

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Board Meeting  
May 11, 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 May 11, 2023. Brian Noyes, Chair, presided. Other Trustees participating were: Dick Metivier, Vice Chair; Henry Beck, State Treasurer; Shirrin Blaisdell; Mark Brunton; John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Sherry Vandrell, Chief Financial 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; Kathy Morin, Director of Actuarial and Legislative Affairs; Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; and William Greenwood, Jennifer Yeung, and James Hayward, Albourne.*

Brian Noyes called the meeting to order at 9:00 a.m. Henry Beck participated through video remote access pursuant to 1 M.R.S. § 403-B, having been excused from in-person attendance by the Board Chair. All other Trustees were physically present.

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

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

- Minutes of April 13, 2023, and
- Decision, R.R. Appeal
  
- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier, to approve the Consent Calendar. Voted unanimously by six Trustees (Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

*Henry Beck joined the meeting at 9:05 a.m.*

### **CEO REPORT**

#### **FY24 Budget**

Dr. Rebecca Wyke shared the FY24 Administrative and Operations budgets will be presented to the Board for review and action. She stated the budgets support the various goals of the strategic plan.

### **Member Portal Update**

Dr. Rebecca Wyke reported the secure online member portal may be launched as soon as the fall of 2023. The portal will be rolled out in phases over a period of months. The member portal is optional and will provide access to various account information for active and retiree members.

### **Focus Friday Progress to Date**

Dr. Rebecca Wyke provided the Trustees with two charts showing the impact that Focus Fridays have made on reducing backlogs. Dr. Wyke answered questions from the Trustees.

Jim Bennett shared with the Trustees that Zack McGuire will be leaving the Investment Team at the end of the month. Jim and Brian Noyes, on behalf of the Board, thanked Zack for all his hard work and wished him the best in his new endeavor.

## **PRIVATE MARKETS ACTION**

### **Ares Senior Direct Lending Fund III**

- **Action.** Shirrin Blaisdell made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$100 million to Ares Senior Direct Lending Fund III, 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 commitment. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **Redwood Domestic Fund**

- **Action.** Mark Brunton made the motion, seconded by Dick Metivier, that MainePERS make a commitment of up to \$100 million to Redwood Domestic Fund, 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 commitment. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **Sprott Private Resource Streaming and Royalty Annex**

- **Action.** Dick Metivier made the motion, seconded by John Kimball, that MainePERS make a commitment of up to \$40 million to Sprott Private Resource Streaming and Royalty Annex, 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 commitment. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

### **Alternative Credit Rebalancing**

- **Action.** Shirrin Blaisdell made the motion, seconded by John Kimball, that MainePERS authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel, as signatories, to execute the documents necessary to reduce or eliminate the capital allocated to existing strategies in the Alternative Credit allocation. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Jim Bennett reported that as of April 30th, the MainePERS fund had a preliminary market value of \$18.4 billion, the preliminary return for the month was 0.5%, and the preliminary calendar year-to-date return was 2.8%.

### **Investment Quarterly Review**

Stuart Cameron provided an overview of the portfolio dashboard as of March 31, 2023 and also presented the 1st quarter 2023 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 March 31, 2023. The Trustees discussed and asked questions about the report.

## **PRIVATE MARKET REVIEW**

### **Private Markets Activity**

Zack McGuire reviewed the table of private market funds and co-investments that had closed during the past 12 months. Zack shared the next manager meeting is scheduled for Tuesday, May 23, 2023, in Portland, with presentations by Long Ridge Equity Partners IV at 9:00 a.m.; CVC Capital Partners Fund IX at 10:00 a.m.; and Stonepeak Opportunities Fund at 11:15 a.m.

### **Cliffwater Quarterly Review**

Tom Lynch and George Bumeder provided an update on the Private Equity and Alternative Credit portfolios for the period ending December 31, 2022. Tom and George answered questions from the Trustees.

### **Albourne Quarterly Review**

Jennifer Yeung and William Greenwood shared an update on the Infrastructure, Natural Resources, and Real Estate portfolios as of December 31, 2022. They answered questions from the Trustees.

## **FINANCE AND AUDIT COMMITTEE**

### **Report from the Committee**

Shirrin Blaisdell, Chair of the Finance and Audit Committee, reported that the Committee had met that morning and discussed the FY24 budgets and are recommending approval by the Trustees. Dr. Rebecca Wyke and Sherry Vandrell reviewed the Administrative and Investment Expenses Budgets with the Trustees. There was an increase of 8.0% in the Administrative Operations Expenses Budget and an increase of 4.7% in the Investment Operations Expenses Budget. Dr. Wyke and Sherry responded to questions from the Trustees regarding both budgets.

### **FY24 Administrative and Investment Operations Budget**

- **Action.** Dick Metivier made the motion, seconded by Mark Brunton, that the Board approve the FY24 recommended Administrative Operations Budget in the amount of \$19,170,306 and the recommended Investment Operations Budget in the amount of \$6,669,040. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Metivier, Kimball, Noyes, and Williams).

## **MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT**

Chip Gavin reported that the online estimator is very popular with over 3,500 views over the past three months. He thanked the staff for their hard work and uneventful RMD season. He shared proposals are being solicited for the third party administrator of the group life insurance program.

Sherry Vandrell shared 91% of employers submitted their defined benefits payroll on time; slightly below from April of 2022 (96%). She stated one audit was opened and two were completed for the month of April. Ninety-four percent of all findings were resolved which was up from 80% last month.

Michael Colleran reported that wage reopener negotiations have begun with the three bargaining units. He stated the annual assessment by CBIZ of our compliance with NIST has been completed. Mike reported that the overall results were positive. There were five findings, two of which have been resolved, a third will be resolved later this month, and the final two are expected to be addressed in June.

## **LEGISLATIVE UPDATE**

Kathy Morin updated the Trustees on the status of legislative bills. Kathy shared work sessions on a number of pension bills have been scheduled. She corrected an error in the legislative report for L.D. 1096 – COLA Cap, the cumulative COLA should be 2% not 3% as stated. Kathy answered questions from the Trustees.

Brian Noyes thanked Kathy, Chip, Sherry, and Mike for their leadership and support.

**LITIGATION UPDATE**

Betsy Stivers reported there is no pending litigation.

**PERSONNEL DISCUSSION**

- Action. Dick Metivier made a motion, seconded by Mark Brunton, to enter into executive session pursuant to 1 M.R.S. §405(6)(A) to discuss compensation of an employee. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

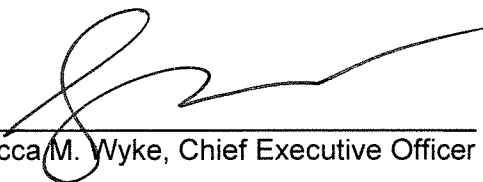
*The Board moved out of executive session.*

**ADJOURNMENT**

- Action. Mark Brunton made a motion, seconded by Ken Williams, to adjourn the May Board of Trustees meeting. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

The meeting adjourned at approximately 12:00 p.m.

6/8/23  
Date Approved by the Board

  
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Dr. Rebecca M. Wyke, Chief Executive Officer  
6/8/23  
Date Signed