

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
May 14, 2020

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

The Board of Trustees held a meeting through video remote access pursuant to P.L. 2019, Ch. 617, § G-1 at 9:00 a.m. on May 14, 2020. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice-Chair; Henry Beck; 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 Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by James Bennett, Chief Investment Officer; Rebecca Grant, Deputy Executive Director, Administration; Jim Dusch, Deputy Executive Director, Service Programs; Brian McDonnell and Stuart Cameron, Cambridge Associates; Tom Lynch and George Bumeder, Cliffwater; and Ed Schwartz and Austin Mack, ORG.

Brian Noyes called the meeting to order at 9:00 a.m. A roll call of the Trustees was done to confirm a quorum. All Trustees except John Beliveau responded affirmatively.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of April 9, 2020; and,
 - Dismissal, Joline Spence Appeal
- Action. Dick Metivier made the motion, seconded by Ken Williams to approve the Consent Calendar. Voted unanimously by seven Trustees (Noyes, Metivier, Beck, Blaisdell, Brookhouse, Brunton and Williams).

PRIVATE MARKETS ACTIONS

Summit Partners Venture Capital V

- Action. Motion made by Phil Brookhouse, seconded by Henry Beck, that MainePERS make a commitment of up to \$45 million to Summit Partners Venture Capital Fund V, 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 (Noyes, Metivier, Beck, Blaisdell, Brookhouse, Brunton and Williams).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of April 30th, the MainePERS fund had a preliminary value of \$14.7 billion, a preliminary fiscal year-to-date return of 1.4%, and a preliminary calendar year to date return of -3.3%.

Investment Quarterly Review

Brian McDonnell and Stuart Cameron reviewed and answered questions from the Trustees regarding the first quarter performance.

Risk Diversifier Quarterly Review

Stuart Cameron shared with the Trustees the risk diversifiers first quarter report. The Trustees asked questions and discussed the report.

PRIVATE MARKET REVIEW

Private Markets Activity

Jim Bennett reviewed the table of private markets funds that had closed during the past 12 months. Jim shared that the next manager meeting is scheduled for Tuesday, May 26, 2020, with presentations by Aspect Capital at 9:00 a.m.; Owl Rock Capital at 9:55 a.m.; and CVC Capital at 10:30 a.m.

Cliffwater Quarterly Review

Tom Lynch updated the Trustees on the private equity, infrastructure, natural resources, and alternative credit asset classes. Tom and the Trustees discussed the review.

Real Estate Quarterly Review

Ed Schwartz provided an update for the Trustees on the real estate portfolio.

ACTUARIAL

Projected State/Teacher Plan Rates

Sandy Matheson reviewed with the Trustees a presentation that provided projected pension rates for FY22-23 for the State/Teacher Plan under various market scenarios.

PLD Rates

Sandy Matheson provided the Trustees with similar PLD Plan rate projections and answered questions from the Trustees.

Ken Williams left the meeting at 10:50 a.m.

FINANCE AND AUDIT COMMITTEE

Report from the Committee

Shirrin Blaisdell, Chair of the Finance and Audit Committee, shared with the Trustees that the Finance and Audit Committee had met that morning and discussed the budgets that had been presented to the Committee and are recommending approval by the Trustees. Shirrin stated there has been modest increases from the previous budgets presented last month. The Administrative FY21 budget has a 2.8% increase, and the Investment budget has a 1.5% increase over the FY20 budget. Shirrin shared the Committee voted unanimously to present those budgets to the Board for final approval.

On behalf of the Trustees, Brian Noyes thanked Sherry and her team for all of their hard work and pulling this together.

- **Action.** Shirrin Blaisdell made the motion, seconded by Dick Metivier, that the Board adopt the FY21 recommended Operating Budget in the amount of \$16,170,715 and the recommended Investment Operations Budget in the amount of \$5,834,503 as presented. Unanimously voted by six Trustees (Noyes, Metivier, Beck, Blaisdell, Brunton and Brookhouse)

Actuarial Policy Review

Sherry Vandrell presented a review of the Board policy on actuarial audits and procuring actuarial services and recommended no changes.

ADMINISTRATION REPORT

Operations Report

Jim Dusch stated employees have adjusted well to working remotely. Jim shared the outgoing work is now more than the incoming as employees settle in to this work mode.

Rebecca Grant shared IT continues to provide employees with technical support as they continue to work remotely. Rebecca stated the new phone system will be live at some point in the month of June.

RULEMAKING UPDATE

Mike Colleran informed the Board that MainePERS is starting the rulemaking process to extend the amendments that have been adopted on an emergency basis and to provide more flexibility on when local districts may join the PLD Consolidated Plan. Mike said that he expects the proposed rule amendments will be brought to the Board in July for consideration.

LITIGATION UPDATE

Betsy Stivers shared that the 49-day stay by the Law Court had expired in the Lawrence Gervais case. Betsy explained to the Trustees that the appeal before the Law Court was

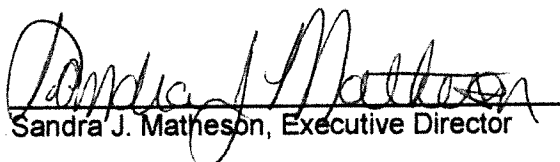
put on hold for 49 days during the pandemic. Betsy expects the appellant's brief to be due in June and will let the Board know when it will be ready for oral argument.

ADJOURNMENT

- Action. Motion by Dick Metivier, seconded by Shirrin Blaisdell to adjourn the meeting of the Board of Trustees. Unanimously voted by six Trustees (Noyes, Metivier, Beck, Blaisdell, Brookhouse and Brunton).

The meeting adjourned at approximately 11:10 a.m.

6/11/2020
Date Approved by the Board


Sandra J. Matheson, Executive Director

6-30-2020
Date Signed