

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Board Meeting  
June 13, 2024

MainePERS  
Augusta  
9:00 a.m.

*The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04330 at 9:00 a.m. on June 13, 2024. Brian Noyes, Chair, presided. Other Trustees participating were: Dick Metivier, Vice Chair; Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Nate Burnett; Kirk Duplessis; and John Kimball. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; James Bennett, Chief Investment Officer; Scott Lupkas, Deputy Chief Investment Officer; Chip Gavin, Chief Services Officer; Sherry Vandrell, Chief Financial Officer; 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 Nanette Ardry, Associate General Counsel; Seth Keller, Asset Class Head, Investments; Stuart Cameron, Cambridge Associates; William Greenwood and Sean Crawford, Albourne; Tom Lynch and George Bumedder, Cliffwater; and Gene Kalwarski, Greg Reardon, and Ryan Benitez, Cheiron.*

Brian Noyes called the meeting to order at 9:00 a.m. Kirk Duplessis and John Kimball participated through video remote access pursuant to 1 M.R.S. § 403-B, having been excused from in-person attendance. All other Trustees were in-person.

### **CONSIDERATION OF THE CONSENT CALENDAR**

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

- Minutes of May 9, 2024
- Decision, K. T. Appeal
  
- Action. John Beliveau made the motion, seconded by Nate Burnett, to approve the Consent Calendar. Unanimously voted in favor by six Trustees (Beliveau, Blaisdell, Burnett, Duplessis, Metivier, and Noyes).

### **PRIVATE MARKETS ACTION**

Jim Bennett introduced Scott Lupkas, who joined MainePERS in May as Deputy Chief Investment Officer. Jim then introduced two investment recommendations. Jim reported that the Investment Team believes that a commitment to Voleon Composition Fund is unlikely to involve any investment in stocks, securities, or other obligations of fossil fuel or for-profit prison companies. Jim reported that while Stonepeak's Infrastructure Fund V was not expected to make any investments related to for-profit prison companies, it was likely to make investments related to fossil fuel companies. Jim noted that the Investment Team expected that these investments would constitute a minority of the Fund's investments, and that any such investments would be in areas such as power generation, pipelines, and LNG transportation. Jim then suggested that any specific questions regarding the commitments be addressed in executive session.

- Action. Dick Metivier made the motion, seconded by Shirrin Blaisdell, to enter into executive session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) to discuss private market investment information contained in non-public documents. Unanimously voted by six Trustees (Beliveau, Blaisdell, Burnett, Duplessis, Metivier, and Noyes).

*Henry Beck and John Kimball arrived at 9:05 a.m.*

*The Board moved out of executive session.*

### **Voleon Composition Fund**

- **Action.** Shirrin Blaisdell made the motion, seconded by Dick Metivier, that MainePERS make a commitment of up to \$100 million to Voleon Composition Fund, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

### **Stonepeak Infrastructure Fund V**

- **Action:** Dick Metivier made the motion, seconded by John Beliveau, that MainePERS make a commitment of up to \$25 million to Stonepeak Infrastructure Fund V, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

## **INVESTMENT REVIEW**

### **Investment Monthly Review**

Jim Bennett reported that as of May 31, 2024, the MainePERS fund had a preliminary market value of \$19.6 billion, the preliminary return for the month was 1.2%, and the preliminary calendar year-to-date return was 3.2%.

## **PRIVATE MARKETS REVIEW**

### **Private Markets Activity**

Jim Bennett reviewed the table of private market funds and co-investments that had closed during the past 12 months. Jim shared there are no meetings with managers scheduled for June.

## **INVESTMENT EDUCATION**

### **Public Equity Investment Implementation**

Jim Bennett summarized the first two steps of the investing process. Jim reviewed the third step, Implementation, with focus on public equity. Jim and Stuart Cameron answered questions from the Trustees.

## **FINANCE AND AUDIT COMMITTEE**

### **Report from the Committee**

Shirrin Blaisdell, Chair of the Finance and Audit Committee, reported that the Committee had met on May 16, 2024 and discussed the FY25 budgets and are recommending approval by the Trustees.

### **Board of Trustees Budget Briefing**

Dr. Rebecca Wyke reviewed the FY2025 Budget Briefing presentation with the Trustees. Dr. Wyke answered questions from the Trustees.

### **FY2025 Administration and Investment Operations Budget**

Dr. Wyke and Sherry Vandrell reviewed the Administrative and Investment Expenses Budgets with the Trustees. There was an increase of 13.4% in the proposed Administrative Operations Budget and an increase of 7.7% in the proposed Investment Operations Budget. Dr. Wyke and Sherry responded to questions from the Trustees regarding both budgets.

- **Action.** Shirrin Blaisdell made the motion, seconded by Henry Beck, that the Board approve the FY25 recommended Administrative Operating Budget in the amount of \$21,994,206 and the recommended Investment Operations Budget in the amount of \$6,929,814. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

## **ACTUARIAL PRACTICES EDUCATION**

### **Rate Setting**

In accordance with Board Policy 1.8, Gene Kalwarski provided the Trustees with a training on actuarial practices. Gene reviewed the rate setting timeline, how the actuarial contribution is determined, and the roll forward process. Greg Reardon discussed the historical data and impact of inflation rates. Gene and Greg answered questions from the Trustees.

## **ACTUARIAL ECONOMIC ASSUMPTIONS REVIEW**

Gene Kalwarski and Greg Reardon reviewed the investment return and inflation actuarial assumptions with the Trustees, including historical experience, industry trends, risk tolerance, cash flow, and future expectations, before recommending no changes to the current assumptions. Gene and Greg answered questions from the Board.

