

MainePERS Board of Trustees
Finance and Audit Committee Meeting
April 13, 2023
139 Capitol Street, Augusta
AGENDA

8:00 a.m.		CALL TO ORDER		Shirrin Blaisdell
8:00 – 8:05 a.m.	1.	<u>MINUTES APPROVAL 02/9/2023 Meeting</u>	ACTION	Shirrin Blaisdell
8:05 – 8:10 a.m.	2.	<u>ADMINISTRATION</u>		Dr. Rebecca M. Wyke Sherry Vandrell
	a.	Status of Internal Audit Work		
8:10 – 8:20 a.m.	3.	<u>REPORT ON FINANCIAL OPERATIONS</u>		Dr. Rebecca M. Wyke Sherry Vandrell
	a.	02/28/2023 Administration Operations Expense Report		
	b.	02/28/2023 Investment Operations Expense Report		
8:20 – 8:45 a.m.	4.	<u>FY24 DRAFT BUDGET</u>		Dr. Rebecca M. Wyke Sherry Vandrell
	a.	FY24 Draft Administration Operations Budget		
	b.	FY24 Draft Investment Operations Budget		
8:45 a.m.		<u>ADJOURNMENT</u>		Shirrin Blaisdell

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

M i n u t e s

Board of Trustees
Meeting of the Finance and Audit Committee
February 9, 2023

139 Capitol Street
Augusta, Maine
8:00 a.m.

The meeting of the Finance and Audit Committee was held at 8:00 a.m. at the office of the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Shirrin Blaisdell, Finance and Audit Committee Chair, presided. Committee member Dick Metivier, Vice Chair; and Brian Noyes also participated. Dick Metivier participated through video remote access due to temporary absence from the State of Maine. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; and Sherry Vandrell, Director of Finance.

Shirrin Blaisdell declared a quorum for the Finance and Audit Committee meeting. Shirrin called for nominations for committee chair and vice chair.

SELECTION OF COMMITTEE CHAIR AND VICE CHAIR

- **Action.** Brian Noyes made the motion, seconded by Dick Metivier, to select Shirrin Blaisdell as chair of the Finance and Audit Committee. Voted unanimously by those Trustees participating (Blaisdell, Metivier, Noyes).
- **Action.** Brian Noyes made the motion, seconded by Shirrin Blaisdell, to select Dick Metivier as vice chair of the Finance and Audit Committee. Voted unanimously by those Trustees participating (Blaisdell, Metivier, Noyes).

MINUTES

Shirrin called for acceptance of the minutes from the November 10, 2022 meeting of the Finance and Audit Committee.

- **Action:** Brian Noyes made the motion, seconded by Dick Metivier, to accept the minutes from the November 10, 2022 meeting. Voted unanimously by those Trustees participating (Blaisdell, Metivier, Noyes).

ADMINISTRATION

FY24 Budget Timeline

Sherry Vandrell shared that there will be a special meeting of the Finance and Audit Committee held on April 13, 2023 at 8:00 a.m. This meeting will give the Committee a first preview of the next operating budget.

Employer Reporting Update

Sherry Vandrell provided an overview of the process of the employer reporting group. She shared the group is responsible for collecting data and contributions from over 600 employer locations monthly. Staff monitor activity, assist employer staff with submitting payroll files and forms, and they also review the incoming data for accuracy. Staff

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monitor for late payroll files and contributions and assists those employers who are late via phone, email and by video conference when needed.

Sherry updated the Committee on recent media reports regarding employers failing to report accurately or timely due to operational issues and how the business unit is addressing those challenges. She stated this will be a standing agenda item for the Committee going forward. Sherry discussed and answered questions from the Committee.

EXTERNAL AUDIT

Pension and OPEB Reports Update

Sherry Vandrell shared that BerryDunn has completed their work on Schedules of Employer Allocations and Pension Amounts and Schedules of Employer Allocations and OPEB Amounts for FY22 (Schedules). The Schedules have been posted to the MainePERS website.

FINANCIAL STATEMENTS

Sherry reviewed the Administrative and the Investment Operations Reports for the six months ended December 31, 2022. Sherry discussed and answered questions from the Committee on various portions of the expense reports.

