

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
April 14, 2022

MainePERS
Augusta and Remote
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04332 at 9:00 a.m. on April 14, 2022. 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 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; Zackery McGuire, Deputy Chief Investment Officer; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz, Thorsen Eriksen and Steven Stuckwisch, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; and Anedra Gregori, Associate General Counsel.

Brian Noyes called the meeting to order at 9:00 a.m. Henry Beck participated through video remote access pursuant to P.L. 2021, Ch. 290, having been excused from in-person attendance by the Board Chair due to illness. All other Trustees except for John Beliveau were 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 March 10, 2022
- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke shared that the bidders' conference for the RFP to engage a consultant for development of our approach to implementing the divestment legislation was held on April 11th with proposals due April 29th. She outlined the ongoing process for staff input on the draft mission and vision statements and the development of organizational values. She reported that Introductory training on diversity, equity, and inclusion (DEI) for staff will begin in May, and senior management has begun work on developing the strategic plan with the goal of being finalized by July 1st. She stated the FY23 proposed budget will be brought before the Board for review at May's meeting. She shared that the new leadership positions have been filled and the last three hired will be introduced at a future Board meeting.

PRIVATE MARKET ACTIONS

- **Action.** Ken Williams made the motion, seconded by Dick Metivier, to enter into executive session pursuant to 1 M.R.S. §405(6)(E) & (F); 5 M.R.S. §17057(4) to consult with legal counsel concerning the rights and duties of the Board and the organization and to discuss private market investment information contained in non-public documents. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Board moved out of executive session.

KKR Diversified Core Infrastructure Fund

- **Action.** Shirrin Blaisdell made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$100 million to KKR Diversified Core Infrastructure 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).

Advent International GPE X

- **Action.** Mark Brunton made the motion, seconded by Dick Metivier, that MainePERS make a commitment of up to \$45 million to Advent International GPE X, 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).

Water Street Healthcare Partners V

- **Action.** Dick Metivier made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$45 million to Water Street Healthcare Partners V, 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).

ASSET ALLOCATION

Jim Bennett provided a presentation of the impacts of the proposed allocation changes as the System approaches 2028. Jim also reviewed the proposed changes to the Investment Policy Statement with Trustees. Jim stated recommendations for the changes will be presented to the Board for consideration at the May meeting. Jim and the Trustees discussed those changes, and Jim answered questions from the Trustees.

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, April 26, 2022, with presentations by Comvest Partners at 9:00 a.m.; Bain Capital Venture at 9:45 a.m.; and, Stonelake Capital Partners at 10:30 a.m.

Jim Bennett shared with the Trustees that, consistent with Board policy, the Investment Team has begun a review of the System's consultants providing services related to alternative assets, and that the results of the review will be presented to Trustees at a future meeting.

Henry Beck left the meeting at 10:20.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of March 31st, the MainePERS fund had a preliminary market value of \$18.7 billion, the preliminary fund return for the month was 0.3%, and the preliminary fiscal year-to-date and calendar year-to-date returns were 5.2% and -2.2%, respectively.

INVESTMENT EDUCATION

Private Market Fund Lifecycle

Jim Bennett provided a presentation illustrating the lifecycle of a private market investment. The presentation described the lifecycle of a typical fund, including an explanation of fees and expenses. Jim answered questions from the Trustees.

RULEMAKING

Brian Noyes reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearings on rulemaking.

Public Hearing on Proposed Repeal of Rule Chapter 202

Michael Colleran summarized the proposed repeal of Rule 202, which governs the establishment of the Medical Board and obtaining consultations from the Medical Board or other providers.

Susan Hawes spoke in opposition to the repeal and submitted a written copy of her comments. No other members of the public participating in-person or remotely commented.

Public Hearing on Proposed New Rule Chapter 512

Michael Collieran summarized the proposed new Rule Chapter 512, which would address reimbursement rates for attending Independent Medical Examinations (IME) and the means for waiving IMEs under the new disability law, P.L. 2021, c. 277.

Susan Hawes spoke in opposition to the proposed rule and submitted a written copy of her comments. No other members of the public participating in-person or remotely commented.

Brian noted that written comments on the proposals may be submitted by the comment deadline of 4:00 p.m., April 25, 2022.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared that we continue to fill positions for member services. New hires are being trained and will be on their own in the near future.

Sherry Vandrell provided updates to the payroll filing and employer auditing statistics.

Rebecca Grant stated recruiting and hiring continues, which is keeping Human Resources, IT, and the Facilities Manager busy in getting offices ready for those coming on board.

Brian Noyes thanked them all for their hard work in hiring qualified candidates for these positions.

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills. Kathy shared the MainePERS System bill was enacted and will become law 90 days after the end of the session. The three special plan bills have been enacted by the House and Senate and are now on the Appropriations table for consideration of funding. Kathy stated she and Dr. Wyke met with the Appropriation leads and the Commissioner of DAFS regarding the ongoing COLA work.

RETIREE HEALTH INSURANCE POST-EMPLOYMENT BENEFITS INVESTMENT TRUST FUND UPDATE

Michael Collieran updated the Trustees on the retiree health insurance post-employment benefits investment trust fund. He stated an agreement with the teacher plan trustee similar to the current agreement with the State employee plan trustees may be brought before the Board next month for approval. Michael answered questions from the Trustees.

LITIGATION UPDATE

Betsy Stivers stated in the Susan Hawes Freedom of Access matter, Ms. Hawes filed a motion to advance on the docket, and we are currently waiting on the Court. Betsy shared that the appeal period for the Hawaii action expired April 13, 2022 and we are waiting for

confirmation that no appeal was filed. She stated there was no change in the personnel matter.

John Kimball shared that his colleagues wanted the Trustees to know what a great job David Jones has done on behalf of retired teachers.

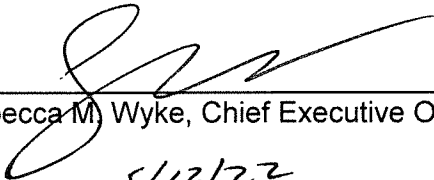
ADJOURNMENT

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

The meeting adjourned at approximately 12:10 p.m.

5/12/2022

Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

5/12/22
Date Signed