

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Regular Board Meeting
November 8, 2018

MainePERS Board Room
Augusta, Maine
9:00 a.m.

The Board of Trustees met at 9:00 a.m. on November 8, 2018, at the Maine Public Employees Retirement System, 96 Sewall Street, Augusta, Maine. Brian Noyes, Chair, presided. Other Trustees present were Dick Metivier, Vice-Chair; Shirrin Blaisdell; Phil Brookhouse; Mike Currie; Terry Hayes; and Ken Williams. Joining the Trustees were Sandy Matheson, Executive Director; Michael Colleran, General Counsel; Monica Gorman, Secretary to the Board of Trustees; and Chris Mann, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by Andrew Sawyer, Chief Investment Officer; Bartley Parker, Managing Director, Alternative Investments; Stuart Cameron, Cambridge Associates; Mark Johnson, Cliffwater; Jonathan Berns and Austin Mack, ORG; and Gene Kalwarski and Elizabeth Wiley, Cheiron.

CONSIDERATION OF THE CONSENT CALENDAR

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

1. Minutes of October 11, 2018
2. Decision, T.C. Appeal;
3. Dismissal of Brandon Keene Appeal; and
4. Dismissal of Alisa Lee Appeal.

- Action. Dick Metivier made the motion, seconded by Phil Brookhouse to approve the Consent Calendar. Voted unanimously by seven Trustees.

BOARD ELECTIONS

Sandy Matheson discussed with the Trustees election of Chair and Vice-Chair of the Board of Trustees.

- Action. Shirrin Blaisdell made the motion, seconded by Ken Williams that Brian Noyes continue as Chair of the Board of Trustees. Approved with seven Trustees voting in favor.
- Action. Phil Brookhouse made the motion, seconded by Shirrin Blaisdell to elect Dick Metivier as Vice-Chair of the Board of Trustees. Approved with seven Trustees voting in favor.

PRIVATE MARKET ACTIONS

- Action. Phil Brookhouse made the motion, seconded by Terry Hayes, to enter into Executive Session pursuant to 1 M.R.S. § 405(6)(F); 5 M.R.S. § 17057(4). Voted unanimously by seven Trustees.

The Board moved back into open session.

BREP IX

- Action. Terry Hayes made the motion, seconded by Dick Metivier, that MainePERS make a commitment of up to \$40 million to Blackstone Real Estate Partners Fund IX, subject to final due diligence, legal review and negotiations, and authorize the Executive Director, Chief Investment Officer and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees.

FORT GLOBAL CONTRARIAN

- Action. Phil Brookhouse made the motion, seconded by Mike Currie, that MainePERS make a commitment of up to \$200 million to FORT Global Contrarian, subject to final due diligence, legal review and negotiations, and authorize the Executive Director, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees.

WESTBROOK REAL ESTATE FUND XI

- Action. Terry Hayes made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$40 million to Westbrook Real Estate Fund XI, subject to final due diligence, legal review and negotiations, and authorize the Executive Director, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by seven Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Andrew Sawyer reviewed the table of private markets funds that had closed during the past 12 months. Andrew reminded the Board that the next investment manager meeting is scheduled for Tuesday, November 27, 2018, with presentations by High

Street Real Estate Fund VI at 9:00 a.m., EQT Infrastructure IV at 10:15 a.m., and Taurus Funds Management at 11:30 a.m. The Investment Team and consultant continue to review an investment in Northbridge Senior Housing Fund.

Real Estate Quarterly Review

Jonathan Berns and Austin Mack from ORG presented the Real Estate quarterly report for the quarter ending June 30, 2018. Jonathan and Austin answered various questions from the Trustees regarding the portfolio.

Cliffwater Quarterly Review

Mark Johnson provided an overview of Cliffwater's private markets quarterly review. Mark discussed and answered questions from the Trustees regarding the private equity, infrastructure, natural resources, and private credit portfolios.

INVESTMENT MONTHLY REVIEW

Andrew Sawyer presented the monthly investment report to the Board. Andrew reported that as of October 31, the MainePERS fund was valued at \$14.1 billion and the calendar year to date return is 2.4%.