INTERNAL AUDIT REPORT

Sherry shared she will be providing audit finding activity reports on a quarterly basis that will track findings both internal and external. Sherry stated the final disability program review report was received from CliftonLarsonAllen in December. Two recommendations were identified and one of the two has been resolved. She shared the next internal audit engagement will focus on investment processes and controls. Sherry answered questions from the Trustees.

OPEGA REPORT

Sherry provided the Trustees with the travel expense report for the quarter ended December 21, 2022. She also provided them with the procurement report for the six months ended December 31, 2022.

ADJOURNMENT

- **Action:** Dick Metivier made the motion, seconded by Brian Noyes to adjourn the meeting of the Finance and Audit Committee. Voted unanimously by those participating (Blaisdell, Metivier, Noyes).

The meeting adjourned at 9:00 a.m.

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The next meeting of the Finance and Audit Committee is expected to be held April 13, 2023 at 8:00 a.m.

April 13, 2023
Date Approved by the Committee

Dr. Rebecca M. Wyke, Chief Executive Officer
Date Signed

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: INTERNAL AUDIT UPDATE
DATE: APRIL 4, 2023

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

INTERNAL AUDIT UPDATE

The next internal audit engagement will focus on investment processes and controls. We have received a proposal from Wipfli to conduct this work. We are working with Wipfli now to finalize a schedule and get an engagement letter in place.

The timing of this engagement puts us behind in the audit plan that was originally presented to the Committee this past summer. The schedule is being impacted by staffing shortages and scheduling conflicts being experienced by the audit firms we have contracted with. We will continue to work with the firms to get the engagements scheduled and completed and will make recommendations for updating the schedule at a future meeting.

Once I have the investment audit timeline finalized, I will begin scoping the next area, which is tentatively expected to cover employer reporting processes and controls.

RECOMMENDATION

No action is required by the Committee at this time.

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: FY23 – FEBRUARY 2023 OPERATING AND INVESTMENT EXPENSE REPORTS
DATE: APRIL 3, 2023

Reports of operating expenses for both administration and investment operations for the eight months ended February 28, 2023 are attached for your review. The reports summarize, by expense category, the approved budgeted amounts for the current fiscal year and actual year-to-date expense through February 28, 2023.

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

[Board Policy 5.4 – Budgeting, Spending, and Reporting](#)

REVIEW OF FY23 OPERATING EXPENSES

Following is information about significant budget variances that occurred during the year:

Administration

(1) **Personnel Services** (Under budget 5.02% or \$504,631) – Personnel services costs include salaries and wages, along with associated benefits. There are several factors impacting this projected surplus. First, the projections are indicating an anticipated surplus in salaries and wages due to vacancies. We continue to carry a high number of vacant positions in the roster even though we've been recruiting consistently. At present, we have 11 vacant positions in the personnel roster. A second retention payment to eligible staff is expected to be made in June and the projected cost of that is included in the projected numbers at February 28th.

Second, health insurance is expected to be under budget, in part because of vacant positions, but also because we experienced one additional month of a "premium holiday", resulting in additional savings. The budget anticipated three months of a premium holiday for health insurance and we actually had four. We are anticipating a surplus in retirement

contributions as well associated with vacancies. The surplus projected is not proportionate with the surplus in salaries and wages because of a \$49,000 cost for porting service for two confidential employees that was not anticipated in the budget. This \$49,000 is included in the total expected numbers for FY23.

(2) **Computer Equipment, Supplies and Support** (Under budget 4.31% or \$126,575) – The current projected surplus in computer equipment, supplies and support is a combination of a number of items. We recently discontinued the contract with Nexum, a provider of multi-factor authentication services for the Employer Portal and replaced it with a much less expensive MFA application, resulting in a savings of close to \$24,000. In addition, the decision was made to not pursue data loss prevention services in FY23, saving a projected \$50,000. This will be re-examined for the FY24 budget. We had budgeted for Member Self Service testing and remediation work in FY23 for a total of \$40,000. This work was completed for a cost of \$20,000, creating an additional savings of \$20,000. There are a number of other smaller line items that are either slightly higher or lower than budgeted, but they generally offset each other in the net difference.

(3) **Medical Consultation Services** (Over budget 5.07% or \$12,387) – The monthly consultation services provided by the University of Massachusetts were trending higher than budgeted for the first several months of the year and projections had been updated to reflect that. Since then, the costs have been steadily increasing as more records are being reviewed.

