

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
September 8, 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 September 8, 2022. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice Chair; Greg Olson, Deputy 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 Zackery McGuire, Deputy Chief Investment Officer; Douglas Porter, Deputy Managing Director; Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; Ed Schwartz, ORG; and Amy McDuffee, Mosaic Governance Advisors.

Brian Noyes called the meeting to order at 9:00 a.m. Greg Olson and Mark Brunton 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 illness. All other Trustees were physically present. Brian welcomed Amy McDuffee to the Board meeting.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of August 11, 2022
- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

CEO REPORT

Dr. Rebecca Wyke shared that an agreement has been reached with the Maine Service Employees Association/SEIU for a one-time retention payment program for this year. She provided an update on legislative reports that are due early next year on ESG, divestment, long term disability insurance implementation, disability retirement experience, and operations.

Dr. Wyke shared her reflections on the past year with the Trustees, which included FY21 year-end information; the pandemic; legislative reports that were completed; organizational changes; divestment planning; adjustment to the asset allocation plan; ending the fiscal year 2021-22 under budget; receipt of the International Corporate Governance Network Global Stewardship Disclosure Award and, for the 18th consecutive year, the Certificate of Achievement for Excellence in Reporting from GFOA; and the adoption of the 5-Year Strategic Plan by 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, September 27, 2022, in Portland, with presentations by Farallon Capital Management at 9:45 a.m. and Blue Owl Capital/Owl Rock at 11:00 a.m.

INVESTMENT REVIEW

Investment Monthly Review

Zack McGuire reported that as of August 31st, the MainePERS fund had a preliminary market value of \$18.4 billion, the preliminary fund return for the month was -1.3%, and the preliminary calendar year-to-date return was -3.4%.

QUARTERLY INVESTMENT EDUCATION

Doug Porter shared an overview of the alternative credit portfolio with the Trustees. Doug discussed with and answered questions from the Trustees regarding upcoming changes to the portfolio. The Investment Team anticipates making a recommendation regarding an SMA managed by Audax within the alternative credit portfolio at next month's meeting.

MAINESTART

MaineSTART Quarterly Review

Michael Colleran presented the MaineSTART report for the quarter ending June 30, 2022. Michael reviewed the various plans available to participants as well as investment options. He shared 17 of 18 employers audit findings on participation agreements have been resolved. Michael stated the transition from the 2015 target date fund is complete, and a review of the STAR Fund will begin this month.

Chip Gavin stated expansion of communication to school units offering MaineSTART to teachers is underway.

RETIREE HEALTH INSURANCE POST-EMPLOYMENT BENEFITS INVESTMENT TRUST

Agreement with Teacher Plan Trustee

Michael Colleran presented the Trustees with a proposed agreement between the Board members, as trustees of the Retiree Health Insurance Post-Employment Benefits Investment Trust Fund, and the trustee of the Irrevocable Trust Fund for Other Post-Employment Benefits for Teachers to govern the relationship between the two funds. Michael discussed and answered questions from the Trustees.

- Action. Motion made by Ken Williams, seconded by Shirrin Blaisdell, that the Board members, as trustees of the Retiree Health Insurance Post-Employment Benefits Investment Trust Fund, authorize the Board Chair to enter into and execute the proposed agreement with the Irrevocable Trust Fund for Other Post-Employment Benefits for Teachers on their behalf. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

RULEMAKING

Amendment to Rule Chapter 509

Michael Colleran provided the Trustees with a recommendation for amendments to Rule 509 (determining whether an applicant for disability retirement is unable to perform the duties of their employment position).

- Action: Motion made by Dick Metivier, seconded by Ken Williams, that the Board adopt amended Rule Chapter 509 and its Basis Statement. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

Amendment to Rule Chapter 702

Michael Colleran provided the Trustees with a recommendations for amendments to Rule 702 (process for appeals of decisions of the CEO).

- Action. Motion by Shirrin Blaisdell, seconded by Dick Metivier, that the Board adopt amended Rule Chapter 702 and its Basis Statement. Voted unanimously by eight Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, Olson, and Williams).

OPERATIONS AND MEMBER SERVICES REPORT

Michael Colleran shared that we have received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for our FY21 Annual Comprehensive Financial Report. This was the 18th year in a row that we have received this award. Congratulations to Sherry Vandrell and the accounting, finance, and investment staff who worked on preparing the report. Michael stated that Wipfli has provided a five-year internal audit plan and is working on completing their final report. CliftonLarsonAllen will be performing their first audit under the plan, which concerns the disability retirement program. He reported that one of the two HVAC units suffered a fan motor failure. The contractor replaced the fan motor and the system was back to normal operation within two days. He shared that vacancies within the organization continue to be filled. He also stated that work with Vitech to provide a member self-service portal continues.

Chip Gavin reported that the retroactive COLA adjustment for eligible PLD participants was implemented with the August payroll. Various means of communication was used to notify recipients of the COLA prior to receipt. Chip shared that an electronic communication pilot project was done in August. Over 5,000 members and retirees were surveyed regarding electronic communications. Chip stated that MaineSTART eligibility for teachers is now available and teacher employers have been reaching out for possible participation.

LITIGATION UPDATE

Betsy Stivers reported that in the personnel matter, the discovery deadline has been extended to mid-November. Betsy shared a new motion was received to amend both FOA cases to add four new counts.

BOARD SELF-EVALUATION

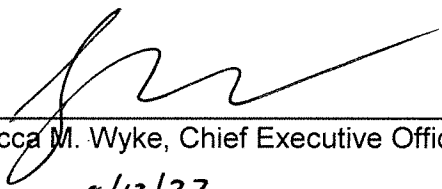
- Action. Motion made by Dick Metivier, seconded by John Kimball, that the Board enter into executive session pursuant to 1 M.R.S. §405(6)(A) to discuss evaluation of a group of public officials. Voted unanimously by seven Trustees (Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes, and Williams). With one Trustee not voting (Olson).

ADJOURNMENT

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

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

10/13/22
Date Approved by the Board


Dr. Rebecca M. Wyke, Chief Executive Officer
8/13/22
Date Signed