

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
August 13, 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 August 13, 2020. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice-Chair; Henry Beck, State Treasurer; 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 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; 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 July 9, 2020;
 - Dismissal, Candace Barrett Appeal; and
 - Dismissal, Stephen Nason Appeal
- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier to approve the Consent Calendar. Voted unanimously by seven Trustees (Noyes, Metivier, Beck, Blaisdell, Brookhouse, Brunton and Williams).

John Beliveau joined the meeting at 9:07 a.m.

COST OF LIVING ADJUSTMENT

Sandy Matheson shared that the proposed COLA for all plans including the Participating Local District "PLD" Consolidated Plan was equal to the CPI-U as of June 30, 2020, which was 0.6%.

- Action. Dick Metivier made the motion, seconded by Phil Brookhouse, that the Board adopt cost of living adjustments of 0.6% for all eligible plans administered by MainePERS, effective September of 2020. Voted unanimously by eight Trustees (Noyes, Metivier, Beck, Beliveau, Blaisdell, Brookhouse, Brunton and Williams).

ACTUARIAL UPDATE

GLI PLD Rates

Sandy Matheson shared the PLD Advisory Committee met recently and the Committee discussed, reviewed and voted unanimously the recommendation made by the Actuary to increase the bi-weekly GLI premiums. Sandy discussed and answered questions from the Trustees.

- Action. Motion by Ken Williams, seconded by Henry Beck that the Board approve increases to Group Life Insurance premiums for PLD participants of \$0.01 bi-weekly per \$1,000 in coverage in each of fiscal years 2022, 2024 and 2026. Voted unanimously by eight Trustees (Noyes, Metivier, Beck, Beliveau, Blaisdell, Brookhouse, Brunton and Williams).

PLD Actuarial Assumptions

Sandy Matheson provided the Trustees with the FY22 pension rates for the PLD Plan which resulted from a one-time change to a 10-year smoothing methodology. Sandy answered questions from the Trustees.

- Action. Dick Metivier made the motion, seconded by Mark Brunton that the Board approve the one-time 10-year asset smoothing methodology to be used to establish the FY 2022 rates for the PLD Consolidated Plan. Voted unanimously by eight Trustees (Noyes, Metivier, Beck, Beliveau, Blaisdell, Brookhouse, Brunton and Williams).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of July 31st, the MainePERS fund had a preliminary value of \$15.0 billion, the preliminary fund return for the month was 1.8%, fiscal year-to-date return of 1.8%, and a preliminary calendar year to date return of -1.3%.

Investment Quarterly Review

Brian McDonnell and Stuart Cameron reviewed the quarterly report ending June 30, 2020 with the Trustees. Brian and Stuart answered various questions from the Trustees.

ESG Contacts

Sandy Matheson shared with the Trustees a concern that was raised by a national labor union regarding the labor practices of a cleaning company contracted to service one of the properties owned by a fund in the System's Real Estate portfolio along with a suggestion on adopting a responsible contractor policy. Sandy provided the Trustees with information discussed at a meeting with union representatives. She also provided information about Board Policy 1.10, which delegates the Executive Director to accept and report on public comment about MainePERS. Trustees requested additional information about the public comment portions of that policy.

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, August 25, 2020, with a presentation by Technology Crossover Ventures (TCV) at 9:00 a.m. He also shared that the Investment Team continues due diligence for a possible investment in Bain Capital Venture Fund 2021.

Co-Investment Review

Jim Bennett provided the Trustees with a presentation on the Co-Investment Program. Jim described what co-investing is, how the program works and the program goals. Jim answered questions from the Trustees.

Henry Beck left the meeting at 10:58 a.m.

MAINESTART

Amended and Restated 401(a) Plan Document

Mike Colleran stated that upon review of the MaineSTART 401(a) plan document, updates were needed due to changes in federal law. The restated and amended 401(a) plan document has incorporated those changes as well as prior amendments that have been approved by the Board.

- **Action:** Motion by Dick Metivier, seconded by Phil Brookhouse, that the Board adopt the restated MaineSTART 401(a) plan document and authorize the Executive Director and General Counsel to sign any documents related to effecting this action. Unanimously voted by seven Trustees (Noyes, Metivier, Beliveau, Blaisdell, Brookhouse, Brunton and Williams).

Brian Noyes left the meeting at 11:07 a.m.

PRIVATE MARKET REVIEW (continued)

Real Estate Quarterly Review

Ed Schwartz and Austin Mack provided a summary of the real estate portfolio for the Trustees.

Cliffwater Quarterly Review

Tom Lynch provided the Trustees an update of the private assets portfolio as of March 31, 2020.

ADMINISTRATION REPORT

Operations Report

Sandy Matheson shared with the Trustees that security precautions continue to be in the forefront while staff is working remotely. Clearing up the back log items is going well. Sandy discussed teacher retirements with the Trustees during the pandemic. She shared there has not been an increase in applications but stated steps are in place if and when there is a spike in retirement applications.

Shirrin Blaisdell left the meeting at 11:40 a.m.

LITIGATION UPDATE

Betsy Stivers shared the Gervais brief was submitted on time and is waiting for the reply brief as well as the argument schedule.

Sandy Matheson shared with the Trustees that an RFP had been released relating to the need for physicians to assist with disability cases. The contract has been awarded and staff will be meeting with the successful vendor in the near future.

ADJOURNMENT

- Action. Motion by Phil Brookhouse, seconded by Ken Williams, to adjourn the meeting of the Board of Trustees. Unanimously voted five Trustees (Metivier, Beliveau, Brookhouse, Brunton and Williams).

The meeting adjourned at approximately 11:50 a.m.

9/10/2020
Date Approved by the Board


Sandra J. Matheson, Executive Director

9-11-2020
Date Signed