

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
July 11, 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 July 11, 2024. Dick Metivier, Vice Chair, presided. Other Trustees participating were: Henry Beck, State Treasurer; John Beliveau; Shirrin Blaisdell; Kirk Duplessis; John Kimball; and Greg Olson, Deputy State Treasurer. 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; 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; Doug Porter, Managing Director, Investments; Mara McGowen, Assistant Director of Member Services; and Stacey Beckim, Survivor Services Business Leader; Brian McDonnell, Cambridge Associates; William Greenwood, Albourne; George Bumeder, Cliffwater; and Gene Kalwarski, Bonnie Rightnour, Greg Reardon, and Ryan Benitez, Cheiron.

Dick Metivier called the meeting to order at 9:00 a.m. Greg Olson 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 June 13, 2024
- Action. Shirrin Blaisdell made the motion, seconded by John Kimball, to approve the Consent Calendar. Unanimously voted in favor by six Trustees (Beliveau, Blaisdell, Duplessis, Kimball, Metivier, and Olson).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of June 30, 2024, the MainePERS fund had a preliminary market value of \$19.7 billion, the preliminary return for the month was 0.4%, and the preliminary calendar year-to-date return was 3.8%.

PRIVATE MARKETS REVIEW

Private Markets Activity

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

PROXY VOTING REVIEW

Jim Bennett provided the proxy voting summary report to the Board of Trustees for the second half of fiscal year 2024. Jim shared there were no recommended changes to voting policy or practices at this time. Jim answered questions from the Trustees.

Greg Olson left the meeting at 10:20 a.m. Henry Beck arrived at 10:20 a.m.

ACTUARIAL

Rate Setting for State-Sponsored Plans FY26-27

Gene Kalwarski, Greg Reardon, and Bonnie Rightnour reviewed with the Trustees a presentation of the pension rates for FY26-27 for the State Employee and Teacher Retirement Program, Judicial Retirement Program, and Legislative Retirement Program. The group answered questions from the Trustees.

- **Action**. Motion by John Beliveau, seconded by Shirrin Blaisdell, that the Board approve the recommended rates for the State Employee and Teacher Retirement Program, Judicial Retirement Program and Legislative Retirement Program for fiscal years 2026 and 2027. Voted in favor by five Trustees (Beck, Beliveau, Blaisdell, Duplessis, Metivier) with one abstention (Kimball).

GLI Premium Study and Premium Setting for State-Sponsored Plans

Ryan Benitez reviewed group life insurance coverage and basic premiums for active employees and retirees. Ryan shared the funding and rate increase options for PLD employees and retirees that will be presented to the PLD Advisory Committee and will bring a recommendation to the Trustees at a future meeting. Ryan, Dr. Rebecca Wyke, and Kathy Morin answered questions from the Trustees.

- **Action**. Motion by John Kimball, seconded by Kurt Duplessis, that the Board approve the recommended rates for the group life insurance premiums for the State Employee and Teacher Retirement Program, Judicial Retirement Program and Legislative Retirement Program for fiscal years 2026 and 2027. Unanimously voted in favor by six Trustees (Beck, Beliveau, Blaisdell, Duplessis, Kimball, and Metivier).

Dick Metivier asked the guests to introduce themselves to the Trustees. Dan Cohn and Don Witherill were attending to listen to the update from the CEO regarding fossil fuels.

RULEMAKING

Proposed New Rule Chapter 513, Amended Rule Chapter 506 and Chapter 103

Michael summarized the new Rule Chapter 513 governing the disability retirement annual statement of compensation process and amended Rule Chapter 506, eligibility for disability retirement benefits, including public comments received and recommended responses to the comments as reflected in the proposed basis statement.

Nanette Ardry summarized the proposed amendment to Rule Chapter 103 governing qualified domestic relations orders and noted that no public comments were received.

- Action: Henry Beck made the motion, seconded by Shirrin Blaisdell that the Board adopt Rule Chapter 513, amended Rule Chapter 506, amended Rule Chapter 103, and their respective basis statements. Unanimously in favor by five Trustees (Beck, Beliveau, Blaisdell, Duplessis, and Metivier) with one in opposition (Kimball).

CEO REPORT

Pension Administration System (PAS)

Dr. Rebecca Wyke shared the RFP deadline for the Pension Administration System was extended to July 8th and six bids have been received. Dr. Wyke stated seven positions of the seventeen that were previously approved by the Trustees have been filled.

Member Portal Update

Dr. Rebecca Wyke shared the member portal registrations have now surpassed 20,000. She stated another 2,000 transactions were completed online (changes to telephone, address and email, viewing statements or completing forms).

Stakeholder Concerns - Divestment

Dr. Rebecca Wyke updated the Board on a request received from a coalition supporting fossil fuel divestment. The group had requested that MainePERS review a 2022 decision by CalSTRS to shift a portion of their public equity allocation into an index targeting reduced carbon emissions. Jim Bennett reviewed with the Trustees the approach that MainePERS has in investing in public equities, the approach taken by CalSTRS, and the Investment Team's conclusion that MainePERS' current approach remains optimal in meeting the System's investment goals and objectives. Jim answered questions from the Trustees.

Mission Moment – GLI

Dr. Rebecca Wyke introduced Mara McGowen and Stacey Beckim, who provided a presentation reviewing the Group Life Insurance program for active members and retirees. They discussed recent improvements to the GLI process and answered questions from the Trustees.

Dr. Rebecca Wyke and Dick Metivier both thanked Mara and Stacey for the presentation and their hard work.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Mara McGowen stated Member Services is preparing for the usual surge in teacher retirements for the month of July. Mara reviewed the new sign-in system in the lobby and explained the system will provide management staff statistics on when the busiest times are during the year and will also allow staff to focus more on the in-person visitors. She shared the updated phone system has increased the number of handled calls and the average wait time has dropped significantly.

Sherry Vandrell reported 94% of employers submitted payrolls on time in June. She stated account reconciliations reached 82.1% through the end of April. Sherry reviewed the oldest unreconciled transaction chart with the Trustees. Sherry stated she is working to scope-out internal audits for 2025 and is also working on the fiscal year audit conducted by BerryDunn.

Michael Colleran shared the IT group has been deeply involved in the Pension Administration System process as well as the data cleansing projects. He stated facilities is working on expanding the number of work spaces and converting small conference rooms into offices for the new positions that were approved. Michael reported an RFP was issued for securities litigation and monitoring services. He shared turnover has continued to improve and recruitment for 15 positions continues.

LITIGATION UPDATE

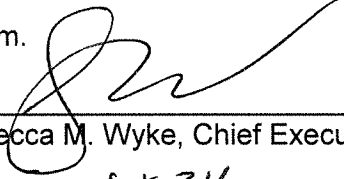
Betsy Stivers shared there is no new information on the Stoddard overpayment matter and that it is still in the discovery stage. Betsy will be filing a motion to dismiss on the disability matter.

ADJOURNMENT

- Action. John Kimball made the motion, seconded by Kirk Duplessis, that the July meeting adjourn. Unanimously voted by six Trustees (Beck, Beliveau, Blaisdell, Duplessis, Kimball, and Metivier).

The meeting adjourned at approximately 12:15 p.m.

8/8/24
Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer
8-8-24
Date Signed