

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
April 8, 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 April 8, 2021. Dick Metivier, Vice-Chair, presided. Other Trustees participating were 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, Chief Deputy Executive Director and 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; Ed Schwartz, ORG; Rebecca Grant, Deputy Executive Director; Jim Dusch, Deputy Executive Director; Sherry Vandrell, Director of Finance; and Kathy J. Morin, Manager, Actuarial and Legislative Affairs.

Dick Metivier called the meeting to order at 9:00 a.m. All Trustees except for Henry Beck and Brian Noyes were present.

Dick congratulated the Trustees who have been re-nominated to the Board and John Kimball who was nominated to replace Phil Brookhouse. Senate confirmation is expected later this month. Sandy Matheson and the Trustees thanked Phil for his hard work and contributions to MainePERS and wished the best for him going forward. Phil thanked the Trustees for their insight and knowledge and said that he has enjoyed his time on the Board.

CONSIDERATION OF THE CONSENT CALENDAR

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

- Minutes of March 11, 2021;
 - Decision, D.S. Appeal; and
 - Dismissal, Valda Reardon Appeal
- Action. Shirrin Blaisdell made the motion, seconded by Phil Brookhouse, to approve the Consent Calendar. Voted unanimously by six Trustees (Blaisdell, Beliveau, Brookhouse, Brunton, Metivier, and Williams).

Henry Beck joined the meeting at 9:05 a.m.

PRIVATE MARKETS ACTIONS

Charterhouse XI

- **Action.** John Beliveau made the motion, seconded by Phil Brookhouse, that MainePERS make a commitment of up to €40 million to Charterhouse Capital Partners XI, 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 (Beck, Beliveau, Blaisdell, Brookhouse, Brunton, Metivier and Williams).

Hellman & Friedman X

- **Action.** Mark Brunton made the motion, seconded by Ken Williams, that MainePERS make a commitment of up to \$45 million to Hellman & Friedman Capital Partners X, 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 (Beck, Beliveau, Blaisdell, Brookhouse, Brunton, Metivier and Williams).

Pathlight Capital Fund II

- **Action.** Shirrin Blaisdell made the motion, seconded by Ken Williams, that MainePERS make a commitment of up to \$75 million to Pathlight Capital Fund II, 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 (Beck, Beliveau, Blaisdell, Brookhouse, Brunton, Metivier and Williams).

Twin Creeks Timber

- **Action.** Phil Brookhouse made the motion, seconded by John Beliveau, that MainePERS reduce its commitment to Twin Creeks Timber by selling up to \$25 million of its original commitment, 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 (Beck, Beliveau, Blaisdell, Brookhouse, Brunton, Metivier 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, April 27, 2021 with a presentation from KKR at 9:00 a.m.

INVESTMENT REVIEW

Public Securities Liquidity

Jim Bennett made a presentation to the Trustees on a structure change for the System's public market assets. Jim stated the change will involve holding a portion of the public markets assets in a liquidity portfolio structure. Jim answered questions from the Trustees.

- **Action.** John Beliveau made the motion, seconded by Phil Brookhouse, that MainePERS hold a portion of its public market assets in a "liquidity portfolio" structure to facilitate rebalancing and cash management, and that the Board authorize the Executive Director, Chief Investment Officer, and General Counsel as signatories to execute documents necessary to implement this structure. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brookhouse, Brunton, Metivier and Williams).

Investment Monthly Review

Jim Bennett reported that as of March 31st, the MainePERS fund had a preliminary value of \$16.7 billion, the preliminary fund return for the month was 0.7%, the fiscal year-to-date return was 15.6%, and the preliminary calendar year to date return was 1.4%.

ADMINISTRATION REPORT

Operations Report

Rebecca Grant shared that an IT risk assessment of the internal processes and controls is being done. Rebecca stated this assessment is similar to a mini-audit and a report of the findings will be provided upon completion. Recruitment continues to be a challenge for the System.

Jim Dusch stated that the RMD work closed out in March without any problems. Mike Colleran provided an update on the RMD IRS Voluntary Correction Program filing.

Sandy Matheson shared with the Trustees that the Audit and Finance Committee had a discussion on post-covid re-opening. Sandy stated the possibility of re-opening later in the year. She also shared the need to be flexible and keep options open in case of another shutdown. In order to do this, equipment will need to be purchased so we can have that flexibility.

Shirrin Blaisell stated that the FY22 financial information is available for other Trustees to review on the Board website.

LEGISLATIVE UPDATE

Kathy Morin shared the legislative update with the Trustees and answered questions. Mike Colleran provided an update on LD 711, a bill that would permit certain participating local district employees who previously made an election not to join MainePERS to make a new membership election.

Sandy Matheson updated the Trustees on the divestment bills being heard before the Legislature as well as a bill to create a new pension plan. Sandy answered questions from the Trustees.

RULEMAKING

Mike Colleran shared that rulemaking is in process to amend the Average Final Compensation (AFC) rule, which will be brought before the Board at the May meeting. Mike provided the Trustees with the recommendations for amending to Rule 414.

Action. Motion by Ken Williams, seconded by Shirrin Blaisdell, that the Board adopt amended Rule Chapter 414 and its Basis Statement. Voted in the affirmative by six Trustees (Beliveau, Blaisdell, Brookhouse, Brunton, Metivier and Williams) and one in the negative (Beck).

LITIGATION UPDATE

Betsy Stivers shared there is no new update regarding the Hawes matter.

ED SEARCH UPDATE

Sandy Matheson updated and answered questions from the Trustees on the Executive Director search and the suggestion to make a title change for the Executive Director and some senior staff.

- Action: Motion by Ken Williams, seconded by Mark Brunton, that the title of the MainePERS Executive Director be changed to MainePERS CEO. Voted unanimously by seven Trustees (Beck, Beliveau, Blaisdell, Brookhouse, Brunton, Metivier and Williams)

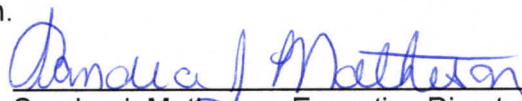
ADJOURNMENT

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

The meeting adjourned at approximately 11:00 a.m.

5/13/2021

Date Approved by the Board



Sandra J. Matheson, Executive Director

5-14-2021

Date Signed