

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

A meeting of the Massachusetts Port Authority Employees' Retirement Board was held via Zoom/conference call on Tuesday, April 25, 2023 pursuant to the procedures set out in Section 4 of Chapter 107 of the Acts of 2022. 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
Stephen DiGirolamo, Wilshire Advisors
Colin Edgar, Stone Consulting, Inc.
Taylor Famiglietti, State Street Global Advisors
John Flynn, Pzena Investment Management
Dwayne Hancock, State Street Global Advisors
Jacob McClelland, Wilshire Advisors
Joan Moreau, Stone Consulting, Inc.
Wayne Palladino, Pzena Investment Management
Cyril Espanol, With.Intelligence

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:07 a.m.

Chairman Hoyte noted that this meeting was held entirely by remote participation pursuant to the procedures set out in Section 4 of Chapter 107 of the Acts of 2022.

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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. **Swearing in of Elected Board Member**

Board and staff members congratulated Jon G. Turco on his election to the Board. Member Turco read his Oath of Office. Mr. Heidlage proceeded to swear in Member Turco as an Elected Board Member of the Massachusetts Port Authority Employees' Retirement System Board for the term beginning on April 13, 2023 and ending on January 10, 2026.

5. **State Street Global Advisors**

State Street Global Advisors was represented by:

Taylor Famiglietti
Dwayne Hancock

Mr. Famiglietti and Mr. Hancock presented the MPAERS' portfolio summary as of March 31, 2023. Mr. Famiglietti presented a firm overview. Mr. Hancock presented the MPAERS' performance summary and reported that the market value of the portfolio is approximately \$242 million as of March 31, 2023. The Board thanked Messrs. Famiglietti and Hancock for an informative presentation.

Messrs. Famiglietti and Hancock left the meeting ended at 9:20 a.m.

6. **Pzena Investment Management**

Pzena Investment Management was represented by:

John Flynn
Wayne Palladino

Mr. Flynn and Mr. Palladino presented the MPAERS' portfolio summary as of March 31, 2023. Mr. Palladino updated the Board regarding the Pzena organization. Mr. Flynn reviewed the composition of the

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portfolio and noted assets totaling approximately \$12.1 million as of March 31, 2023. The Board thanked Mr. Flynn and Mr. Palladino for an informative presentation.

Messrs. Flynn and Palladino left the meeting at 9:54 am.

7. 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 Quarterly Executive Summary reviewing total fund performance for the quarter and the one-year. The total fund was up approximately 4.9% for the quarter and down 2.9% for the one-year with plan assets totaling approximately \$794 million as of March 31, 2023. Mr. DiGirolamo reviewed the US equity, international equity, fixed income, private equity, and real estate composites. The Board thanked Mr. DiGirolamo for an informative presentation.

8. Stone Consulting

Stone Consulting, Inc. was represented by:

Colin Edgar
Joan Moreau

Mr. Edgar and Ms. Moreau presented January 1, 2023 Preliminary Valuation Results to the Board. They reviewed and discussed actuarial assumptions and methodologies. Mr. Edgar reported that the FY24 employer contribution is \$11.4 million which is \$3.1 million more than the FY23 employer contribution. Mr. Edgar reported that Stone Consulting used a discount rate of 6.75%, salary scale of 4.25% and MP2021 mortality tables, all consistent with the 1/1/2022 valuation. The Board thanked Mr. Edgar and Ms. Moreau for an informative presentation.

VOTED: To adopt January 1, 2023 Actuarial Valuation as presented and to accept the \$11.4 million contribution for FY24.

Ms. Moran read a roll call:

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

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Mr. Edgar and Ms. Moreau left the meeting at 11:08 a.m.

9. **Ratification and Approval of Minutes of the Board Meeting held on March 28, 2023**

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on March 28, 2023.

Ms. Moran read a roll call:

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

10. **Ratification and Approval of Investments for the Month of March 2023**

The schedule of investments, buys and sells, for the month of March 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 March 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 "Present".

Messrs. Alrakaf, McClelland and DiGirolamo left the meeting at 11:14 a.m.

11. **Approval of PERAC Annual Statement**

Upon a motion duly made and seconded, it was:

VOTED: To adopt the 2022 PERAC Annual Statement.

Ms. Moran read a roll call:

Member Hoyte "Yes".

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

12. Approval of April Vouchers listed below:

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

Funds Wired to Bank of America on 4/27/2023	\$ 3,726,607.90	Retiree Payroll
Funds Wired to Massport Payroll Account on 4/27/23	\$ 73,659.71	
Funds Wired to M&T Bank Checking on 4/12/23	\$ 2,162.05	
Funds Wired to M&T Bank Checking on 4/27/23	\$ 491,127.75	
Funds Wired to Bank of America Checking on 4/27/23	\$ 26,590.47	Lease
Total	\$ 4,320,147.88	

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

VOTED: That April Vouchers are hereby approved in the total amount of \$4,320,147.88.

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".

13. Vote to Approve Pending Retirements

- **Superannuation Retirement – Nicholas F. Barrasso**

The Director of Retirement presented the Superannuation Retirement Application of Nicholas F. Barrasso, Heavy Equipment Operator Training Officer, Group 1, in the Field Maintenance unit of the Aviation department at Logan International Airport.

