

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Regular Board Meeting
May 9, 2019

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

The Board of Trustees met at 9:00 a.m. on May 9, 2019, at the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Dick Metivier, Vice-Chair, presided. Other Trustees present were Henry Beck, Shirrin Blaisdell, Mike Currie, 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; James Bennett, Deputy Chief Investment Officer; Rebecca Grant, Deputy Executive Director, Administrative Programs; Jim Dusch, Deputy Executive Director, Service Programs; Kathy Morin, Manager, Actuarial and Legislative Affairs; Brian McDonnell and Cara Majeski, Cambridge Associates; and Mark Johnson, Cliffwater.

CONSIDERATION OF THE CONSENT CALENDAR

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

1. Minutes of April 11, 2019
 2. Dismissal, Christopher Kroot Appeal; and
 3. Dismissal, Philip Hawes Appeal.
- Action. Shirrin Blaisdell made the motion, seconded by Mike Currie to approve the Consent Calendar as amended. Voted unanimously by five Trustees.

PRIVATE MARKET ACTIONS

- Action. Ken Williams made the motion, seconded by Shirrin Blaisdell, to enter into Executive Session pursuant to 1 M.R.S. § 405(6)(F); 5 M.R.S. § 17057(4). Voted unanimously by five Trustees.

The Board moved back into open session.

SHOREVIEW CAPITAL PARTNERS IV

- Action. Shirrin Blaisdell made the motion, seconded by Mike Currie, that MainePERS make a commitment of up to \$30 million to ShoreView Capital Partners IV, 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 five Trustees.

H/2 CREDIT PARTNERS

- **Action.** Ken Williams made the motion, seconded by Henry Beck, that MainePERS reduce or eliminate its commitment to H/2 Credit Partners and authorize the Executive Director, Chief Investment Officer and General Counsel as signatories to execute documents in connection with this commitment. Voted unanimously by five Trustees.

Andrew Sawyer shared that Cara Majeski of Cambridge Associates has accepted a position with another employer. The Trustees and staff congratulated Cara and wished her well in her new endeavor.

INVESTMENT REVIEW

Investment Monthly Review

Andrew Sawyer reported that as of April 30, the MainePERS fund had a preliminary value of \$14.7 billion, and a preliminary fiscal year to date return of 5.3%.

Investment Quarterly Review

Brian McDonnell presented an overview of the first quarter performance review. Brian answered questions from the Trustees.

Risk Diversifiers Quarterly Review

Cara Majeski provided the Trustees with the Risk Diversifiers Allocation snapshot as of March 31, 2019. Cara discussed and answered questions from the Trustees regarding the presentation.

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim reminded the Board the next investment manager meeting is scheduled for Tuesday, May 28, 2019, with presentations by Solar Capital Partners Corporate Lending Fund at 9:30 a.m. and H.I.G. Middle Market LBO Fund III at 10:45 a.m.

Cliffwater Quarterly Review

Mark Johnson shared the private markets quarterly review as of December 31, 2018. Mark discussed and answered questions from the Trustees regarding the various portfolios.

Real Estate Quarterly Review

Andrew Sawyer shared that ORG previously provided the real estate update to the Trustees.

FINANCE AND AUDIT COMMITTEE

Report of the Committee

Shirrin Blaisdell stated that the Finance and Audit Committee had met two times over the last two months to review the FY20 Administration and Investment budgets. The Committee requested some additional information after the first meeting. This information was provided to the Committee and after additional discussion, recommends approval of both budgets by the Board of Trustees. Sandy Matheson provided a brief summary of both the Administrative and Investment budgets and answered questions from the Trustees. Shirrin and Dick Metivier thanked Sandy, Sherry and her staff for their hard work during this budget process.

FY20 Administrative & Investment Operations Budgets

- Action. Shirrin Blaisdell made the motion, seconded by Henry Beck, to approve the FY20 Administrative Operations Budget in the amount of \$15,633,339 and the Investment Operations Budget in the amount of \$5,750,995 as recommended by the Finance and Audit Committee. Voted unanimously by five Trustees.

Auditor Rotation Policy Memorandum

Sherry Vandrell provided the Trustees with an updated copy of the auditor rotation policy. Sherry answered various questions from the Trustees.

- Action. Ken Williams made the motion, seconded by Henry Beck, that the Board of Trustees adopt the proposed changes to Board Policy 1.6 – Finance and Audit Committee of the Board. Voted unanimously by five Trustees.

LITIGATION SUMMARY

Chris Mann and the Trustees discussed one of the ongoing cases. Chris also shared that one other case may be dismissed in the near future.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared that as of the April 15th deadline, 49 members had not submitted their annual statement of compensation. This can result in a loss of benefits, so MainePERS staff works with these members to submit their information. That number was down to 43 as of May 9th. He also shared that a number of PLD plan changes will take effect July 1st. Jim provided the Trustees with an update on the required minimum distribution process. He shared that 1,500 refunds checks were being mailed in May.

Rebecca Grant shared that a final walk through of the building had been completed. Landscaping has begun with trees and shrubs being planted. IT is upgrading the email filtering system.

RULEMAKING HEARING

A rulemaking hearing on proposed amendments to Rule Chapter 803 was held beginning at 1:00 p.m. Two members of the public spoke and offered comments at the hearing, which ended at approximately 1:15 p.m. The proposed amendments, the comments received in the public hearing, and any written comments received by May 20, 2019, will be considered by the Board at the June meeting.

LEGISLATIVE UPDATE

Kathy Morin presented the legislative update. Kathy answered questions from the Trustees. Sandy Matheson thanked Kathy for doing a great job of adapting to the needs of the Joint Committee on Labor and Housing.

ED EVALUATION

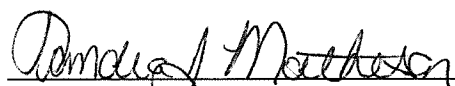
- Action. Shirrin Blaisdell made the motion, seconded by Ken Williams, to enter into Executive Session pursuant to 1 M.R.S. § 405(6)(A). Voted unanimously by five Trustees.

The Board moved back into open session.

The meeting adjourned at approximately 2:30 p.m.

6/13/19

Date Approved by the Board



Sandra J. Matheson, Executive Director

6-13-19

Date Signed