(4) **Buildings and Operations** (Over budget 25.89% or \$106,604) – The current projected deficit in this line is comprised primarily of three items. Electricity costs are the primary driver; costs for electricity had stabilized in the first quarter but at a higher rate than what we had anticipated during the budget process. Costs then began climbing again significantly in the second quarter and have stayed at these higher levels since. Utilization of electricity has maintained fairly steady but the price for power and deliver have soared. The second factor is cleaning services. The cost of labor and supplies forced a renegotiation of our cleaning service contract, increasing that cost for the remainder of the year. Finally, actual property taxes for the Augusta building came in slightly higher than budgeted.

(5) **Insurance** (Over budget by 27.38% or \$26,010) – This increase in cost is directly related to Cyber insurance. The policy renewal for the 2022-2023 year was higher than anticipated in the FY23 budget.

(6) **Printing and Publications** (Over budget by 26.68% or \$37,529) – We have produced several mailings in order to carry out satisfaction surveys and to communicate with retirees regarding Cost of Living Adjustments that were not anticipated in the budget. We are covering the costs related to these initiatives with savings in the professional services line item and will continue to monitor as we identify the need to do additional communications that might not otherwise be accounted for in the original budget.

(7) **Postage** (Over budget by 12.19% or \$31,182) – Postage is projected to be over budget for the year and this is directly related to the additional mailings discussed in item number 5 above.

(8) **Other Expenses** (Under budget by 6.16% or \$13,508) – Other expenses include miscellaneous expenses that are not categorized in other areas. When the budget was constructed last spring, we were still using specialized services to provide for a COVID testing program and the budget included a line item to continue that into FY23. As the situation has evolved, we have discontinued that testing and have remove the budgeted expenses from the projected expenses. These dollars have been used to offset some of the deficits in other line items.

Investment Operations

(1) **Personnel Services** (Under budget by 9.2% or \$248,834) – Personnel services taken together are under budget in the investments group due to one vacant position in the personnel complement. The investment budget also benefited from the additional month of health insurance premium holiday, but the impact is smaller due to the smaller staff size.

(2) **Legal Services** (Under budget by 24.16% or \$246,072) – Legal services related to investments were down as compared to budget. This is due, in part, to a smaller number of investment documents under review during the first half of this year.

(3) **Investment Consulting** (Over budget by 7.67% or \$85,940) – Investment consulting services is projected to be over budget due to the changes made in consulting services for alternative asset classes. The increased costs to retain Albourne to provide services for Infrastructure, Natural Resources and Real Estate were partially offset by terminating services with ORG, and modifying the services provided by Cliffwater.

(4) **Other Expenses** (Under budget by 45.21% or \$91,550) – This category included the costs for the divestment study and support. The original budget included \$200,000 for this work and the actual costs came in much lower at \$76,000.

RECOMMENDATION

No action is required by the Committee at this time.

Maine Public Employees Retirement System
FY23 Administrative Expenses YTD
And Year End Projection

