September 2023**

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

Ms. Moran read a roll call:

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

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**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 10/30/23          | \$ 3,794,168.18 | Retiree Payroll |
| Funds Wired to Massport Payroll Account on 10/30/23 | \$ 70,170.22    |                 |
| Funds Wired to M&T Bank Checking on 10/30/23        | \$ 200,694.33   |                 |
| Funds Wired to Bank of America Checking on 10/30/23 | \$ 27,400.58    | Lease           |
| Total   | \$ 4,092,433.31 |                 |

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 \$ 4,092,433.31

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

Ms. Moran read a roll call:

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

**10. Vote to Approve Pending Retirements**

• **Superannuation Retirement – Charles G. Sanfilippo**

The Director of Retirement presented the Superannuation Retirement Application of Charles G. Sanfilippo, Supervisor, Electrical Maintenance, Group 4, in the Electrical Maintenance unit of the Aviation department at Logan International Airport.

Upon a motion duly made and seconded, it was:

**VOTED:**

**WHEREAS,** Charles G. Sanfilippo, Supervisor, Electrical Maintenance, Group 4, in the Electrical Maintenance unit of the Aviation department at Logan International Airport,

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currently age 58 years with 12 years and 3 months of creditable service, has applied for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32.

**WHEREAS**, Charles G. Sanfilippo, has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on November 7, 2023.

**NOW, THEREFORE**, To approve the application for Superannuation Retirement, Option A, under the provisions of M.G.L. Chapter 32, of Charles G. Sanfilippo, Supervisor, Electrical Maintenance, Group 4, in the Electrical Maintenance unit of the Aviation department at Logan International Airport, currently age 58 years with 12 years and 3 months of creditable service effective on November 7, 2023 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

Ms. Moran read a roll call:

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

11. **Director's Report**

Fifth member appointment process update

At this time, Chairman Hoyte was moved to the virtual waiting room.

Ms. Moran reported that there are two candidates for the position of 5<sup>th</sup> Board member pursuant to the notice of 5<sup>th</sup> member election duly posted in late September. Following discussion regarding the candidates and PERAC requirements, the Board agreed to hold interviews for the 5<sup>th</sup> Board member position at its meeting on December 7, 2023.

Chairman Hoyte was readmitted to the meeting.

Retiree affidavits mailed October 13<sup>th</sup>

Ms. Moran noted that PERAC is revising the affidavit regulation to allow utilization of PBI death audit reports in place of annual affidavits.

Social Security presentation, November 15<sup>th</sup>

Ms. Moran reported that a Social Security presentation is scheduled for the Airport Facilities group and Fire Rescue on November 15<sup>th</sup> at the Rental Car Center.

Draft FY24 Goals

Vacation buybacks as regular compensation:

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- 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
- Updated draft regulation distributed

Ms. Moran noted that an updated vacation buyback supplementary regulation was distributed to the Board. Mr. Heidlage reported that PERAC has reviewed the draft regulation noting one suggestion with regard to repayment methods for retirees. Discussion ensued relative to the regulation, timing, and the process going forward including the status of the retiree recalculations as well as active member calculations.

Upon a motion duly made and seconded, it was:

**VOTED:** To adopt the vacation buyback supplemental regulation as drafted.

Ms. Moran read a roll call:

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

Member Taylor left the meeting at 11:59 a.m.

PERAC Memo #20/2023 – 4<sup>th</sup> Quarter Education Schedule

12. **New Business**

There was no new business.

13. **Adjournment**

Upon a motion duly made and seconded, it was:

**VOTED:** To adjourn the meeting at 12:15 p.m.

Ms. Moran read a roll call:

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

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14. **Documents and Exhibits**

Agenda – October 26, 2023

Minutes – September 26, 2023

Wellington Management International Opportunities presentation – October 26, 2023

Baillie Gifford Portfolio Review – October 2023

Wilshire Advisors Quarter Executive Summary – September 2023

Wilshire Advisors Small Cap Value Manager Search – October 2023

Wilshire Advisors Core Plus Fixed Income Manager Search – October 2023

Wilshire Advisors Monthly Investment Summary – September 2023

Cash Disbursements Warrant – Warrant Number 10/2023 AP

Cash Disbursements 10/01/2023 – 10/31/2023 and Warrant Number 10/2023 AP

MPAERS Fund Composite – September 2023

Retiree and Survivor Payroll Reconciliation – October 2023

Bank of America Checking Account Reconciliation – September 2023

M&T Bank Checking Account Reconciliation – September 2023

M&T Bank Replacement Plan Checking Account Reconciliation – September 2023

Trial Balance – 1/1/2023 – 8/31/2023

Cash Disbursements Report – 8/1/2023 – 8/31/2023

Cash Receipts Report – 8/1/2023 – 8/31/2023

Adjustments Report – 8/1/2023 – 8/31/2023

FY24 Budget to Actual

Supplementary Regulation Concerning Vacation Buybacks – draft

PERAC Memo #20/2023 – Mandatory Retirement Board Member Training – 4<sup>th</sup> Quarter 2023

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James S. Hoyte  
Chairman

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Michael A. Grieco  
Vice Chairman

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John P. Pranckevicius, CPA  
Treasurer-Custodian

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Betsy Taylor  
Board Member

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Jon G. Turco  
Board Member

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Irene Moran  
Director of Retirement