

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

### Minutes

Board of Trustees  
Regular Board Meeting  
July 11, 2019

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

*The Board of Trustees met at 9:00 a.m. on July 11, 2019, at the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Dick Metivier, Vice Chair, presided. Other Trustees present ; Henry Beck, John Beliveau, Shirrin Blaisdell, Phil Brookhouse, Mark Brunton, 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 Stuart Cameron, Cambridge Associates.*

### **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 June 13, 2019
  2. Decision, B.D. Appeal
  3. Decision, T.W. Appeal
- Action. Phil Brookhouse made the motion, seconded by Shirrin Blaisdell to approve the Consent Calendar. Voted unanimously by seven Trustees.

### **PRIVATE MARKET 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, July 23, 2019, with presentations by KKR Real Estate Partners at 9:00 a.m.; LCN North American at 10:15; and possibly KKR Global Impact Fund, as an information only session.

#### **Solar Capital Partners**

- Action. Shirrin Blaisdell made the motion, seconded by Phil Brookhouse, that the authorization granted on June 13, 2019, for MainePER to make a commitment to SCP Cayman SF Debt Master Fund encompassed a commitment to SCP SF Debt Fund. Voted unanimously by seven Trustees.

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Andrew Sawyer reported that as of June 30, the MainePERS fund had a preliminary value of \$14.7 billion, and a preliminary fiscal year to date return of 5.6%.

Andrew Sawyer and Jim Bennett provided the Trustees with an investment review presentation which focused on the investment policy objective. Also included was an overview of FY19 Performance Estimate. The Trustees discussed and asked questions regarding the presentations.

## **ESG EDUCATION**

Sandy Matheson reviewed what ESG is and how it relates in the investment process. Mike Collieran discussed what the Board's fiduciary duties are. Sandy stated there would be an ESG training session at the August Board meeting. Sandy and Mike answered various questions from the Trustees.

Chris Mann discussed litigation and how in some instances legislative action can conflict with the Board and how it is handled. Andrew Sawyer reviewed the proxy voting guidelines. The Trustees had an extensive discussion regarding ESG's role in the investment process and asked several questions about that role.

## **MAINESTART**

Brian McDonnell and Stuart Cameron presented the defined contribution program update and review to the Trustees. Brian explained the differences between the defined contribution and defined benefit programs. They answered questions from the Trustees.

## **ACTUARIAL ASSUMPTIONS AND CONTRIBUTION RATES**

Sandy Matheson shared that consideration is being made on lowering the discount rate by .05% to 6.70%. Sandy stated this recommendation will be deferred until the August meeting. Sandy stated the CPI-U was 1.6%.

## **ADMINISTRATION REPORT**

### **Operations Report**

Rebecca Grant stated the new building punch list items continue to diminish. Rebecca shared that migration from Windows 7 to Windows 10 will occur next year. She also shared that Blue-U Defense came in to review the new building and suggested some new security measures. Cybersecurity work and development continues to be in the forefront for the organization.

Jim Dusch shared that the number of retirement applications for this month are over 500. This is due to July usually being the month for teachers to apply for retirement. Jim also presented an updated graph showing the continued progress that is being made in the required minimum distribution matter.

### **LEGISLATIVE UPDATE**

Kathy Morin stated a number of the pension-related bills have been signed into law and some bills will be carried over to the next Session. Kathy answered various questions from the Trustees.

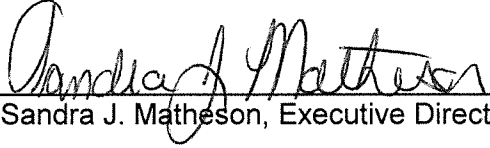
### **LITIGATION SUMMARY**

Chris Mann stated he has an upcoming oral argument and currently no new appeals.

Sandy reminded the Trustees that there are two Board meetings scheduled in October (both in Portland). The first is October 10<sup>th</sup> which is the regular Board meeting and the second is October 15<sup>th</sup> which is the meeting to approve financial statements that are required by the State for their reporting deadline.

The meeting adjourned at approximately 1:40 p.m.

8/8/19  
Date Approved by the Board

  
Sandra J. Matheson, Executive Director  
8-8-19  
Date Signed