CONSIDERATION OF THE CONSENT CALENDAR

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

1. Minutes of February 28, 2017 Meeting;
2. Decision, Kenneth Hixon Appeal;
3. Decision, Narda Hanson Appeal;
4. Decision, Margaret Wilson Appeal;
5. Remand Order, Lucille Duchette Appeal;
6. Dismissal of Cherie Hunter Appeal;
7. Dismissal of Lois Pollis Appeal;
8. Dismissal of Tammi Snow Appeal.

Action, Shirrin Blaisdell made the motion, seconded by Ken Williams, to approve the Consent Calendar. Approved unanimously by seven Trustees.

PRIVATE MARKETS REVIEW

Private Market Activity

Andrew Sawyer reviewed the private markets activity for the past 12 months. He also reminded the Board that the next investment manager meeting is scheduled for Tuesday, March 28, 2017, with presentations by CVC Capital Partners at 9:00 a.m., EnCap at 10:30 a.m., and Audax Senior Debt at 12:30 p.m. Andrew stated that Jim Bennett will provide more information to the Board on separately managed accounts at a future meeting.
Private Market Overview

Mark Johnson of Cliffwater made a presentation on the private equity, infrastructure, and natural resources portfolios. Mark stated that the presentation provided descriptions of each portfolio, and he would anticipate some discussion and was open to any changes to the presentation that the Board might want for better understanding. Board members thanked Mark for the work he had done and overall was very happy with the discussion. Andrew Sawyer provided an overview of the real estate portfolio.

INVESTMENT REVIEW

Investment Monthly Review

Andrew Sawyer presented the monthly investment report. Andrew reported that as of February 28, the MainePERS fund was valued at $12.88 billion and that the preliminary return for fiscal year to date is 7.2% net of fees. The trailing return for one year ending February 28, 2017 was 13.7%.

LEGISLATIVE UPDATE

Sandy Matheson gave an update on the COLA portion of the budget bill (LD 390) and stated that we will keep following the discussion as it goes through the legislative process. Sandy also shared she updated the Office of the Attorney General on the constitutional amendment bill (LD 723). Phil Brookhouse passed along his congratulations to Sandy on the presentation she gave to the Appropriations Committee. Brian Noyes shared with the Trustees his view that the Investment Team is doing an extraordinary job on a daily basis.

Kathy Morin presented the legislative update and provided information on the status of bills the System is tracking. Mike Colleran reviewed two bills (LDs 882 and 907) that were printed since the Board packet was distributed.

LITIGATION SUMMARY

Chris Mann reviewed the Sutherland case with the Trustees. This case provided the Trustees with an idea of how time consuming one case can be. It also revealed the different legal causes that could be brought before the judicial system for review.

Peter Leslie left the meeting at 12:00.
ADMINISTRATION REPORT

Operations Report

Rebecca Grant shared that the progress on the V3 V10 upgrade continues with great strides and is looking at a go live date of April. Rebecca informed the Trustees that upon arrival of the 75th anniversary items they will be shared with the Trustees.

Rebecca stated that we have had discussions with FD Stonewater, the firm developing the former DOT property abutting MainePERS, about MainePERS’ potential participation in the development of this property. MainePERS is working with the Dunham Group in these discussions. The State is looking to break ground as early as July of this year with a completion date of July 2019.

Brian Noyes asked what the Board’s role is during this process. Sandy shared that any recommendations will be brought before the Board for approval.

PLD PLAN UPDATE

PLD Advisory Committee Update

Sandy Matheson stated that the PLD Advisory Committee continues to work on creating a framework for the sustainability of the Plan. A tentative framework was developed at the last meeting which will be used for continued discussions.

APPEAL – Linda MacKenzie

Chris Mann, Board Counsel, presented an overview of the statutory framework relating to appeals before the Board and the decision by the Hearing Officer. Stephen O’Donnell, Esq., the Appellant’s representative, and Ann Brandt, Esq., the System’s representative, made presentations before the Board.

► Action. Ken Williams made the motion, seconded by Phil Brookhouse to adopt the recommended final decision of the Hearing Officer. Voted unanimously by six Trustees.
Brian Noyes commented on the CAFR and how valuable and informative it is.

There being no further business, the meeting adjourned at 1:45 p.m.

4-13-17
Date Approved by the Board

Sandy Matheson, Executive Director

4-13-17
Date Signed