	FY 23 Budgeted	FY 23 Actual Thru 02/28/23	FY 23 Projected Remaining	FY 23 Total Expected	Projected Surplus (Deficit)	
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 7,596,417	\$ 4,294,970	\$ 2,978,178	\$ 7,273,148	\$ 323,269	
Overtime Wages	-	52,237	-	52,237	(52,237)	
Total Salaries & Wages	<u>7,596,417</u>	<u>4,347,207</u>	<u>2,978,178</u>	<u>7,325,385</u>	<u>271,032</u>	
Benefits						
Health Insurance	1,424,464	554,132	654,652	1,208,784	215,680	
MainePERS Retirement Contributions	987,280	548,833	423,075	971,908	15,372	
Retiree Health Insurance Reserve	8,868	5,912	2,956	8,868	-	
Other Insurance and Benefits	28,000	5,790	19,663	25,453	2,547	
Total Benefits	<u>2,448,612</u>	<u>1,114,667</u>	<u>1,100,346</u>	<u>2,215,013</u>	<u>233,599</u>	
Total Personnel Services	<u><u>10,045,029</u></u>	<u><u>5,461,874</u></u>	<u><u>4,078,524</u></u>	<u><u>9,540,398</u></u>	<u><u>504,631</u></u>	(1)
Operating Expenses						
Computer Equipment, Supplies and Supports	2,936,084	1,668,895	1,140,614	2,809,509	126,575	(2)
Medical Consultation Services	244,500	131,772	125,115	256,887	(12,387)	(3)
Training and Tuition	84,560	24,252	61,639	85,891	(1,331)	
Travel	62,005	10,457	41,503	51,960	10,045	
Depreciation	927,876	557,509	255,982	813,491	114,385	
Professional Services						
Actuarial Services	378,000	188,769	187,358	376,127	1,873	
Audit Services	99,000	104,337	11,250	115,587	(16,587)	
Legal Services	192,000	124,142	64,274	188,416	3,584	
Hearing Officers Services	35,500	19,050	9,500	28,550	6,950	
Other Professional Services	935,873	208,727	553,112	761,839	174,034	
Total Professional Services	<u>1,640,373</u>	<u>645,025</u>	<u>825,494</u>	<u>1,470,519</u>	<u>169,854</u>	
Other Operating Expenses						
Buildings and Operations	411,764	352,548	165,820	518,368	(106,604)	(4)
Capital Lease Expense	545,859	362,500	183,266	545,766	93	
Insurance	95,007	83,770	37,247	121,017	(26,010)	(5)
Printing and Publications	140,658	116,729	61,458	178,187	(37,529)	(6)
Postage	255,700	179,521	107,361	286,882	(31,182)	(7)
Telephone	146,916	95,734	49,506	145,240	1,676	
Other	219,199	121,065	84,626	205,691	13,508	(8)
Total Other Operating Expenses	<u>1,815,103</u>	<u>1,311,867</u>	<u>689,284</u>	<u>2,001,151</u>	<u>(186,048)</u>	
Total Operating Expenses	<u><u>7,710,501</u></u>	<u><u>4,349,777</u></u>	<u><u>3,139,631</u></u>	<u><u>7,489,408</u></u>	<u><u>221,093</u></u>	
Total Administrative Expenses	<u><u>\$ 17,755,530</u></u>	<u><u>\$ 9,811,651</u></u>	<u><u>\$ 7,218,155</u></u>	<u><u>\$ 17,029,806</u></u>	<u><u>\$ 725,724</u></u>	

**Maine Public Employees Retirement System
FY23 Investment Operations Expenses YTD
And Year End Projection**

	FY 23 Budgeted	FY 23 Actual Thru 02/28/23	FY 23 Projected Remaining	FY 23 Total Expected	Projected Surplus (Deficit)
Personnel Services					
Salaries & Wages					
Salaries and Wages	\$ 2,142,873	\$ 1,185,040	\$ 763,950	\$ 1,948,989	\$ 193,884
Overtime Wages	-	-	-	-	-
Total Salaries & Wages	<u>2,142,873</u>	<u>1,185,040</u>	<u>763,950</u>	<u>1,948,989</u>	<u>193,884</u>
Benefits					
Health Insurance	213,691	91,840	98,244	190,085	23,606
MainePERS Retirement Contributions	347,463	189,834	126,286	316,119	31,344
Other Insurance and Benefits	-	-	-	-	-
Total Benefits	<u>561,154</u>	<u>281,674</u>	<u>224,530</u>	<u>506,204</u>	<u>54,950</u>
Total Personnel Services	<u><u>2,704,027</u></u>	<u><u>1,466,714</u></u>	<u><u>988,480</u></u>	<u><u>2,455,193</u></u>	<u><u>248,834</u></u> (1)
Operating Expenses					
Computer Equipment, Supplies and Supports	134,491	66,610	66,601	133,211	1,280
Medical Consultation Services	-	-	-	-	-
Training and Tuition	6,500	11,635	851	12,486	(5,986)
Travel	63,000	27,362	32,535	59,897	3,103
Depreciation	3,840	2,560	1,280	3,840	-
Professional Services					
Actuarial Services	-	-	-	-	-
Audit Services	54,000	50,750	-	50,750	3,250
Legal Services	1,018,500	461,546	310,882	772,428	246,072 (2)
Investment Consulting	1,120,000	800,940	405,000	1,205,940	(85,940) (3)
Proxy Voting Services	24,037	16,025	8,012	24,037	-
Custody Services	675,000	450,000	225,000	675,000	-
Other Professional Services	<u>202,500</u>	<u>77,616</u>	<u>33,334</u>	<u>110,950</u>	<u>91,550</u> (4)
Total Professional Services	3,094,037	1,856,877	982,228	2,839,105	254,932
Other Operating Expenses					
Buildings and Operations	127,668	84,108	47,097	131,205	(3,537)
Capital Lease Expense	150,782	100,530	50,262	150,792	(10)
Insurance	340	337	-	337	3
Postage	540	252	350	601	(61)
Telephone	42,300	27,686	13,990	41,676	624
Other	<u>44,462</u>	<u>19,020</u>	<u>22,367</u>	<u>41,387</u>	<u>3,074</u>
Total Other Operating Expenses	366,092	231,974	134,205	366,178	(87)
Total Operating Expenses	<u><u>3,667,960</u></u>	<u><u>2,197,019</u></u>	<u><u>1,217,700</u></u>	<u><u>3,414,718</u></u>	<u><u>253,242</u></u>
Total Investment Operations Expenses	<u><u>\$ 6,371,987</u></u>	<u><u>\$ 3,663,732</u></u>	<u><u>\$ 2,206,179</u></u>	<u><u>\$ 5,869,911</u></u>	<u><u>\$ 502,076</u></u>