Andrew Sawyer shared that the Chartered Alternative Investment Association announced that three members of the Investment Team have become chartered alternative investment analysts. The Trustees extended their gratitude for the hard work to those who passed.

Investment Quarterly Review

Stuart Cameron discussed the dashboard report and the third quarter 2018 performance review. Andrew Sawyer asked to include a 10-year marker from this point forward in the quarterly review.

Risk Diversifiers Quarterly Review

Stuart Cameron shared the risk diversifiers quarterly report with the Trustees. Stuart answered questions from the Trustees.

APPEAL – Anthony Ghidoni

Chris Mann, Board Counsel, presented an overview of the statutory framework relating to the appeal before the Board and the decision by the Hearing Officer.

Andrew T. Mason, Esq., the Appellant’s counsel, and Quinn Collins, Esq., the System’s representative, made presentations before the Board.

- Action. Mike Currie made the motion, seconded by Phil Brookhouse, to reject the recommended final decision of the Hearing Officer and direct Board Counsel to draft an amended decision, affirming the decision of the Executive Director’s designee, to be adopted by the Board at the December meeting. Voted unanimously by seven Trustees.

ACTUARIAL PRESENTATION

Gene Kalwarski and Elizabeth Wiley presented the results of the annual actuarial valuations of the State Employee and Teacher Plan, the Judicial Plan, the Legislative Plan, the Participating Local District (PLD) Plan and the Group Life Insurance (GLI) Plan for the fiscal year ended June 30, 2018. Gene and Elizabeth answered questions throughout the presentation. Sandy Matheson and the Trustees thanked Cheiron for their hard work.

Sandy Matheson provided the Trustees with information regarding a recommended change in the method in which the PLD Plan rates are approved. Sandy shared that the change would delegate to the Executive Director the setting of PLD contribution rates in accordance with rule, Board policy, and the Plan valuation approved by the Board.

- Action. Dick Metivier made the motion, seconded by Terry Hayes, that the Board delegate to the Executive Director the setting of PLD Consolidated Plan contribution rates in accordance with Rule Chapter 803, the Board’s Actuarial Soundness and Funding Policy, and the Plan valuation approved by the Board. Voted unanimously by seven Trustees.

MAINESTART 457 PLAN AMENDMENT

Michael Colleran reviewed a proposed amendment to the MaineSTART 457 plan with the Trustees. Michael explained the amendment would permit monthly, quarterly, and annual distributions, including annuitized distributions, which would be in alignment with the other MaineSTART plans.

- Action. Phil Brookhouse made the motion, seconded by Shirrin Blaisdell, that the Board authorize an amendment to the 457 plan document to permit regular distributions on a monthly, quarterly, or annual basis, including annuitized distributions, and authorize the Executive Director and General Counsel to sign any documents related to effecting this action. Voted unanimously by seven Trustees.

LITIGATION SUMMARY

Chris Mann updated the Trustees on pending appeals of Board adjudicatory decisions to the Superior Court.

ADMINISTRATION REPORT

Operations Report

Rebecca Grant and Jim Dusch reviewed the Operations Report with the Trustees. Rebecca stated that another “purge” day was happening on the 9th. Sandy Matheson shared that she is meeting with staff to discuss their moving jitters and answer any questions they may have prior to the move. Rebecca shared that arrangements are being made to bring staff to the new building in December.

PERSONNEL MATTER

Supplemental 401(a) Plan

- Action. Terry Hayes made the motion, seconded by Dick Metivier, to enter into Executive Session pursuant to 1 M.R.S. § 405(6). Voted unanimously by seven Trustees.

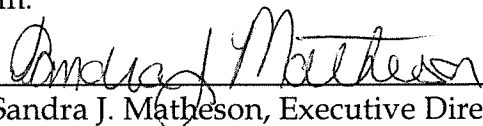
The Board moved back into open session.

- Action. Ken Williams made the motion, seconded by Shirrin Blaisdell, to establish a supplemental 401(a) retirement plan for participation by certain System investment personnel and authorize the Executive Director and General Counsel as signatories to execute documents in connection with the plan. Voted unanimously by seven Trustees.

The meeting adjourned at approximately 3:20 p.m.

12/13/18

Date Approved by the Board



Sandra J. Matheson, Executive Director

12-13-18

Date Signed