

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
November 18, 2021

MainePERS
Remotely
9:00 a.m.

The Board of Trustees held a meeting through video remote access pursuant to P.L. 2021, Ch. 290 at 9:00 a.m. on November 18, 2021. Dick Metivier, Vice Chair, presided. Other Trustees participating were Brian Noyes, Chair; Henry Beck, State Treasurer; Shirrin Blaisdell; Mark Brunton; and Ken Williams. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; 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; Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz and Thor Eriksen, ORG; Gene Kalwarski and Elizabeth Wiley, Cheiron; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; and Sherry Vandrell, Director of Finance.

Dick Metivier called the meeting to order at 9:00 a.m.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of October 14, 2021
- Action. Brian Noyes made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted unanimously by six Trustees (Beck, Blaisdell, Brunton, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke summarized for Trustees the justification for continuing to meet remotely, receipt of the International Corporate Governance Network Global Stewardship Disclosure Award, ongoing outreach to major stakeholders, divestment planning update, and PLD Advisory Committee meeting discussions.

PERSONNEL MATTER

- Action. Motion made by Shirrin Blaisdell, seconded by Ken Williams, to enter into Executive Session pursuant to 1 M.R.S. §405(6)(A) to discuss employment, compensation, and duties of employees. Voted unanimously by six Trustees (Beck, Blaisdell, Brunton, Metivier, Noyes, and Williams).

Board moved out of executive session.

GOALS AND OBJECTIVES

- **Action.** Motion by Ken Williams, seconded by Mark Brunton, that the Board accepts the goals and objectives as outlined by the Chief Executive Officer, including stability of the contribution rates as a goal. Unanimously voted by six Trustees (Beck, Blaisdell, Brunton, Metivier, Noyes, and Williams).

DIVESTMENT UPDATE

Dr. Rebecca Wyke provided the Trustees with an update on the development of a response to the recent divestment legislation. Dr. Wyke shared that a divestment advisory panel consisting of internal staff as well as external experts has been formed. This panel will assist in preparing an RFP for a divestment consultant to assist in evaluating the investment implications of the legislation. This work will then be used as a basis to support any Investment Policy changes to be recommended to Trustees. The panel is expected to finish its work by late February, allowing a consultant to be engaged by late spring.

- **Action.** Motion made by Henry Beck, seconded by Ken Williams, to approve the approach to responding to the divestment legislation recommended by the Chief Executive Officer, Chief Investment Officer, and Chief Operating Officer and General Counsel. Voted unanimously by six Trustees (Beck, Beliveau, Brunton, Metivier, Noyes, and Williams).

BOARD ELECTIONS

Dr. Rebecca Wyke solicited a motion to nominate a Trustee as Chair of the Board and Vice-Chair of the Board of Trustees.

- **Action:** Motion made by Dick Metivier, seconded by Shirrin Blaisdell, to nominate Brian Noyes as Chair of the Board of Trustees. Unanimously voted by six Trustees (Beck, Blaisdell, Brunton, Metivier, Noyes, and Williams).
- **Action:** Motion made by Shirrin Blaisdell, seconded by Mark Brunton, to nominate Dick Metivier as Vice-Chair of the Board of Trustees. Unanimously voted by six Trustees (Beck, Blaisdell, Brunton, Metivier, Noyes, and Williams).

On behalf of the Trustees, Ken Williams thanked both Brian Noyes and Dick Metivier for their continued support and leadership and will be looking forward to another successful year.

ACTUARIAL PRESENTATION

Gene Kalwarski and Elizabeth Wiley presented the Trustees with further information from the 2021 Actuarial Valuation Results of the State Employee and Teacher Plan, the Judicial Plan, the Legislative Plan, the Participating Local District (PLD) Consolidated Plan, and the Group Life Insurance (GLI) Plan for the fiscal year ended June 30, 2021. Elizabeth provided an historical review of the various plans' contributions. Gene shared a presentation on how MainePERS compares to other public plans and the projections moving forward. Gene and Elizabeth answered questions from the Trustees.

Dr. Rebecca Wyke shared that the LD 1105 group is currently working on a study to create a conceptual design for a new State/Teacher Plan which will include Social Security. Cheiron and Sandy Matheson are working on modeling this plan.

Brian Noyes left the meeting at 10:30 a.m.