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS
FROM: SHERRY VANDRELL, DIRECTOR OF FINANCE
SUBJECT: FY24 PROPOSED OPERATING BUDGET – ADMINISTRATION AND INVESTMENT OPERATIONS
DATE: APRIL 4, 2023

I have included draft administrative and investment operations budgets for the fiscal year ending June 30, 2024 for your review and consideration. These draft budgets were developed over the course of the last several months in collaboration with the senior management team and staff.

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

[Board Policy 5.4 – Budgeting, Spending, and Reporting](#)

ADMINISTRATIVE OPERATIONS BUDGET

The administrative operations budget as proposed is a 6%, or \$1,065,304 increase over the budget approved for FY23 and a 10.5% increase over expected expenses for this year. Personnel services are proposed to increase by 11.4%, or \$1,142,636. Two thirds of this increase, or \$765,236, is attributable to a combination of anticipated increases in costs including the elimination of the health insurance premium holiday that was granted in FY23, projected increases in health and dental premium costs, step increases for bargaining unit staff, the impact of a full year of market and performance related adjustments for confidential staff granted in January, and other bargaining unit salary adjustments that occurred in FY23.

The remaining third of this increase includes \$159,000 in the form of a salary pool to cover continued use of overtime and project positions to address the backlog of work and to provide for confidential staff performance based pay adjustments, and another \$169,100 to add four new

member services representatives to support the Member Self-Service portal and other general work processing.

The administrative operating expenses other than personnel are expected to decrease this coming year by 1%, or \$77,330. Adjustments to ongoing costs include increases for IT equipment, actuarial services, audit and legal expenses that are offset by savings in depreciation and other miscellaneous professional services. The increase in actuarial services is attributable to the need to perform the next Group Life Insurance premium study this fiscal year. The increase in audit services reflects the projected costs for four internal audit engagements in the coming year. Together these changes represent a decrease in the budget of \$430,330. However, this decrease in ongoing costs is offset by new spending including costs associated with rolling out the new member portal of \$107,000 and consulting services required to support the Line of Business replacement project of \$250,000.

INVESTMENT OPERATIONS BUDGET

The investment operations budget reflects a 4.5% increase over last year's budget overall. Personnel services are expected to increase by \$44,733, or 1.7%. This increase takes into account several factors, including the elimination of the one remaining vacancy in the budget, offset by anticipated increases related to the elimination of the health insurance premium holiday, projected increased costs of health and dental premiums, the increased costs associated with a recent internal promotion, and a full year of confidential staff market and performance related adjustments. The increase also includes a salary pool for confidential staff performance adjustments in FY24.

Operating expenses are expected to increase 6.7%, or \$244,752. Legal expenses are expected to be higher than actual legal expenses in FY23. This is due to the number of investment proposals requiring outside counsel review and an increasing average cost per review. Audit services are also expected to increase in the investment operations budget and this is directly related to a planned internal audit engagement covering investment operations and controls.

RECOMMENDATION

No action is required by the Committee at this time.

