

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Board Meeting  
February 9, 2023

MainePERS  
Augusta  
9:00 a.m.

*The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04332 at 9:00 a.m. on February 9, 2023. Brian Noyes, Chair, presided. Other Trustees participating were: Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Chip Gavin, Chief Services Officer; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Zackery McGuire, Deputy Chief Investment Officer; Rebecca Grant, Director of Administration; Kathy Morin, Director of Actuarial and Legislative Affairs; Sherry Vandrell, Director of Finance; Joy Childs, Director of Information Technology; Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumedec, Cliffwater; Jennifer Yeung and William Greenwood, Albourne; and Ed Schwartz, ORG.*

Brian Noyes called the meeting to order at 9:10 a.m. John Beliveau and Dick Metivier participated through video remote access pursuant to 1 M.R.S. § 403-B, having been excused from in-person attendance by the Board Chair due to illness. All other Trustees were physically present.

### **GOVENDA NAVIGATION**

Joy Childs provided a brief overview of Govenda, the new Board packet management software.

### **CONSIDERATION OF THE CONSENT CALENDAR**

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

- Minutes of January 12, 2023
- Action. Henry Beck made the motion, seconded by Mark Brunton, to approve the Consent Calendar. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

### **CEO REPORT**

Dr. Rebecca Wyke shared that Jim Bennett and Zack McGuire will discuss the changes made to Board Policy 2.1 – Investment Policy Statement in response to the divestment statutes. She stated MainePERS provided orientation sessions for the Labor and Housing and Appropriations and Financial Affairs Committees. In addition, the Disability Retirement Experience Report was presented to the Labor and Housing Committee.

Dr. Wyke updated the Trustees on the media reports of employers participating in MainePERS failing to report accurately or timely over the past few months. She stated the



Dr. Wyke updated the Trustees on the media reports of employers participating in MainePERS failing to report accurately or timely over the past few months. She stated the additional 1% COLA for PLD's will be implemented with the February payroll including payments retroactive September 2022. She shared that a benefit estimator tool has been added to the website. This tool allows members in a regular plan to project their benefit amount.

Chip Gavin provided the Trustees with a presentation and example of how the new benefit estimator works. Chip answered questions from the Trustees. Brian Noyes and Dick Metivier thanked Chip and others who worked on getting this program up and running.

## **PRIVATE MARKETS ACTION**

### **ISAM Vector**

- **Action.** Henry Beck made the motion, seconded by Ken Williams, that MainePERS make a commitment of up to \$100 million to ISAM Vector, subject to final due diligence, legal review and negotiations; and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this action. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **Ares Capital Europe VI**

- **Action.** Mark Brunton made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to €75 million to Ares Capital Europe VI, subject to final due diligence, legal review and negotiations; and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this action. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **Summit Europe Growth Equity IV**

- **Action.** Henry Beck made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to €20 million to Summit Europe Growth Equity IV, subject to final due diligence, legal review and negotiations; and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this action. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **High Street Real Estate VII Venture**

- **Action.** Shirrin Blaisdell made the motion, seconded by John Kimball, that MainePERS make a commitment of up to \$15 million to HSREF VII Venture, subject to final due diligence, legal review and negotiations; and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this action. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).



## **DIVESTMENT STATUTES AND INVESTMENT POLICY STATEMENT**

Jim Bennett shared the recommended changes to Board Policy 2.1 – Investment Policy Statement. The changes will provide Trustees with disclosures regarding the potential for fossil fuel and for-profit prison exposures as part of new investment recommendations. In addition, the Investment Team will provide Trustees with a report summarizing the actual and expected changes in fossil fuel and for-profit prison exposures on an annual basis.

- **Action.** Henry Beck made a motion, seconded by Ken Williams, that MainePERS adopt amended Board Policy 2.1. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

## **PRIVATE MARKETS REVIEW**

### **Private Markets Activity**

Jim Bennett reviewed the table of private market funds and co-investments that had closed during the past 12 months. Jim shared there are no manager meetings scheduled for February.

### **Real Estate Quarterly Review**

Jim Bennett shared this item would be postponed until the March meeting, and that Albourne would provide updates covering Infrastructure, Natural Resources, and Real Estate at that time.

Brian Noyes, on behalf of the Board, passed along their gratitude to Ed Schwartz and the ORG Team for their hard work and dedication over the years.

### **Cliffwater Quarterly Review**

Tom Lynch and George Bumeder provided an overview of the private market portfolios as of September 30, 2022. Tom and George answered questions from the Trustees regarding the various portfolios.

