

**Massachusetts Port Authority
Employees' Retirement System
Special Board Meeting Minutes
December 7, 2023**

A special 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, December 7, 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
John Affuso, Massport Senior Legal Counsel, Transactions

Also in attendance were:

Samie AlRakaf, Wilshire Advisors
Stephen DiGirolamo, Wilshire Advisors
Colin Edgar, Stone Consulting, Inc.
Jacob McClelland, Wilshire Advisors
Joan Moreau, Stone Consulting, Inc.

1. **Open Meeting**

Chairman Hoyte opened the meeting at 8:32 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.

2. **Roll Call**

Ms. Moran read a roll call:

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

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3. Public Comments

There were no public comments.

4. Wilshire Advisors

Wilshire Advisors was represented by:

Stephen DiGirolamo
Jacob McClelland
Samie AlRakaf

- Asset Allocation Review

Mr. DiGirolamo presented an Asset Allocation Review to the Board. He reviewed assumption and total return expectation changes, alpha assumptions and return probabilities of the plan's return exceeding various discount rates over 10 and 30 year periods.

- PRIT Private Equity Vintage Year 2024 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 (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 2024 product.

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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- Small Cap Value Manager Procurement

Mr. DiGirolamo presented a side-by-side comparison of the respondent firms – Ariel Investments, Boston Partners and Pzena Investment Management. He provided performance and risk/return comparisons and a qualitative analysis. Wilshire ranked Pzena Investment Management first overall. Following a robust discussion, Wilshire recommended the Board select Pzena Investment Management for the small cap value mandate.

Upon a motion duly made and seconded, it was:

VOTED: To select Pzena Investment Management as the investment management firm to the Massachusetts Port Authority Employees' Retirement System for the Small Cap Value mandate.

Ms. Moran read a roll call:

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

- Core Fixed Income Manager Procurement

Mr. DiGirolamo presented a side-by-side comparison of the respondent firms – Wellington Management, PGIM, Longfellow Investment Management and Payden & Rygel. He provided performance and risk/return comparisons and a qualitative analysis. Discussion followed with regard to manager selection including the option of allocating this mandate to multiple managers. The Board Members agreed to continue discussion of the finalists, their proposals and presentations, and allocation of this mandate at the December monthly board meeting.

5. Stone Consulting, Inc.

Stone Consulting was represented by:

Colin Edgar
Joan Moreau

Mr. Edgar and Ms. Moreau presented a review of assumptions. They discussed retirement rates, mortality assumption, withdrawal and disability experience, vacation buybacks as well as the discount rate and salary scale. A robust discussion ensued relative to the assumptions as well as a change to the discount rate and a potential increase to the COLA base. The Board tabled further discussion and action on the discount rate until their meeting on December 19, 2023. The Board also agreed to continue discussion related to a potential COLA base increase.

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6. **Adjournment**

Upon a motion duly made and seconded, it was:

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

Ms. Moran read a roll call:

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

7. **Documents and Exhibits**

Agenda – December 7, 2023

Wilshire Advisors Asset Allocation Review, December 2023

Wilshire Advisors Private Equity Commitment Summary, December 7, 2023

Wilshire Advisors Small Cap Value Manager Search Update, December 2023

Wilshire Advisors Core Plus Fixed Income Manager Search Update, December 2023

Stone Consulting, January 1, 2024 Actuarial Valuation Prevaluation Meeting, December 7, 2023

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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