

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
June 9, 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 June 9, 2022. 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 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; Brian McDonnell, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz, ORG; Rebecca Grant, Director of Administration; Jim Dusch, Director of Member Services; Sherry Vandrell, Director of Finance; Kathy Morin, Director of Actuarial and Legislative Affairs; Joy Childs, Director of Information Technology; Valerie Scott, Director of Special Projects; Heidi Alley, Survivor Services Business Leader; Catherine Durand, Pension Associate II; and Hans Niederer, Accountant.

Brian Noyes called the meeting to order at 9:00 a.m. Brian asked the guests at the meeting to introduce themselves.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of May 12, 2022
- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier, to approve the Consent Calendar. Voted in the affirmative by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

CEO REPORT

Dr. Rebecca Wyke introduced Chip Gavin as the new Chief Services Officer. She also introduced Joy Childs as the new Director of Information Technology. She shared that NEPC was awarded the contract to assist in development of our approach to implementing the divestment legislation. She shared the draft Mission and Vision Statements developed by Senior Management with input from staff and the draft organizational values developed by staff through their group representatives. She stated the draft Strategic Plan will be shared with stakeholders in June, and we will gather feedback using a survey tool and a public meeting. The Board will have an opportunity to review the plan in July to provide feedback with an anticipated approval at the August meeting.

The group representatives for staff, Heidi Alley, Catherine Durand, and Hans Neiderer, made a presentation to the Board on the draft organizational values. Dr. Wyke and the group representatives answered questions from the Board. On behalf of the Board, Brian Noyes thanked the group for their time and effort in this project.

PRIVATE MARKET ACTIONS

- **Action.** Ken Williams made the motion, seconded by Mark Brunton, 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 eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Board moved out of executive session.

Thoma Bravo Discover Fund IV

- **Action.** Dick Metivier made the motion, seconded by John Kimball, that MainePERS make a commitment of up to \$45 million to Thoma Bravo Discover Fund 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 commitment. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Brookfield Infrastructure Debt Fund III

- **Action.** Mark Brunton made the motion, seconded by John Kimball, that MainePERS make a commitment of up to \$100 million to Brookfield Infrastructure Debt 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 eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams).

Pathlight Capital Fund III

- **Action.** Shirrin Blaisdell made the motion, seconded by Mark Brunton, that MainePERS make a commitment of up to \$75 million to Pathlight Capital 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 eight Trustees (Beliveau, Beck, Blaisdell, Brunton, Kimball, Metivier, 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, June 28, 2022, in Portland, with presentations by Angelo Gordon at 9:00 a.m., Hudson Bay Capital at 10:00 a.m., and Stonepeak Core Fund at 11:15 a.m.

Alternative Consultants Review

Jim Bennett shared that the Investment Team completed a review of a number of firms providing alternative asset consulting services. Jim stated in the next few months they will move forward with an RFP.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of May 31st, the MainePERS fund had a preliminary market value of \$18.6 billion, the preliminary fund return for the month was 0.25%, and the preliminary fiscal year-to-date and calendar year-to-date returns were 5.0% and -2.4%, respectively. Jim noted that these returns are based on lagged private market values, and estimated that the unlagged fiscal year-to-date return was around 1% as of May 31, 2022.

RISK DIVERSIFIERS REVIEW

Jim Bennett, Zack McGuire, and Brian McDonnell presented an overview of the risk diversifiers portfolio. They discussed the role, current strategies, portfolio construction and rebalancing considerations for risk diversifiers, as well as, plans moving forward for this segment of the portfolio. Jim shared that recommendations concerning strategy sizing and rebalancing will be brought to the Board for consideration in July.

RULEMAKING

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

Public Hearing on Proposed Amendments to Rule Chapter 803

Michael Colleran summarized the proposed amendments of Rule 803 (plan provisions for the PLD Consolidated Plan), which would provide an additional 1% cost of living adjustment for the current year, correct erroneous cross-references, and remove obsolete language.

No members of the public commented.

Brian noted that written comments on the proposed amendments may be submitted by 4:00 p.m. on June 20, 2022.

MAINESTART QUARTERLY REVIEW

Michael Colleran presented the MaineSTART Quarterly Review for the quarter ending March 31, 2022. Michael answered questions from the Trustees.

ACTUARIAL

FY24-25 Rate Setting

Gene Kalwarski and Dr. Rebecca Wyke reviewed a presentation for rate setting options based on expected low fiscal year returns. Gene and Dr. Wyke answered questions from the Board and will bring a recommendation at the next Board meeting.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared that 35,000 retroactive COLA's were processed and distributed in May, shortly after the COLA changes were enacted into law. Jim thanked Sherry Vandrell and her team as well as the Members Services team and Information Technology for a job well done. Jim stated they are preparing for the roll out of MaineSTART to teachers in the next few months. Board members asked various questions regarding the education piece of the program.

Sherry Vandrell shared she will be filling two positions after July 1st.

Rebecca Grant shared that reception staff were provided with active shooter training. This will also be provided to all staff later this summer.

LITIGATION UPDATE

Betsy Stivers stated the Judge is inclined to consolidate Ms. Hawes' FOA matters and grant the acceleration, and he has asked for a conference of the parties. Betsy shared the personnel matter is continuing in the discovery phase. She also shared she has been asked for an amicus brief before the Workers' Compensation Appellate Division regarding a dispute over offsets for MainePERS and Workers' Compensation benefits.

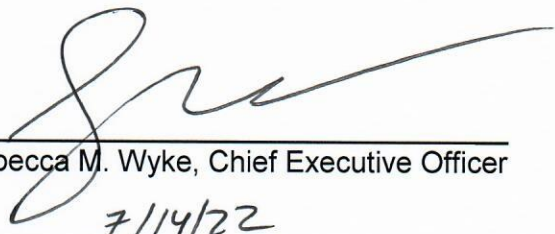
ADJOURNMENT

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

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

7/14/2022

Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer

7/14/22

Date Signed