MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Regular Board Meeting
October 9, 2014

MainePERS Board Room
Augusta, Maine
9:00 a.m.

The Board of Trustees met at 9:00 a.m. on October 9, 2014, at the Maine Public Employees Retirement System, 96 Sewall Street, Augusta, Maine. Peter Leslie, Chair presided. Other Trustees present were Shirrin Blaisdell, Neria Douglass, Dick Metivier, Brian Noyes, Ken Williams, Catherine Sullivan, and Ben Viola (Vice Chair). Joining the Trustees were Sandy Matheson, Executive Director; John Milazzo, General Counsel and Chief Deputy Executive Director; and Chris Mann, Assistant Attorney General and Board Counsel. The Board was also joined for select portions of the meeting by Andrew Sawyer, Chief Investment Officer; Jim Bennett, Deputy Chief Investment Officer; John Meier and Margaret Jadallah from Strategic Investment Solutions.

The Chair called for consideration of the Consent Calendar. The action items on the Consent Calendar were:

1. Minutes of the September 11, 2014, Regular Meeting;
2. Adoption of Hearing Officer’s Final Report in Randal Emery appeal;
3. Adoption of Hearing Officer’s Final Report in L. Michael Kenny appeal;
4. Adoption of Hearing Officer’s Final Report in Joy Kipp appeal;
5. Adoption of Hearing Officer’s Final Report in Barbara Shermerhorn appeal;
6. Recommended Dismissal of Thomas Crutcher appeal;
7. Recommended Dismissal of Robert Crook appeal; and
8. Recommended Dismissal of Lora M. Jordan appeal.

➢ Action. Dick Metivier made the motion, seconded by Brian Noyes, to approve the Consent Calendar as amended. Voted unanimously by seven Trustees.

Neria Douglass joined the meeting at approximately 9:30.

INTRODUCTION OF MARGARET JADALLAH

John Meier introduced Margaret Jadallah, the new member of the SIS team for MainePERS, to the Board of Trustees. John shared that Margaret had worked with the SIS team previously for 13 years, leaving in 2007. He also shared how pleased they were that she joined their team once again. Margaret then gave a brief description of her experience both with SIS and after having left in 2007.
GOVERNANCE CONSULTANT

Sandy Matheson advised the Board that Nancy Williams was retiring the end of October. Ken Williams suggested that the Board send Nancy a "wish you well" card. The governance consultant contract is on a year to year basis.

ANNOUNCEMENTS

Sandy introduced Sally Merritt, the new Director of Operations Analysis and Internal Audit. Sally came to MainePERS from Arkansas where she was employed as Senior Manager in the Tax Department at Walmart Corporate Headquarters. Previous to that she worked for eight years at the Maine Revenue Service.

INVESTMENTS - PRIVATE MARKETS

Wynnchurch Capital Partners III, L.P.

Andrew Sawyer noted the Investment Team’s recommendation regarding Wynnchurch Capital Partners III, L.P., and noted that Cliffwater concurred in the recommendation.

Centerbridge Capital Partners III, L.P.

Andrew noted the Investment Team’s recommendation regarding Centerbridge Capital Partners III, L.P., and noted that Cliffwater concurred in the recommendation.

Disclosure of Trustee Information to Investment Funds

Michael Colleran advised the Board that, as part of its due diligence procedures, one manager had initially requested personal information about the MainePERS Board Trustees. He is in the process of working with the fund to pare down its request. The Trustees displayed a strong reservation about providing the type of information being requested.

EXECUTIVE SESSION

➢ Action. Brian Noyes made the motion, seconded by Catherine Sullivan, to enter into executive session pursuant to 1 M.R.S. § 405(6)(A). Voted unanimously by eight Trustees.

The Board moved back into open session.
Wynnchurch Capital Partners III, L.P.

- **Action.** Dick Metivier made the motion seconded by Brian Noyes, that MainePERS make a commitment of up to $60 million to Wynnchurch Capital Partners III, subject to final due diligence, legal review and negotiations, and to authorize the Executive Director, Chief Deputy Executive Director and General Counsel and Chief Investment Officer as signatories, to execute the documents necessary to effectuate the transaction. Voted unanimously by eight Trustees.

Centerbridge Capital Partners III, L.P.

- **Action.** Brian Noyes made the motion, seconded by Ken Williams, that MainePERS make a commitment of up to $60 million to Centerbridge Capital Partners III, L.P. (“CCP III”), subject to final due diligence, legal review, and negotiations, and authorize the Executive Director, Chief Deputy Executive Director and General Counsel, and Chief Investment Officer as signatories, to execute the documents necessary to effectuate the transaction. Voted unanimously by eight Trustees.

INVESTMENTS

**Monthly Performance – September 2014**

Andrew, Jim Bennett and John Meier discussed the monthly performance of the fund for September 2014.

EXECUTIVE SESSION

- **Action.** Shirrin Blaisdell made the motion, seconded by Catherine Sullivan, to enter into executive session pursuant to 1 M.R.S. § 405(6)(A). Voted unanimously by eight Trustees.

The Board moved back into open session.

**J.P. Morgan**

Andrew presented the Board with an update on the data breach at J.P. Morgan.

APPEAL – SARA BEHR

Chris Mann, Board Counsel, presented an overview of the statutory framework relating to appeals before the Board and the decision by the Hearing Officer. The
Appellant, who represented herself, and the System Representative N. Quinn Collins, Esq. made presentations before the Board.

➤ Shirrin Blaisdell made the motion, seconded by Catherine Sullivan to accept the final report of the Hearing Officer. Voted unanimously by eight Trustees.

ADMINISTRATION REPORT

John Milazzo reviewed the Operating Report noting:

- The addition of seven new employees in September, and
- The start of collective bargaining sessions.

EXECUTIVE SESSION

➤ Action. Shirrin Blaisdell made the motion, seconded by Ben Viola, to enter into executive session pursuant to 1 M.R.S. § 405(6)(A). Voted unanimously by eight Trustees.

The Board moved back into open session.

The meeting adjourned approximately 2:20 p.m.

The next meeting will be a special Board/Audit Committee meeting and is expected to be held on October 31, 2014 at the MainePERS Portland Office located at One City Center, Portland, Maine. The next regular meeting is expected to be held on November 13, 2014 at the MainePERS Augusta Office located at 96 Sewall Street, Augusta, Maine.

11-13-14
Date Approved by the Board

Sandra J. Matheson, Executive Director

11-13-14
Date Signed