

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
October 10, 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 October 10, 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; Gene Kalwarski, Bonnie Rightnour, Ryan Benitez, and Greg Reardon, Cheiron; Seth Keller, Asset Class Head; Brian McDonnell, Cambridge Associates; Will Greenwood, Albourne; and George Bumedel, Cliffwater.

Brian Noyes called the meeting to order at 9:00 a.m. Henry Beck and John Beliveau 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 September 12, 2024
- Decision, D.M. Appeal

- Action. Nate Burnett made the motion, seconded by Shirrin Blaisdell, to approve the Consent Calendar. Unanimously voted in favor by six Trustees (Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

Henry Beck joined the meeting at 9:02 a.m.

ACTUARIAL VALUATIONS AND UAL UPDATE

Gene Kalwarski, Bonnie Rightnour, Ryan Benitez, and Greg Reardon presented the FY2024 draft actuarial reports for the State Employee and Teacher Program, the Legislative Program, the Judicial Program, the PLD Consolidated Plan, and the Group Life Insurance Program (State-sponsored and PLD) to the Trustees for consideration. They discussed and answered questions from the Trustees.

John Beliveau joined the meeting at 9:35 a.m.

- Action. Shirrin Blaisdell made the motion, seconded by Dick Metivier, to accept the FY2024 Actuarial Reports for the State Employee and Teacher Program, the Legislative Program, the Judicial Program, the PLD Consolidated Plan, and the Group Life Insurance

Program (State-sponsored and PLD) as presented. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

AUDITED FINANCIAL STATEMENTS

Mark Laprade and Leah Clair of BerryDunn, presented the 2024 Audited Financial Statements for the fiscal year ended June 30, 2024. Mark provided an overview of the audit process. Leah highlighted the financial statement audit steps and footnotes with the Trustees.

Mark reviewed the yellow book report and the required auditor communications, noting no significant audit adjustments. Mark and Leah answered questions from the Trustees.

- **Action.** Dick Metivier made the motion, seconded by Shirrin Blaisdell, that the Board accept the FY24 Audited Financial Statements as presented. Voted unanimously by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

PRIVATE MARKETS ACTION

Farallon Special Situations Fund III

Seth Keller presented a recommendation to make a commitment to Farallon Special Situations Fund III and reported that the Investment Team believes that the commitment is unlikely to involve any investment in stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

- **Action.** Nate Burnett made the motion, seconded by Kirk Duplessis, that MainePERS make a commitment of up to \$40 million to Farallon Special Situations Fund III, 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 the documents in connection with this commitment. Unanimously voted in favor by eight Trustees (Beck, Beliveau, Blaisdell, Burnett, Duplessis, Kimball, Metivier, and Noyes).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of September 30, 2024, the MainePERS fund had a preliminary market value of \$20.1 billion, the preliminary return for the month was 0.7%, and the preliminary calendar year-to-date return was 6.7%.

PRIVATE MARKETS REVIEW

Private Markets Activity

Seth Keller reviewed the table of private market funds and co-investments that had closed during the past 12 months. Seth shared the next manager meetings are scheduled for Tuesday, October 22, 2024, in Portland, starting with a presentation by Garda Fixed Income Relative Value Opportunity Fund at 10:00 a.m., followed by a presentation covering Brookfield Asset Management's Infrastructure Debt Fund IV at 11:15 a.m. Jim stated that a

commitment to Garda was unlikely to involve any investment in stocks, securities, or other obligations of fossil fuel or for-profit prison companies. He additionally shared that a commitment to Brookfield was unlikely to involve any investment in stocks, securities, or other obligations to for-profit prison companies, but would have the potential to involve exposure to fossil fuel assets.

Co-Investment Reporting

As directed by Board policy, Seth Keller and Jim Bennett presented a report providing additional details for those cases where the System had co-investment exposure exceeding \$100 million with a single General Partner. They reported that as of 6/30/24, the System's co-investment portfolio with TPG Angelo Gordon's Twin Brook lending group was valued at \$176 million. Jim and Seth reported that these co-investments broadly mirrored the composition of the underlying Twin Brook funds, were diversified by industry, and were currently classified as "performing."

CEO REPORT

Strategic Plan Update and Key Performance and Risk Measures

Dr. Wyke provided the Trustees with the second year update of the 5-year Strategic Plan. Dr. Wyke shared a presentation on year two progress toward the Plan's goals and objectives and provided updated key performance and risk measures.

Pension Administration System (PAS) Update

Dr. Wyke shared six proposals were received for the new pension administration system. Five met the RFP mandatory criteria requirements, and three were invited to do site visits and provide additional information. After that review process, the contract has been awarded to Sagitec.

Brian Noyes discussed a letter received and shared with the Board from one of our stakeholder groups. Brian coordinated a response with Dr. Wyke and shared that response with the Trustees. Dr. Wyke, Brian, and Jim Bennett answered questions from the Trustees. All Trustees were in agreement with the response as prepared.

Henry Beck left the meeting at 11:50 a.m.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Chip Gavin stated the MaineSTART recordkeeper will be moving from Newport to Ascensus as a result of a joining of the two companies. Notifications from Ascensus and MainePERS will be sent to participants prior to the effective date. Chip shared two formats of the supplemental metrics (current format and a condensed view format) will be included each month going forward.

Sherry Vandrell stated that in Employer Reporting fully reconciled accounts and the end of July dropped by 1.7%. She reported that the number of oldest unreconciled accounts has decreased from the prior report.

Michael Colleran shared the two Business Analysts positions for the PAS project have been filled. He stated the securities litigation monitoring services RFP process is complete, and negotiations have begun with four firms. Michael shared BerryDunn will be reviewing current benefit and refund fraud-prevention practices and providing recommendations regarding any additional best practices. The report will be completed and available for review by the Finance and Audit Committee in November.

LITIGATION UPDATE

Betsy Stivers shared the discovery period ended in the Stoddard overpayment case. She stated a motion to dispose of the case or motion on the pleadings will be filed by the end of the October.

CHIEF EXECUTIVE OFFICER EVALUATION


Brian Noyes shared the CEO evaluation process and timeline with the Trustees.

ADJOURNMENT

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

The meeting adjourned at approximately 1:15 p.m.

11/14/24
Date Approved by the Board


Dr. Rebecca M. Wyke, Chief Executive Officer
11/14/24
Date Signed