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Jim Bennett reported that as of January 31<sup>st</sup>, the MainePERS fund had a preliminary market value of \$18.5 billion, the preliminary return for the month was 2.1%, and the preliminary calendar year-to-date return was 2.1%.

### **Quarterly Rebalancing Report**

Jim Bennett provided the Trustees with the quarterly rebalancing activity within the public markets and Risk Diversifiers portfolios through the fourth quarter of calendar year 2022.

### **Investment Quarterly Review**

Stuart Cameron provided an overview of the portfolio dashboard as of December 31, 2022 and also presented the 4<sup>th</sup> quarter 2022 performance review to the Trustees. Stuart answered questions from the Trustees.

### **Risk Diversifier Quarterly Review**

Stuart Cameron shared the Risk Diversifiers quarterly report as of December 31, 2022. The Trustees discussed and asked questions about the report.

## **RULEMAKING**

### **New Rule Chapter 506**

Kathy Morin provided the Trustees with a recommendation for adoption of Rule 506 (Eligibility for Disability Retirement Benefits).

- **Action.** Motion made by Henry Beck, seconded by Ken Williams, that the Board adopt Rule Chapter 506 and its Basis Statement. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **Repeal Rule Chapters 507 and 509**

Kathy Morin provided the Trustees with a recommendation to repeal Rule Chapter 507 (Determination of Inability to Engage in Substantially Gainful Activity) and Rule Chapter 509 (Determination of Inability to Perform the Functions of the Employment Position).

- **Action.** Motion by Shirrin Blaisdell, seconded by Henry Beck, that the Board repeal Rule Chapters 507 and 509 and adopt the Basis Statements for these actions. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **Amendment to Rule Chapters 510, 511, and 702**

Kathy Morin provided the Trustees with a recommendation to amend Rule Chapter 510 (Reduction of Disability Benefits because of Lump-Sum Settlements of Benefits Payable under the Workers' Compensation or Similar Law or the United States Social Security Act); amend Rule Chapter 511 (Standards for Actively Seeking Work); and amend Rule Chapter 702 (Appeals).

- **Action.** Motion by Mark Brunton, seconded by Dick Metivier, that the Board amend Rule Chapters 510, 511, and 702 and adopt the Basis Statements for these actions. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

## **LEGISLATIVE UPDATE**

Kathy Morin provided an update on the status of legislative bills. She stated approximately 30 bills relating to MainePERS have been printed. Many of those bills are repeat bills from



the last session. Kathy shared that all but one report that is due March 1<sup>st</sup> have been submitted to the Legislature.

### **OPERATIONS AND MEMBER SERVICES REPORT**

Chip Gavin shared that PLD activity in January had increased due to PLD's making changes and some joining. Chip shared the member portal transition to a new multi-factor log in system has been successful. Chip provided the Trustees with an update on the Actively Seeking Work Program within Disability Services. Chip shared phone system messaging and call routing has been added for members seeking tax-related information.

Rebecca Grant stated Human Resources continues to work on recruitment for a number of positions. She shared the facilities group is working on water damage to one of the Portland offices. Rebecca reported staff was pleased to have the new security enclosure in the reception area completed. She shared the Doc Center produced more than 130,000 pieces of mail in January and processed 300-500 pieces of incoming mail daily.

Rebecca conducted a Text-Em-All test for the Trustees in order to confirm our ability to communicate with the Trustees in an emergency situation. All Trustees received the text.

### **LITIGATION UPDATE**

Betsy Stivers reported that the personnel matter is still pending. The discovery closed on January 17<sup>th</sup> and all deadlines have been suspended pending a judicial settlement conference scheduled for March 13<sup>th</sup>.

### **BOARD POLICY REVIEW**

Dr. Rebecca M. Wyke stated that Board Policy 4.3 was amended to reflect the current job title, other minor changes, and updated to include periodic evaluations.

- Action. Henry Beck made a motion, seconded by Shirrin Blaisdell, that the Board approve amended Board Policy 4.3. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

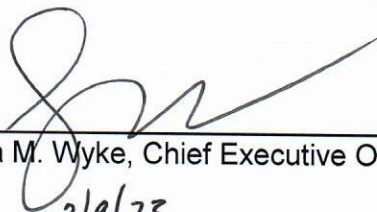
### **ADJOURNMENT**

- Action. Henry Beck made a motion, seconded by Shirrin Blaisdell, to adjourn the February Board of Trustees meeting. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

The meeting adjourned at approximately 12:40 p.m.

3/9/23

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Date Approved by the Board

  
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Dr. Rebecca M. Wyke, Chief Executive Officer

3/9/23  
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Date Signed