

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
October 13, 2022

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 October 13, 2022. Brian Noyes, Chair, presided. Other Trustees participating were; Henry Beck, Treasurer; Shirrin Blaisdell; John Beliveau, Mark Brunton, John Kimball; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; 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; Sherry Vandrell, Director of Finance; Kathy Morin, Director of Legislative and Actuarial Affairs; Brian McDonnell, Cambridge Associates; George Bumeder, Cliffwater; Kevin Stone, ORG; Gene Kalwarski, Elizabeth Wiley, and Ryan Benitez, Cheiron; and, Mark LaPrade and Leah Clair, Berry Dunn.

Brian Noyes called the meeting to order at 9:00 a.m. John Beliveau 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 travel. All other Trustees, except for Dick Metivier, 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 September 8, 2022
- Dismissal, John York Appeal

- Action. Ken Williams made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted unanimously by six Trustees (Beliveau, Blaisdell, Brunton, Kimball, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke shared that Cheiron will be presenting the FY2022 valuation reports for the defined benefit plans and the group life insurance programs. She stated Berry Dunn will present our audited financial statements for the year ending June 30, 2022.

Dr. Wyke shared the first annual report to the Legislature on divestment is due January 1, 2023. She reminded the group that the divestment consultant, NEPC, will be at the November meeting to present their findings. Staff will bring any recommendations to the Board at the December meeting for consideration prior to submitting the report to the Legislature in January.

Dr. Wyke reviewed survey results for active members as well as retired members. The surveys provided an overall rating for satisfaction of MainePERS from each group; suggestions for better communications or more frequent communications; and a desire for more online account capabilities.

Dr. Wyke shared that Jim Dusch, Director of Member Services, will be leaving MainePERS on October 14, 2022. Jim thanked staff and the Trustees for their support and guidance during his tenure. Brian Noyes thanked Jim for his dedication and on behalf of the Trustees wished him well with his new endeavors.

Henry Beck arrived at 9:15 a.m.

BOARD WORK PLAN

Dr. Rebecca Wyke provided a proposed annual Board work plan for 2023. The plan outlines regularly-occurring Board activities and one-time legislative reports.

- Action. Motion made by Ken Williams, seconded by Mark Brunton, to approve the Board Work Plan as presented. Voted unanimously by seven Trustees (Beck Beliveau, Blaisdell, Brunton, Kimball, Noyes, and Williams).

ACTUARIAL VALUATIONS

Gene Kalwarski, Elizabeth Wiley, and Ryan Benitez reviewed the actuarial valuation results for all programs with the Trustees. Gene, Elizabeth, and Ryan discussed those results and answered questions from the Trustees.

- Action. Shirrin Blaisdell made the motion, seconded by Ken Williams to accept the FY22 Actuarial Reports for the State Employee and Teacher Program, the Legislative Program, the Judicial Program, the PLD Consolidated Program, and the Group Life Insurance Program for both active and retired participants as presented. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Noyes, and Williams).

AUDITED FINANCIAL STATEMENTS

Mark LaPrade and Leah Clair of Berry Dunn, presented the 2022 Audited Financial Statements for the fiscal year ended June 30, 2022. Mark reviewed the various steps taken in the audit process. Leah highlighted the financial statement audit steps and footnotes with the Trustees as well as the required auditor communications responsibilities from management and Berry Dunn. Mark shared the yellow book report, which highlights the internal control piece of the audit.

- Action. Motion made by Mark Brunton, seconded by Ken Williams, to accept the FY22 Audited Financial Statements as presented. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Noyes, and Williams).

Brian Noyes asked a member of the public, Maguette Diop, Capital Strategist, SEIU, to introduce herself to the Trustees.

PRIVATE MARKETS ACTION

- **Action.** Shirrin Blaisdell made the motion, seconded by Henry Beck, to enter into Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) to discuss private market investment information contained in non-public documents. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Noyes, and Williams).

Board moved out of executive session.

Farallon Capital Management

- **Action.** Henry Beck made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$100 million to Farallon Capital Institutional Partners, 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, Beliveau, Blaisdell, Brunton, Kimball, Noyes, and Williams).

Audax Senior Debt

- **Action.** Mark Brunton made the motion, seconded by Henry Beck, that MainePERS exit its separately managed account with Audax Senior Debt 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 seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Noyes, and Williams).

PRIVATE MARKETS 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 that the next manager meeting is scheduled for Tuesday, October 25, 2022, in Portland, with presentations by SLR Private Corporate Lending Fund at 9:00 a.m.; GTCR Fund XIV at 10:00 a.m.; and, Blackstone Property Partners at 11:00 a.m.

INVESTMENT REVIEW

Proxy Voting Update

Jim Bennett responded to a question that arose from the July Trustee meeting regarding the System's voting patterns compared to those of other public pension plans. He provided a report to the Trustees that highlighted the findings of a study comparing public pension proxy voting patterns on ESG-related shareholder proposals. Public pensions are more

likely to support ESG resolutions than shareholders in general, which is consistent with MainePERS' proxy votes

Quarterly Rebalancing Activity Report

Jim Bennett shared a memo summarizing rebalancing activity for public markets and risk diversifiers through the third quarter of 2022. Jim answered questions from the Trustees.

Investment Monthly Review

Jim Bennett reported that as of September 30th, the MainePERS fund had a preliminary market value of \$17.8 billion, the preliminary fund return for the month was -2.9%, and the preliminary calendar year-to-date return was -6.4%.

John Beliveau left the meeting at 11:30 a.m.

OPERATIONS AND MEMBER SERVICES REPORT

Michael Colleran stated the Employer Reporting Unit became fully staffed last month. Internal Auditor, CliftonLarsonAllen continues working on their first audit on the Disability Retirement Program. The audit should be completed in November. Human Resources hired a Human Resources Generalist last month. Mike shared that the healthcare premium holiday was extended through November. IT has finished implementation of Enterprise Asset Management software.

Chip Gavin shared that improvement with electronic communications and other member services continues. The use of DocuSign has been on the increase. Chip stated additional information has been added to the member account statements. The statements are mailed the month of the member's birthdate.

Brian Noyes asked if Chip would provide an example of an account statement at next month's meeting.

FIDUCIARY DUTY EDUCATION

Michael Colleran and Betsy Stivers provided the Trustees with a fiduciary duty education presentation.

LITIGATION UPDATE

Betsy Stivers reported that the personnel matter is still in discovery, and the court hasn't provided any new information on the FOA matter.

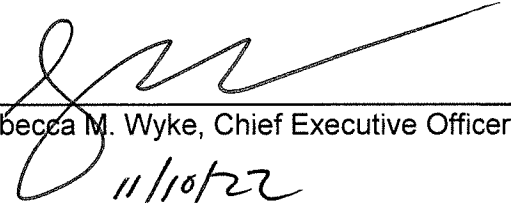
Brian Noyes thanked the Trustees for completing the CEO evaluation forms which will be an item of discussion at the meeting next month. Brian reminded the Trustees that October 19th is the DEI training session.

ADJOURNMENT

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

The meeting adjourned at approximately 12:15 p.m.

11/10/22
Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer
11/10/22
Date Signed