

**Massachusetts Port Authority
Employees' Retirement System
Board Meeting Minutes
July 25, 2024**

A meeting of the Massachusetts Port Authority Employees' Retirement Board was held via Zoom/conference call on Thursday, July 25, 2024 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
John Affuso, Massport Senior Legal Counsel, Transactions
Richard C. Heidlage, Massport Senior Legal Counsel, Retirement

Also in attendance were:

Samie Alrakaf, Wilshire Advisors
Stephen DiGirolamo, Wilshire Advisors
Brian Doherty, Wellington Management
Connor Fitzgerald, Wellington Management
Campe Goodman, Wellington Management
Tyler Kennedy, Wellington Management
Brian Kloss, Brandywine Global Investment Management
Taylor Moore, Palmer Square Capital Management
Angelique Richardson, Wellington Management
Elizabeth Stevko, Brandywine Global Investment Management

1. **Open Meeting**

Chairman Hoyte opened the meeting at 9:02 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. Wellington Management Company

Wellington Management was represented by:

Brian Doherty
Campe Goodman
Connor Fitzgerald
Tyler Kennedy
Angelique Richardson

Ms. Richardson updated the Board regarding the Wellington Management organization and noted approximately \$1,251 billion of client assets under management at quarter's end. Mr. Goodman presented the MPAERS Core Bond Plus portfolio review as of June 30, 2024 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.

Messrs. Doherty, Goodman, Fitzgerald and Kennedy and Ms. Richardson left the meeting at 9:31 a.m. Brian Kloss and Elizabeth Stevko joined the meeting at 9:31 a.m.

5. Brandywine Global Investment Management

Brandywine was represented by:

Brian Kloss
Elizabeth Stevko

Ms. Stevko updated the Board regarding the Brandywine Global Investment Management organization and noted approximately \$64.0 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, 2024 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.

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Mr. Kloss and Ms. Stevko left the meeting at 9:56 a.m.

6. Ratification and Approval of Minutes of the Board Meeting held on June 28, 2024

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Board Meeting held on June 28, 2024.

Ms. Moran read a roll call:

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

7. Ratification and Approval of Minutes of the Executive Session held on June 28, 2024

Upon a motion duly made and seconded, it was:

VOTED: To ratify and approve the Minutes of the Executive Session held on June 28, 2024.

Ms. Moran read a roll call:

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

Taylor Moore joined the meeting at 10:01 a.m.

8. Palmer Square Capital Management

Brandywine was represented by:

Taylor Moore

Mr. Moore updated the Board regarding the Palmer Square Capital Management organization and noted approximately \$30.7 billion of client assets under management at quarter's end. Mr. Moore presented the MPAERS Opportunistic Credit Fund portfolio review as of June 30, 2024 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.

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Mr. Moore left the meeting at 10:30 a.m.

9. **Wilshire Advisors**

Wilshire Advisors was represented by:

Samie Alrakaf
Stephen DiGirolamo

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 2024 Investment Performance Analysis reviewing total fund performance for the quarter and the one-year. The total fund was up approximately 1.3% for the quarter, 5.2% for the YTD and 10% for the one-year with plan assets totaling approximately \$864 million as of June 30, 2024. Mr. DiGirolamo also reviewed the US equity, international equity, fixed income, private equity, and real estate composites. Mr. DiGirolamo also presented a comparison of fees the MPAERS pays with respect to each of its investment management contracts against the median manager fee for each respective asset class in Wilshire's manager database and noted that the fees paid by the System compare favorably with the median fees in the Wilshire database. The Board thanked Mr. DiGirolamo for an informative presentation.

Mr. Alrakaf left the meeting at 11:05 a.m.

10. **Ratification and Approval of Investments for the Month of June 2024**

The schedule of investments, buys and sells, for the month of June 2024 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 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 Pranckevicius "Yes".
Member Taylor "Yes".
Member Turco "Yes".

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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 7/30/24	\$ 3,919,148.21	Retiree Payroll
Funds Wired to Massport Payroll Account on 7/30/24	\$ 75,876.28	
Funds Wired to M&T Checking on 7/30/24	\$ 444,225.33	
Funds Wired to Bank of America Checking on 7/30/24	\$ 20,170.78	Lease
Total	<u>\$ 4,459,420.60</u>	

Following a review of the vouchers on the attached warrant report, the following vote is proposed:

VOTED: That July Vouchers are hereby approved in the total amount of \$4,459,420.60.

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. Vote to Approve Pending Retirements

• Superannuation Retirement – Agron Balluku

The Director of Retirement presented the Superannuation Retirement Application of Agron Balluku, Parking Utility Technician, Group 1, in the Parking Facilities unit of the Aviation department at Logan International Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Agron Balluku, Parking Utility Technician, Group 1, in the Parking Facilities unit of the Aviation department at Logan International Airport currently age 67 years with 19 years and 2 months of creditable service, has applied for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32.

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WHEREAS, Agron Balluku, has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 1, 2024.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option B, under the provisions of M.G.L. Chapter 32, of Agron Balluku, Parking Utility Technician, Group 1, in the Parking Facilities unit of the Aviation department at Logan International Airport, currently age 67 years with 19 years and 2 months of creditable service effective on August 1, 2024 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 voted "Yes".
Member Grieco voted "Yes".
Member Prankevicius "Yes".
Member Taylor "Yes".
Member Turco "Yes".

- **Superannuation Retirement – Pablo A. Nieves**

The Director of Retirement presented the Superannuation Retirement Application of Pablo A. Nieves, former Cashier, Group 1, in the Parking Facilities unit of the Aviation department at Logan International Airport.

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, Pablo A. Nieves, former Cashier, Group 1, in the Parking Facilities unit of the Aviation department at Logan International Airport currently age 59 years with 10 years and 1 month of creditable service, has applied for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32.