- **Action.** Henry Beck made a motion, seconded by Nate Burnett, that the Board accept the recommendation of the actuary to maintain the current economic assumptions. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

## **GLI PREMIUM STUDY**

Ryan Benitez shared an overview of the Group Life Insurance Program premium study and preliminary results. Ryan stated a recommendation to approve the premium rates for State Employees and Teachers will be brought before the Board at the July meeting. He stated the PLD Advisory Committee will also receive the same presentation and recommendation to approve rates for PLD Employees in the fall for FY27. Ryan and the Trustees discussed the study.

## **RULEMAKING**

### **Public Hearing on Proposed New Rule Chapter 513 and Proposed Amendment of Rule Chapter 506**

Brian Noyes reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearing on the proposed amendments. The following spoke at the public hearing: John York, Susan Hawes, and Andy Willigar. No one attending remotely offered comments.

Michael Colleran summarized the proposed new Rule Chapter 513 compensation limitations and offsets to disability retirement benefits and submission of annual statements by disability retirees. Michael also summarized the proposed amendment to Rule Chapter 506 amending the definition of “earnings” to align with the definition in the proposed new Rule Chapter 513.

Nanette Ardry summarized the proposed amendment to Rule Chapter 103 governing administration of qualified domestic relations orders.

Michael Colleran stated the amendment to Rule Chapter 201, employer reporting and payments, will not be presented for a vote as stated in the agenda. Further review of the amendment is necessary and will be brought before the Board at a later date.

Brian Noyes stated written public comments may be submitted until 4:00 p.m on Monday, June 24, 2024.

## **DC PLANS**

Michael Colleran shared proposed recommended amendments to the MaineSTART 401(a) and 457 plan documents and to the MainePERS 401(a) Supplemental Retirement Plan to reflect changes in federal law and other improvements.

- **Action.** Henry Beck made the motion, seconded by Shirrin Blaisdell that the Board adopt the amended MaineSTART 401(a) and 457 plan documents and the amended MainePERS 401(a) Supplemental Retirement Plan and authorize the Chief Executive Officer and the Chief Operations Officer and General Counsel to sign any documents related to effecting this action. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

## **MAINESTART QUARTERLY REVIEW**

Michael Colleran presented the MaineSTART Quarterly Review for the quarter ending 3/31/24.

## **CEO REPORT**

### **Board Self-Evaluation Survey**

Dr. Rebecca Wyke shared that Amy McDuffee, the Board's governance consultant, will be emailing Trustees the Board self-evaluation survey. She stated Amy will be attending the August Board meeting to provide governance education and to discuss the survey results with the Trustees.

### **Stakeholder Concerns**

Dr. Rebecca Wyke shared that she and Brian Noyes, Jim Bennett, and Michael Colleran met with a group of fossil fuel divestment supporters. Dr. Wyke stated the group provided information that MainePERS is researching and will report on to the Board in the near future.

## **BOARD RESOLUTIONS**

- **Action.** Henry Beck made the motion, seconded by Dick Metivier that the Board adopt a resolution to add Jennifer Lidback to the list of authorized signers on the accounts of MainePERS held at Bangor Savings. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).
- **Action.** Henry Beck made the motion, seconded by Dick Metivier that the Board approve the establishment of the two new Insured Cash Sweep (ICS) accounts to be held by Bangor Savings Bank and authorize the Chief Executive Officer and Chief Financial Officer as signatories to execute documents in connection with establishing these accounts. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

## **MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT**

Chip Gavin shared the updated design of the current system is proving to be successful. Chip stated the initial wait time has been shortened from the average of four minutes to around thirty seconds.

Sherry Vandrell reported 95% of employers submitted payrolls on time in May. She stated account reconciliations reached 81.2% through the end of March. Sherry shared with the Trustees the newest chart being included in the monthly report is the oldest unreconciled transactions. She stated the Portland Public Schools continue to make great progress in the data correction reporting. Sherry stated CliftonLarsonAllen has completed the member estimates and statements of account review and will provide the completed report to the Finance and Audit Committee at their August meeting.

Brian Noyes, on behalf of the Board, commended Sherry and her staff on the great job they are doing assisting the Portland Public Schools.

Michael Colleran shared a contract with Regional Electric LLC has been entered into for purchase and installation of a generator for the Augusta office. He stated recruiting for eight positions is currently underway.

### **LEGISLATIVE UPDATE**

Kathy Morin shared the Legislature has adjourned and remaining bills will be carried over or will die at the end of this Legislature (December).

### **LITIGATION UPDATE**

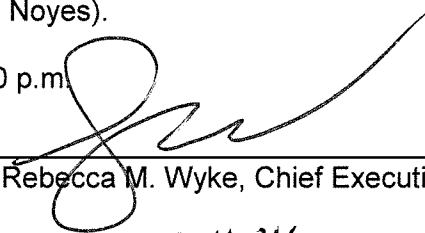
Betsy Stivers shared the Court denied the Hawes FOA appeal. She stated there is no new information on the Stoddard overpayment matter as it is still in the discovery stage. Betsy reported receipt of an appeal prior to final agency action on a disability matter that is still before a hearing officer. Betsy will be filing a motion to dismiss as the litigant has not exhausted her administrative remedies as required by law.

### **ADJOURNMENT**

- Action. Henry Beck made the motion, seconded by Shirrin Blaisdell, that the June meeting adjourn. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

The meeting adjourned at approximately 2:00 p.m.

7/11/24  
Date Approved by the Board

  
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Dr. Rebecca M. Wyke, Chief Executive Officer

7-11-24  
Date Signed