

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Board Meeting  
May 13, 2021

MainePERS  
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. Brian Noyes, Chair, presided. Other Trustees participating were Dick Metivier, Vice-Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Mark Brunton; John Kimball; 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 and Thor Eriksen, ORG; Rebecca Grant, Deputy Executive Director; Jim Dusch, Deputy Executive Director; and Sherry Vandrell, Director of Finance.*

Brian Noyes called the meeting to order at 9:00 a.m. All Trustees except for John Beliveau were present. Brian welcomed John Kimball back to 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 April 8, 2021;
  - Dismissal, Renee Colucci Appeal;
  - Dismissal, Chadwick Moody Appeal; and,
  - Dismissal, Sheila Terrill Appeal
- Action. Dick Metivier made the motion, seconded by Ken Williams, to approve the Consent Calendar. Voted unanimously by seven Trustees (Beck, Blaisdell, Brunton, Kimball, Metivier, Noyes and Williams).

### **PRIVATE MARKETS ACTIONS**

#### **KKR North America XIII**

- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, that MainePERS make a commitment of up to \$45 million to KKR North America XIII, 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 in the affirmative by six Trustees (Beck, Blaisdell, Brunton, Metivier, Noyes and Williams) and one abstention (Kimball).

*John Beliveau joined the meeting at 9:25 a.m.*

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Jim Bennett reported that as of April 30<sup>th</sup> the MainePERS fund had a preliminary value of \$17.4 billion, the preliminary fund return for the month was 1.4%, the fiscal year-to-date return was 20.9%, and the preliminary calendar year to date return was 6.0%.

### **Investment Quarterly Review**

Brian McDonnell and Stuart Cameron reviewed the summary portfolio for the first quarter. They discussed and answered questions from the Trustees.

### **Risk Diversifiers Quarterly Review**

Stuart Cameron provided the Trustees with the risk diversifiers first quarter report. The Trustees discussed and answered questions about the report.

## **PRIVATE MARKETS REVIEW**

### **Private Markets Activity**

Jim Bennett reviewed the private markets activity for the past 12 months. Jim shared that there will be no manager meeting this month. Jim shared that a recommendation will be included in the June Board packet for the Technology Impact Growth Fund II.

### **Cliffwater Quarterly Review**

Tom Lynch and George Bumeder updated the Trustees on the private asset classes portfolio as of December 31, 2020. Tom and George discussed and answered questions from the Trustees.

### **Real Estate Quarterly Review**

Ed Schwartz and Thor Eriksen updated the Trustees on the real estate portfolio.

## **ACTUARIAL REPORT**

Gene Kalwarski and Elizabeth Wiley presented the 2021 PLD experience study results with the Trustees.

- **Action.** Motion by Ken Williams, seconded by Mark Brunton, that the Board adopt the assumptions as recommended by Cheiron. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes and Williams).

Sandy Matheson thanked Gene and Elizabeth for the great job they have done on these various experience studies.

## **FINANCE AND AUDIT COMMITTEE**

### **Report from the Committee**

Shirrin Blaisdell, Chair of the Finance and Audit Committee, shared with the Trustees they had met that morning and discussed the FY22 budgets presented to the Committee and are recommending approval by the Trustees. Shirrin stated the Administrative Expenses Budget had an increase of 4.5% and the Investment Operations Expenses Budget an increase of 1.3%. Shirrin shared the Committee had voted unanimously to present those budgets to the Board for approval. Sherry Vandrell responded to questions from the Trustees regarding both budgets.

- **Action.** Shirrin Blaisdell made the motion, seconded by Dick Metivier, that the Board accept the recommendation of the Finance and Audit Committee and approve the FY22 Recommended Operating Budget in the amount of \$16,899,560 and the recommended Investment Operations Budget in the amount of \$5,911,460. Voted in the affirmative by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Metivier, Noyes and Williams) and one abstention (Kimball).

### **Retention of Actuarial Auditor**

Sherry Vandrell stated Board Policy 2.2 requires the Board to engage an independent audit of the retained actuary every five years or as necessary. Sherry shared an RFP was issued in March and six proposals were received and reviewed. The evaluation committee reviewed and scored those proposals and based on those reviews they are recommending to engage the firm Bolton.

- **Action.** Dick Metivier made the motion, seconded by Shirrin Blaisdell, that the Board accept the recommendation of the Evaluation Committee and award the contract for actuarial audit services to Bolton at a contract price of \$45,000. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes and Williams).

## **ADMINISTRATION REPORT**

### **Operations Report**

Jim Dusch shared there were still no increase in retirement inquiries or applications from teachers. Sherry Vandrell provided an update on employer reporting rates, virtual employer training, and moving everyone over to electronic payments.

Rebecca Grant shared the website was averaging 38,000 hits per month. Rebecca stated a survey was issued to the Augusta staff regarding returning to work and options on how to bring staff back to the building. She also shared an RFP has been issued for IT auditing services on our cyber security framework.

### **RULEMAKING**

Mike Colleran provided the Trustees with the recommendation for amending Rule Chapter 104. Mike answered questions from the Trustees.

- Action. Motion by Henry Beck, seconded by Ken Williams, that the Board adopt amended Rule Chapter 104 and its Basis Statement. Voted in the affirmative by seven Trustees (Beck, Beliveau, Blaisdell, Brunton, Metivier, Noyes and Williams) and one in the negative (Kimball).

### **LEGISLATIVE UPDATE**

Michael Colleran shared the legislative update with the Trustees. Mike stated two divestment bills are before the Labor and Housing Committee for language review. Also, an updated version of the disability bill from the last Legislature has been printed (LD 1644). Sandy updated the Trustees on the current status of the Long-Term Disability Program. Brian Noyes thanked Mike Colleran and Henry Beck for their work on the divestment bill.

### **LITIGATION UPDATE**

Betsy Stivers shared that she has been working on two matters. Betsy received notification from the Court in the Philip Hawes case that the appeal cannot be amended and that the brief is expected to be received by June 6<sup>th</sup>. The second matter is a complaint received by MainePERS relating to the foreclosure on a mortgage that underlies a security allegedly owned by MainePERS. Betsy is working with her litigation division to prepare a response.

### **ED SEARCH UPDATE**

- Action. Ken Williams made the motion, seconded by Dick Metivier, to enter into Executive Session pursuant to 1 M.R.S. § 405(6)(A) to discuss employment of an individual or group. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Brunton, Kimball, Metivier, Noyes and Williams).

*The Board moved back into open session.*

### **ADJOURNMENT**

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

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

6/10/2021

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Date Approved by the Board

  
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Sandra J. Matheson, Executive Director

6-25-2021  
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Date Signed