

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Regular Board Meeting
September 12, 2019

MainePERS Board Room
Augusta, Maine
8:30 a.m.

The Board of Trustees met at 8:30 a.m. on September 12, 2019, at the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Brian Noyes, Chair, presided. Other Trustees present: Dick Metivier, Vice Chair; 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; Stuart Cameron, Cambridge Associates; and Mark Johnson, Cliffwater.

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 August 8, 2019
 2. Order Vacating Decision, C.C. Appeal
 3. Decision, L.D. Appeal
- Action. Shirrin Blaisdell made the motion, seconded by Phil Brookhouse to approve the Consent Calendar. Voted unanimously by seven Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. The next investment manager meeting is scheduled for Tuesday, September 24, 2019, with presentations by IPI Partners at 9:30 a.m. and Silver Point Specialty Credit Fund at 10:45 a.m.

Risk Diversifiers Rebalancing

Andrew Sawyer provided the Trustees with information with respect to rebalancing activity within the Risk Diversifier portfolio. Andrew answered question from the Trustees.

Henry Beck arrived at 9:00 a.m.

Due Diligence Process

Andrew Sawyer, Jim Bennett, and Michael Colleran provided an overview of the due diligence process. Andrew, Jim, and Michael answered questions from the Trustees.

INVESTMENT REVIEW

Investment Monthly Review

Andrew Sawyer reported that as of August 31, the MainePERS fund had a preliminary value of \$14.7 billion, a preliminary calendar year to date return of 7.1% and a preliminary fiscal year to date return of (0.7%).

Negative Interest Rates

Stuart Cameron shared a presentation and answered questions from the Trustees regarding negative interest rates and the impact on portfolios.

DISCOUNT RATE

Sandy Matheson recommended that the discount rate of 6.75% remain the same. Sandy discussed her reasoning and answered questions from the Trustees. Sandy shared she will bring more information to the November meeting.

EXECUTIVE DIRECTOR EVALUATION

- Action. Dick Metivier made the motion, seconded by Phil Brookhouse, to enter into executive session pursuant to 1 M.R.S. §405(6)(A). Voted unanimously by 8 Trustees.

The Board moved back into open session. Brian Noyes left the meeting at noon.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared that in October reminder letters will be sent to those members in the disability program requesting their annual statement of compensation. Jim also shared that member statements will be mailed in the near future.

Sandy Matheson stated there are a number of companies intending to bid on the long-term disability insurance program. Sandy will keep the Board informed as the process moves along.

Rebecca Grant shared with the Trustees that an energy assessment study had been completed that identified some performance issues with the HVAC system. Rebecca also stated that Myers & Stauffer, the IT auditing firm, will be back onsite at the end of September in follow-up to the 2016 IT audit. Rebecca shared there were no security incidents for the month.

Sandy Matheson congratulated Rebecca Grant and her IT staff on their major advancements that have occurred.

RMD Update

Jim Dusch provided the Trustees with an updated progress report on required minimum distributions. Jim and Michael Colleran reviewed the IRS requirements with the Trustees.

LITIGATION SUMMARY

Chris Mann stated there was nothing new to report.

LD 1104 UPDATE

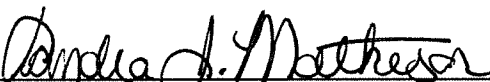
Sandy Matheson provided the Trustees with an update on LD 1104.

RULEMAKING

A rulemaking hearing on proposed amendments to Rule Chapters 101, 406, and 803 was held beginning at 1:00 p.m. Five members of the public attended the hearing. One member made comments at the hearing, which ended at approximately 1:08 p.m. The proposed amendments, the comments received in the public hearing, and any written comments received by September 23, 2019, will be considered by the Board at the October meeting.

The meeting adjourned at approximately 1:20 p.m.

10/15/19
Date Approved by the Board


Sandra J. Matheson, Executive Director

10-15-19
Date Signed