GOVERNANCE

Mike Colleran stated that eleven Board policies had been reviewed and recommended substantive changes to four of them. In 2018 approval was given to the CEO to make non-substantive changes, which also have been done.

- Henry Beck made the motion, seconded by Ken Williams, to approve amended Board Policies 1.6, 1.8, 2.1B, and 2.6. Voted unanimously by five Trustees (Beck, Blaisdell, Brunton, Metivier, and Williams).

PRIVATE MARKETS ACTION

AG Direct Lending Fund IV

- Action. Ken Williams made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$50 million to AG Direct Lending Fund IV 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 five Trustees (Beck, Blaisdell, Brunton, Metivier, and Williams).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of October 31st the MainePERS fund had a preliminary value of \$18.8 billion, the preliminary fund return for the month was 1.4%, the preliminary fiscal year-to-date return was 4.3%, and the preliminary calendar year to date return was 15.8%.

Investment Quarterly Review

Stuart Cameron discussed the dashboard report and the third quarter performance review presentation with the Trustees.

Risk Diversifiers Quarterly Review

Stuart Cameron shared the Risk Diversifiers' performance report with the Trustees and answered questions from the Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim shared that the next manager meeting is scheduled for Tuesday, November 23, 2021, with presentations by Ares Senior Direct Lending at 9:00 a.m., and Varadero Master Fund at 9:45 a.m.

Real Estate Rebalancing

Jim Bennett shared that the Investment Team and ORG continue work on real estate portfolio rebalancing. They have reviewed existing managers and potential new managers and concur that rebalancing within the existing strategies could possibly increase the return of the overall real estate portfolio. A recommendation may be brought to the Board for consideration next month.

Real Estate Quarterly Review

Ed Schwartz and Thorsen Eriksen of ORG presented the Real Estate quarterly report for the quarter ending June 30, 2021. Ed and Thor answered questions from the Trustees.

Cliffwater Quarterly Review

Tom Lynch and George Bumeder presented Cliffwater's private markets quarterly review as of June 30, 2021. Tom discussed and answered questions from the Trustees regarding the private equity, infrastructure, natural resources, and private credit portfolios.

RULEMAKING UPDATE

Mike Colleran explained the recommendation to repeal and replace Rule Chapter 511 – Standards for Actively Seeking Work. Mike shared that no public comments were received.

- **Action.** Ken Williams made a motion, seconded by Mark Brunton, that the Board repeal and replace Rule Chapter 511 and adopt the replacement rule's Basis Statement. Unanimously voted by five Trustees (Beck, Blaisdell, Brunton, Metivier, and Williams).

ADMINISTRATION REPORT

Operations Report

Jim Dusch stated end-of-year RMD work continues, and recruitment has begun for a number of vacant pension associate positions.

Sherry Vandrell reported that 92% of payrolls were received on time in October. Sherry shared that she and the Employer Reporting Assistance Team are looking at the process used to initiate and conduct reviews with the goal of improving the process and increasing the number of reviews each quarter.

Rebecca Grant stated the BCP Steering Committee and senior staff visited the disaster recovery site. Staff members are discussing ways to enhance the use of the facility. Rebecca shared the IT audit is underway and results are expected in early December.

COLLECTIVE BARGAINING

Approval of Collective Bargaining Agreements

- **Action:** Ken Williams made a motion, seconded by Mark Brunton, that the Board approve the Administrative, Professional/Technical, and Supervisory collective bargaining agreements negotiated by the staff and authorize the Chief Executive Officer, Chief Operating Officer and General Counsel, and Director of Administration as signatories to execute the agreements. Unanimously voted by five Trustees (Beck, Blaisdell, Brunton, Metivier, and Williams).

LITIGATION UPDATE

Betsy Stivers stated no appeal was filed in the Hawes matter, so the decision is final. The dismissal order was received in the Hawaii case, and the appeal period ends on November 22nd.

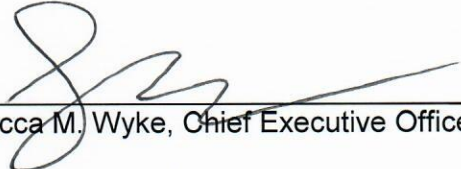
ADJOURNMENT

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

The meeting adjourned at approximately 12:30 p.m.

12/9/2021

Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

12.9.21

Date Signed