

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
August 8, 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 August 8, 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; Sherry Vandrell, Chief Financial Officer; Chip Gavin, Chief Services Officer; Scott Lupkas, Deputy Chief Investment 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 Kathy Morin, Director of Actuarial and Legislative Affairs; Brian McDonnell, Cambridge Associates; Sean Crawford, Albourne; Tom Lynch and George Bumedel, Cliffwater; and Amy McDuffee, Mosaic Governance Advisors.

Brian Noyes called the meeting to order at 9:00 a.m. John Beliveau and Kirk Duplessis 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 July 11, 2024
- Dismissal, Peter Herring Appeal

- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier, to approve the Consent Calendar. Unanimously voted in favor by seven Trustees (Beck, Beliveau, Blaisdell, Burnett, Kimball, Metivier, and Noyes).

WINDHAM RISK PREMIA

Jim Bennett presented a recommendation to redeem the System's investment and answered a Trustee question regarding the use of the proceeds.

- Action. Henry Beck made the motion, seconded by John Kimball, that the Board authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories, to execute the documents necessary to redeem the System's investment in the Windham Risk Premia strategy. Unanimously voted in favor by seven Trustees (Beck, Beliveau, Blaisdell, Burnett, Kimball, Metivier, and Noyes).

Kirk Duplessis joined the meeting at 9:20 a.m.

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of July 31, 2024, the MainePERS fund had a preliminary market value of \$19.9 billion, the preliminary return for the month was 0.6%, and the preliminary calendar year-to-date return was 5.1%.

Quarterly Rebalancing Report

Jim Bennett summarized the rebalancing activity as of June 30, 2024.

RHIT/GLI/OPEB Quarterly Report

Jim Bennett shared the RHIT/GLI/OPEB quarterly report as of June 30, 2024.

Investment Quarterly Review

Brian McDonnell presented the second quarter performance review and answered questions from the Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Scott Lupkas reviewed the table of private market funds and co-investments that had closed during the past 12 months. Scott shared the next manager meeting is scheduled for Tuesday, August 27, 2024, in Portland, with presentations by Shoreview Capital Partners at 10:00 a.m. and Summit Partners at 11:15 a.m. Scott stated the Investment Team continues due diligence of an investment opportunity with Farallon Capital Management.

Cliffwater Quarterly Review

Tom Lynch and George Bumeder provided a presentation of the Private Equity and Alternative Credit portfolios as of March 31, 2024. Tom and George answered questions from the Trustees.

Albourne Quarterly Report

Sean Crawford shared an overview of the Infrastructure, Natural Resources, and Real Estate portfolios as of March 31, 2024. Sean answered questions from the Trustees.

RISK DIVERSIFIERS QUARTERLY REVIEW

Brian McDonnell reviewed the Risk Diversifier quarterly report with the Trustees. Brian answered question from the Trustees.

PLD GLI PREMIUM RATES

Kathy Morin presented a recommendation to increase GLI premiums for fiscal year 2028 for PLD participants. The recommendation came from Cheiron based on the GLI premium study and was unanimously adopted by the PLD Advisory Committee at their July meeting.

- **Action:** Henry Beck made a motion, seconded by Shirrin Blaisdell, that the Board approve the recommended group life insurance premium for PLD participants of \$0.25 bi-weekly per \$1,000 of coverage in fiscal year 2028. Unanimously voted by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

FINANCE AND AUDIT COMMITTEE UPDATE

Shirrin Blaisdell shared the Finance and Audit Committee was provided a presentation from the external auditors, BerryDunn, who reviewed their agenda for the audit. She shared internal auditor, CliftonLarsenAllen, provided their findings and recommendations in the member statement and estimates process audit.

COST OF LIVING ADJUSTMENT (COLA)

Dr. Rebecca Wyke reported that the CPI-U as of June 30, 2024 was 3.0%. The COLA for the State-sponsored plans is capped at 3% of the first \$25,659.20 of benefits. The increase for the PLD Consolidated Plan is capped at 2.5% of the total benefit. The cap for withdrawn PLDs is 4% of the total benefit.

- **Action.** John Kimball made a motion, seconded by Dick Metivier, to adopt cost-of-living adjustments of 3% of the COLA base for the State-sponsored plans, 2.5% for the PLD Consolidated Plan, and 3% for withdrawn PLDs effective September of 2024. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

CEO REPORT

Dr. Rebecca Wyke shared six bidders responded to the request for proposal for the new pension administration system. Those bids are under review.

Dr. Wyke introduced Amy McDuffee and noted that she will be providing the annual education on board governance and leading the Board's self-evaluation discussion.

Dr. Wyke presented the results of the disability retirement experience survey done in July. The survey was sent to members who had completed the disability retirement process and had received a final determination since the last survey.

RULEMAKING

Proposed Repeal and Replacement of Rule Chapter 201

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 amendment.

Michael Colleran summarized the proposed repeal and replacement of Rule Chapter 201, governing payroll reporting by employers. No one spoke at the public hearing and no one attending remotely offered comments.

Brian Noyes stated written public comments may be submitted until 4:00 p.m. on Monday, August 19, 2024.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Chip Gavin thanked staff for their success in processing the annual summer surge of retirements in July. He shared the member services metrics report will be updated into a more streamlined version for the next fiscal year.

Sherry Vandrell reported 97% of employers submitted payrolls on time in July. She stated staff continues to work on reducing the number of unreconciled transactions. She also reported the five positions vacant in Employer Reporting have been filled.

Michael Colleran shared that workspace changes are in progress to accommodate the increase in staff. He stated IT continues to work on several initiatives including the PAS replacement and data cleansing projects, implementing the new SharePoint intranet platform, and beginning the transition to Microsoft 365. Michael reported that a project to improve the performance management system has been completed. He shared a contract has been entered into for the collective bargaining counsel and responses to an RFP for securities litigation and monitoring services are due August 9th.

LITIGATION UPDATE

Betsy Stivers shared there continues to be no new information on the Stoddard overpayment matter, which still is in the discovery stage. Betsy stated she has filed a motion to dismiss on the disability matter.

GOVERNANCE

Best Practices in Board Governance

Amy McDuffee, Mosaic Governance Advisors, provided an educational presentation for the Trustees regarding Effective Governance in a Changing Environment. Amy answered questions from the Trustees.

John Beliveau left the meeting at 12:30 p.m.

Board Self-Evaluation

- Action. Henry Beck made the motion, seconded by Dick Metivier, that the Board enter into executive session pursuant to 1 M.R.S. §405(6)(A) to discuss evaluation of public officials. Voted unanimously by seven Trustees (Beck, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

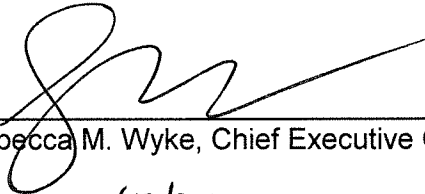
The Board moved out of executive session.

ADJOURNMENT

- Action. Henry Beck made the motion, seconded by Dick Metivier, that the August meeting adjourn. Unanimously voted by seven Trustees (Beck, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

The meeting adjourned at approximately 1:45 p.m.

9/12/24
Date Approved by the Board



Dr. Rebecca M. Wyke, Chief Executive Officer
9/12/24
Date Signed