WHEREAS, Pablo A. Nieves, has been found upon investigation by the Director of Retirement to qualify for such retirement, effective on August 1, 2024.

NOW, THEREFORE, To approve the application for Superannuation Retirement, Option C, under the provisions of M.G.L. Chapter 32, of Pablo A. Nieves, former Cashier, Group 1, in the Parking Facilities unit of the Aviation department at Logan International Airport, currently age 59 years with 10 years and 1 month of creditable service effective on August 1, 2024 subject to certification to be issued by the Commonwealth of Massachusetts Division of Public Employee Retirement Administration Commission.

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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".

13. Director's Report

Year-In-Review Memo

Ms. Moran discussed her year-in-review memo highlighting staff accomplishments for FY24. The board expressed their appreciation to staff.

Benefit Statements mailed to active members on July 23, 2024

Annual Report mailed to retirees on July 18, 2024

Implementation status of MPAERS Supplemental Regulation on Vacation Buybacks:

Retirees:

- 106 Retirees submitted application/waiver forms by April 5th deadline (100% response rate)
- 4 Retirees declined to participate
- 88 Retiree vacation buyback re-payments received as of June 17th
- 14 Retirees participating but have not yet submitted re-payment (deadline is January 5, 2025)
- 88 Recalculation approvals received from PERAC via PROSPER as of April 17th
- 87 Retiree retro payments paid to-date

Active members:

- As of January 2024, retirement deductions being taken on vacation buybacks for employees identified as eligible per supplemental regulation
- Active members applying to retire are being counseled with regard to vacation buyback reimbursements

14. Annual Merit Review

Merit Increases FY25

Staff:

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, the Director of Retirement has recommended that salaries for the staff for FY 2025 be increased by 6%; and

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WHEREAS, the Board considers the increases to be appropriate in light of the workload and superior performance of the staff over the last year;

NOW, THEREFORE, to increase current MPAERS staff salaries for Laura Barbosa, Nancy Bournival and Jan Coen by 6% effective July 1, 2024.

Ms. Moran read a roll call:

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

Director of Retirement:

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, the Authority engaged a national recognized human resources and compensation firm to perform a salary review of its senior level managerial staff; and

WHEREAS, following the completion of this salary review it was determined that the salary ranges for the lowest compensated members of senior staff be adjusted to the mid-points of their grade levels; and

WHEREAS, the Authority's Chief Human Resources Officer was consulted and determined that the results of this salary review for senior staff are applicable and consistent with the Director of Retirement's duties and responsibilities on behalf of the Retirement System and its members; and

WHEREAS, upon this salary review it is recommended that the Director of Retirement's salary grade level be increased to Grade 11 (from Grade 10) in light of her 30-year tenure, the significance and complexity of the retirement system, the level of work performed on behalf of its members, the oversight of the Retirement system's investment assets, and how the collective nature of these responsibilities is comparable to the responsibilities of similar Massport operating units whose senior managers' salaries had been adjusted.

NOW, THEREFORE, to increase the Director of Retirement's salary grade level to Grade 11; and to increase the Director of Retirement's annual salary to \$229,100 which is the midpoint of a Grade 11 position in Massport's senior administrative staff salary schedule effective July 1, 2024.

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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".

15. **Lump Sum Settlement Agreement**

Upon a motion duly made and seconded, it was:

VOTED:

WHEREAS, the Board has been informed that retiree Kevin O'Neil has reached an agreement with the Authority for settlement of his workers compensation claims by a lump sum payment of \$50,000; and

WHEREAS, Mr. O'Neil has offered \$12,500 of that amount to the MPAERS in exchange for the MPAERS' waiver of any further offsets of the settlement amount pursuant to G.L. c. 32, § 14(2); and

WHEREAS, acceptance of \$12,500 in light of the overall settlement amount of \$50,000 is in the long-term best interest of the retirement system;

NOW, THEREFORE, To accept \$12,500 in exchange for a waiver of any further offsets pursuant to G.L. c. 32, § 14(2) of Mr. O'Neil's workers compensation lump sum settlement.

Ms. Moran read a roll call:

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

16. **New Business**

There was no new business.

17. **Adjournment**

VOTED: To adjourn the meeting at 11:38 a.m.

Ms. Moran read a roll call:

Member Hoyte voted "Yes".

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

18. Documents and Exhibits

Agenda – July 25, 2024
Minutes – June 28, 2024
Executive Session Minutes – June 28, 2024
Wellington Management – Core Bond Plus Portfolio Review, July 25, 2024
Brandywine Global Investment Management – Global Multi-Sector Income Portfolio Review, July 25, 2024
Palmer Square Capital Management – Opportunistic Credit Fund Portfolio Review, July 2024
Wilshire Advisors – Quarterly Executive Summary, June 2024
Wilshire Advisors – 2024 Fee Comparison
Wilshire Advisors Monthly Investment Summary, June 2024
MPAERS Fund Composite – June 2024
Cash Disbursements Warrant – Warrant Number 07/2024 AP
Cash Disbursements 07/01/2024 – 07/31/2024 and Warrant Number 07/2024 AP
Retiree and Survivor Payroll Reconciliation – July 2024
Bank of America Checking Account Reconciliation – June 2024
M&T Bank Checking Account Reconciliation – June 2024
M&T Bank Replacement Plan Checking Account Reconciliation – June 2024
2023 3(8)(c) Receivables
Trial Balance – 1/1/2024 – 5/31/2024
Cash Disbursements Report – 5/1/2024 – 5/31/2024
Cash Receipts Report – 5/1/2024 – 5/31/2024
Adjustments Report – 5/1/2024 – 5/31/2024
FY25 Budget to Actual
FY24 Year-In-Review Memorandum

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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