

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
January 9, 2020

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

The Board of Trustees met at 9:00 a.m. on January 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; 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 Andrew Black, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Acting Chief Investment Officer; Rebecca Grant, Deputy Executive Director, Administrative Programs; Jim Dusch, Deputy Executive Director, Services Programs; Sherry Vandrell, Director of Finance; Brian McDonnell, Cambridge Associates; and Mark Johnson and Tom Lynch, Cliffwater.

BOARD INTRODUCTIONS

Dick Metivier called the meeting to order. He then asked the Trustees to introduce themselves to Tom Lynch who is replacing Mark Johnson as the representative for 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 December 12, 2019
2. Decision, A.K. Appeal
3. Dismissal, Pamela Hamilton Appeal
4. Dismissal, Heidi Locke Appeal
5. Dismissal, Deborah Pelletier Appeal
6. Dismissal, Ray Pipes Appeal

- Action. Shirrin Blaisdell made the motion, seconded by Phil Brookhouse to approve the Consent Calendar. Voted unanimously by eight Trustees.

BOARD CALENDAR DISCUSSION

Sandy Matheson asked the Trustees to be prepared next month to share any dates that they will not be in attendance for a Board meeting so we are able to determine quorums for those months.

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim shared with the Board that the next manager meeting is scheduled for Tuesday, January 28, 2020, with presentations by Invesco Real Estate Asia Fund IV at 9:30 a.m. and General Catalyst Group at 10:45 a.m.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of December 31st, the MainePERS fund had a preliminary value of \$15.2 billion, a preliminary calendar year to date return of 12.0%, and a preliminary return for the month of 1.1%.

QUARTERLY INVESTMENT TRAINING

Strategic Asset Allocation

Sandy Matheson shared with the Trustees that an asset allocation study will be done this year. Jim Bennett presented the strategic asset allocation process for Board education. Jim reviewed the asset classes and their role in the portfolio, asset class modeling, risk and return, and the current portfolio with the Trustees. Jim answered questions from the Trustees.

NEW BOARD POLICY

Michael Colleran reviewed with the Trustees a copy of the proposed DC Plans Investment Policy Statement. He shared this was a recommendation made by a consulting company who had performed a review of the DC plans last year.

- Action. Henry Beck made the motion, seconded by Ken Williams that the Board adopt Board Policy 2.1-C – DC Plans Investment Policy Statement. Voted unanimously by eight Trustees.

LEGISLATIVE UPDATE

Kathy Morin provided an update on legislative bills carried over on the appropriations table or by the policy committee. Kathy and Michael Colleran shared information on the two bills being introduced this session; one dealing with membership for educational technician 1's and the other with changes to the disability retirement program. Kathy shared that a number of reports will be prepared for the Legislature, and copies of those reports will be shared with the Trustees as they are completed.

PERSONNEL MATTER

- **Action.** Ken Williams made the motion, seconded by Phil Brookhouse, to enter into executive session pursuant to 1 M.R.S. § 405(6)(E). Voted unanimously by eight Trustees.

The Board moved out of executive session.

ADMINISTRATION REPORT

Operations Report

Jim Dusch stated that the number for the required minimum distributions has been reduced to a very small number. Sandy Matheson shared that the required minimum distribution age has been changed from 70 ½ to 72. Jim shared a marked interest in towns wanting to join or rejoin the PLD Plan.

Rebecca Grant shared it has been a year since we moved to the new building. The information technology team was successful in upgrading all staff from Windows 7 to 10. Currently the team is working on the 1099 print run.

Interest Rates Update

Michael Colleran shared with the Trustees that the interest rate for withdrawals is resetting to 1.92%, a decrease of .77% from last year's rate. Mike also stated that the rate to purchase certain types of service credits will now be 3.92%, also a decrease of .77%.

STRATEGIC PLAN FOR 2020

Sandy Matheson provided and discussed with the Trustees five strategic areas for improvement in 2020. She briefly reviewed each area and answered questions from the Trustees. Those areas are: V-3 clean-up process; member services training; website transition; new asset allocation study; and creation of a more modern budget system. Sandy answered questions from the Trustees.

FINANCE AND BUDGET EDUCATION

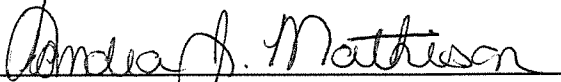
Sherry Vandrell presented the Trustees with a budget process and timeline. Sherry discussed key areas regarding the budget. Sherry explained the monthly budget reporting and oversight and how that is prepared and shared with the Finance and Audit Committee. She also provided the Trustees with information on a new reporting and tracking tool being utilized to track expenses. Sherry shared that facilities cost and IT costs will become more predictable after our first year in the new building, which will help in having a better planned budget. Sherry answered questions from the Trustees.

LITIGATION SUMMARY

Andrew Black shared there were no new updates.

The meeting adjourned at approximately 2:00 p.m.

2/13/2020
Date Approved by the Board


Sandra J. Matheson, Executive Director

2-13-2020
Date Signed