

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
January 14, 2021

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 January 14, 2021. 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; 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; Ed Schwartz and Austin Mack, ORG; Rebecca Grant, Deputy Executive Director; Jim Dusch, Deputy Executive Director; Sherry Vandrell, Director of Finance; Jody Simpson, Dr. Peter Lindblad, and Eileen Perron, UMass Medical School.

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees were present.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of December 10, 2020;
 - Decision, J.B. Appeal; and
 - Dismissal, Glenn Tucker Appeal.
- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell to approve the Consent Calendar. Voted unanimously by eight Trustees (Noyes, Metivier, Beck, Beliveau, Blaisdell, Brookhouse, Brunton and Williams).

ASSET ALLOCATION CHANGE

Alternative Credit and Risk Diversifiers Allocation Change

Jim Bennett discussed with the Trustees suggested modifications to Appendix 1 of the Investment Policy Statement. The recommendations are an increase from 5% to 7.5% for the Alternative Credit allocation and decrease from 10% to 7.5% for the Risk Diversifiers allocation.

- Action. Shirrin Blaisdell made the motion, seconded by Phil Brookhouse, to amend Appendix 1 to the Investment Policy Statement as recommended by the Investment Team.

Voted unanimously by eight Trustees (Noyes, Metivier, Beck, Beliveau, Blaisdell, Brookhouse, Brunton and Williams).

PRIVATE MARKETS REVIEW

Private Markets Activity

Jim Bennett reviewed the private markets activity for the past 12 months. Jim shared that the next manager meeting is scheduled for Tuesday, January 26, 2021 with a presentation from Bain Capital at 9:00 a.m. and HBK Capital at 9:45 a.m. Jim stated Cube Infrastructure, Meridiam Infrastructure and a third manager, to be discussed at next month's meeting, are scheduled for February.

Private Markets Liquidity Review

Tom Lynch and George Bumeder of Cliffwater shared a presentation on private markets liquidity stress testing. Tom and George discussed the process and results of this approach and answered questions from the Trustees.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of December 31st, the MainePERS fund had a preliminary value of \$16.1 billion, the preliminary fund return for the month was 1.6%, fiscal year-to-date return of 11.1%, and a preliminary calendar year to date return of 7.7%.

Securities Lending Review

Jim Bennett provided a presentation on the securities lending process. Jim shared how the process works; who is involved, and why securities lending is utilized. Jim discussed and answered questions from the Trustees.

LEGISLATIVE UPDATE

Mike Colleran shared that the 130th Legislature has convened and bills are being printed. Mike stated a legislative committee of jurisdiction has yet to be confirmed but that it appears that Labor and Housing will remain the committee that hears pension bills. Mike shared that the System will submit a bill to make a number of changes to our statute. He also stated legislators have submitted a number of pension related bills on various topics.

UMASS INTRODUCTIONS

Sandy Matheson introduced and welcomed Jody Simpson, Dr. Peter Lindblad and Eileen Perron, from Disability Evaluation Services at UMass Medical School. Sandy stated UMass is the new medical board provider for disability cases. Jim Dusch shared that the breadth and depth of expertise UMass will bring on a daily basis is just one of the points attracted us to them. Jody, Dr. Lindblad, and Eileen each provided an overview of their roles for processing disability cases. The group answered questions from the Trustees.

Brian Noyes and Henry Beck left the meeting at 10:50 a.m. Vice Chair Dick Metivier took over presiding officer duties.

BOARD CALENDAR 2021

Sandy Matheson reminded the Trustees that the 2021 October Special Finance and Board Meeting falls on October 14th this year. Sandy also stated the November 2021 Board Meeting falls on a holiday and wanted approval to move the meeting to the following Thursday. The Trustees present agreed to move the November Board meeting to November 18, 2021.

Sandy updated the Trustees on a stakeholder group that contacted her regarding one of our fund managers. The meeting went well and Sandy discussed with the group what our process and approach is on these types of requests.

ADMINISTRATION REPORT

Operations Report

Jim Dusch shared processing of current-year RMD's continues with the majority of distributions set for the end of March. Work continues on those members who are hard to find with letters and calls being made in an attempt to contact them. Jim stated he is tracking the increase in GLI insurance claims and will monitor over the next few months. Jim shared that the PLD Program is doing very well with a number of plan changes received as well as new PLD's joining during January.

Rebecca Grant shared a Covid-19 related incident and the steps that were taken for getting staff tested and the building cleaned.

Interest Rates Update

Mike Colleran shared with the Trustees that the interest rate for withdrawals will be reset to .93%, a decrease of .99% from last year. Mike stated the rate to purchase certain types of service credits will be 5.93%, which is below the discount rate of 6.75%. Mike shared that a recommendation may be brought before the Trustees in upcoming months regarding interest rate setting.

IT Security

- Action. Motion by John Beliveau, seconded by Phil Brookhouse, to enter into executive session pursuant to 1 M.R.S. §402(3)(M), 405(6)(F) to discuss IT security. Unanimously voted by six Trustees (Metivier, Beliveau, Blaisdell, Brookhouse, Brunton, and Williams).

Board moves out of executive session.

Sandy Matheson stated work continues with Gary Hudepohl on the Executive Director search. Sandy also shared she is working on the creation of a Chief Deputy Executive Director position.

Betsy Stivers shared that Philip Hawes has filed a Rule 80C appeal of the decision regarding denial of his request to have rental income included in his earnings from employment.


ADJOURNMENT

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

The meeting adjourned at approximately 11:35 a.m.

2/11/2020

Date Approved by the Board


Sandra J. Matheson, Executive Director

2-22-2021

Date Signed