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Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Nicholas F. Barrasso, Heavy Equipment Operator Training Officer, Group 1, in the Field Maintenance unit of the Aviation department at Logan International Airport, currently Age 64 years with 27 years of creditable service, has applied for a Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Nicholas F. Barrasso, has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on May 1, 2023.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32 of Nicholas F. Barrasso, Heavy Equipment Operator Training Officer, Group 1, in the Field Maintenance unit of the Aviation department at Logan International Airport, currently age 64 years with 27 years of creditable service effective on May 1, 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 Prankevicius "Yes".
Member Taylor "Yes".
Member Turco "Yes".

- **Superannuation Retirement –Charles W. DeIorio**

The Director of Retirement presented the Superannuation Retirement Application of Charles W. DeIorio, Supervisor, Transportation, Group 1, in the Transportation Operations unit of the Aviation department at Logan International Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Charles W. DeIorio, Supervisor, Transportation, Group 1, in the Transportation Operations unit of the Aviation department at Logan International Airport, currently age 62 years with 36 years of creditable service, has applied for a Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32.

WHEREAS, Charles W. DeIorio, has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on May 1, 2023.

NOW, THEREFORE, To approve the application for Superannuation Retirement,

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Option B, under the provisions of M.G.L. Chapter 32 of Charles W. DeIorio, Supervisor, Transportation, Group 1, in the Transportation Operations unit of the Aviation department at Logan International Airport, currently age 62 years with 36 years of creditable service effective on May 1, 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 Prankevicius "Yes".
Member Taylor "Yes".
Member Turco "Yes".

- **Superannuation Retirement – Joseph F. DiNush**

The Director of Retirement presented the Superannuation Retirement Application of Joseph F. DiNush, Head Cashier, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan International Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Joseph F. DiNush, Head Cashier, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan International Airport, currently age 56 years with 34 years 10 months of creditable service, has applied for a Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Joseph F. DiNush, has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on May 1, 2023.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32 of Joseph F. DiNush, Head Cashier, Group 1, in the Parking Garage Operations unit of the Aviation department at Logan International Airport, currently age 56 years with 34 years 10 months of creditable service effective on May 1, 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 Prankevicius "Yes".
Member Taylor "Yes".

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Member Turco "Yes".

14. Director's Report

Donnegan Project Update

Ms. Moran updated the Board with regard to the ongoing records management project. She reported that installation of the mobile shelving units, file conversion and scanning will begin on May 8th.

Special Election Results

Ms. Moran presented the results of the special election. Board and staff congratulated and welcomed Member Turco to the Board.

PERAC Audit Update

Ms. Moran reported that field work begins on Thursday, April 27th. PERAC will be auditing years 2016 – 2020 and staff is compiling requested documents for the auditors. She noted that PERAC requested and was granted permission to review KPMG work papers for use in the audit.

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

Ms. Moran reported that a document containing vacation buyback data for all current active members indicating trends has been produced. Mr. Heidlage reported that he is still gathering data for retirees.

Upcoming Procurements

Ms. Moran reported the following procurements coming up later this year:

- Equity Index Funds (3)
- Custodian Bank
- Small Cap Value fund
- Core Bond fund

MACRS, June 4-7th Hyannis, MA

PERAC Memo #10/2023 – Board Training

PERAC Memo #11/2023 – Extension of Open Meeting Law Waivers

Ms. Moran reported that remote board meetings have been approved to extend through March 31, 2025.

PERAC Memo #12/2023 - Forfeiture of Retirement Allowance for Dereliction of Duty by Members

Statement of Financial Interests due to PERAC on May 1, 2023

Ms. Moran reminded Board Members that the Statement of Financial Interests is due on May 1, 2023.

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15. **New Business**

There was no new business.

16. **Adjournment**

Upon a motion duly made and seconded, it was:

VOTED: To adjourn the meeting at 11:35 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".

17. **Documents and Exhibits**

Agenda – April 25, 2023

Minutes – March 28, 2023

Cash Disbursements Warrant – Warrant Number 04/2023 AP

Cash Disbursements 04/01/2023 – 04/30/2023 and Warrant Number 04/2023 AP

State Street Global Advisors – Portfolio Review, April 25, 2023

Pzena Investment Management – Portfolio Review & Outlook, April 25, 2023

Wilshire Advisors –Quarterly Executive Summary, March 2023

Stone Consulting, Inc. – Review of Assumptions, Methods, and Preliminary Results, April 25, 2023

Wilshire Advisors – Monthly Investment Summary, March 2023

MPAERS Fund Composite – March 2023

2022 PERAC Annual Statement

Retiree and Survivor Payroll Reconciliation – April 2023

Bank of America Checking Account Reconciliation – March 2023

People's United Bank Checking Account Reconciliation – March 2023

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

2022 3(8)(c) Receivables

Trial Balance – 1/1/2023 – 2/28/2023

Cash Disbursements Report – 2/1/2023 – 2/28/2023

Cash Receipts Report – 2/1/2023 – 2/28/2023

Adjustments Report – 2/1/2023 – 2/28/2023

FY23 Budget to Actual

PERAC Memo #10/2023 – Mandatory Retirement Board Member Training – 2nd Quarter 2023

PERAC Memo #11/2023 – Extension of Open Meeting Law Waivers

PERAC Memo #12/2023 – Forfeiture of Retirement Allowance for Dereliction of Duty by Members

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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