**Maine Public Employees Retirement System
Proposed Administrative Expenses Budget
For the Fiscal Year Ended June 30, 2024**

	FY 23 Budgeted	FY23 Expected	FY 24 Budgeted	FY 24 Budget vs. FY23 Expected	FY 24 Budget vs. FY 23 Budget	FY 24 Budget vs. FY 23 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 7,596,417	\$ 7,273,148	\$ 8,155,646	\$ 882,498	\$ 559,229	7.4%
Overtime Wages	-	52,237	-	(52,237)	-	
Total Salaries & Wages	7,596,417	7,325,385	8,155,646	830,261	559,229	7.4%
Benefits						
Health Insurance	\$ 1,424,464	1,208,784	\$ 1,940,772	731,988	516,308	36.2%
MainePERS Retirement Contributions	987,280	971,908	1,054,103	82,195	66,823	6.8%
Retiree Health Insurance Reserve	8,868	8,868	9,143	275	275	3.1%
Other Insurance and Benefits	28,000	25,453	28,000	2,547	-	0.0%
Total Benefits	2,448,612	2,215,013	3,032,019	817,006	583,407	23.8%
Total Personnel Services	10,045,029	9,540,398	11,187,665	1,647,267	1,142,636	11.4%
Operating Expenses						
Computer Equipment, Supplies and Supports	2,932,249	2,809,509	3,011,520	202,011	79,271	2.7%
Medical Consultation Services	244,500	256,887	244,500	(12,387)	-	0.0%
Training, Continuing Education and Tuition	84,560	85,891	89,236	3,345	4,676	5.5%
Travel	62,005	51,960	61,505	9,545	(500)	-0.8%
Depreciation	927,876	813,491	578,836	(234,655)	(349,041)	-37.6%
Professional Services						
Actuarial Services	378,000	376,127	423,720	47,593	45,720	12.1%
Audit Services	99,000	115,587	120,500	4,913	21,500	21.7%
Legal Services	192,000	188,416	197,000	8,584	5,000	2.6%
Hearing Officers Services	35,500	28,550	35,500	6,950	-	0.0%
Miscellaneous Professional Services	935,873	761,839	678,178	(83,661)	(257,695)	-27.5%
Total Professional Services	1,640,373	1,470,519	1,454,898	(15,621)	(185,475)	-11.3%
Other Operating Expenses						
Buildings and Operations	411,764	518,368	579,227	60,859	167,463	40.7%
Capital Lease Expense	545,859	545,766	552,714	6,948	6,854	1.3%
Insurance	95,007	121,017	109,807	(11,210)	14,800	15.6%
Printing and Publications	140,658	178,187	205,766	27,579	65,108	46.3%
Postage	255,700	286,882	359,100	72,218	103,400	40.4%
Telephone	146,916	145,240	147,978	2,738	1,062	0.7%
Other	223,033	205,692	238,085	32,393	15,052	6.7%
Total Other Operating Expenses	1,818,938	2,001,152	2,192,676	191,524	373,739	20.5%
Total Operating Expenses	7,710,501	7,489,409	7,633,171	143,762	(77,330)	-1.0%
Total Administrative Expenses	\$ 17,755,530	\$ 17,029,807	\$ 18,820,836	\$ 1,791,029	\$ 1,065,306	6.0%

Maine Public Employees Retirement System
Proposed Investment Operations Expenses Budget
For the Fiscal Year Ended June 30, 2024

	FY 23 Budgeted	FY23 Expected	FY 24 Budgeted	FY 24 Budget vs. FY23 Expected	FY 24 Budget vs. FY 23 Budget	FY 24 Budget vs. FY 23 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 2,142,873	\$ 1,948,989	\$ 2,118,198	\$ 169,209	\$ (24,674)	-1.2%
Overtime Wages	-	-	-	-	-	
Total Salaries & Wages	2,142,873	1,948,989	2,118,198	169,209	(24,674)	-1.2%
Benefits						
Health Insurance	\$ 213,691	190,085	\$ 279,956	89,872	66,265	31.0%
MainePERS Retirement Contributions	347,463	316,119	348,319	32,200	856	0.2%
Retiree Health Insurance Reserve	-	-	2,286	2,286	2,286	
Total Benefits	561,154	506,204	630,562	124,358	69,407	12.4%
Total Personnel Services	2,704,027	2,455,193	2,748,760	293,567	44,733	1.7%
Operating Expenses						
Computer Equipment, Supplies and Supports	134,491	133,211	167,870	34,659	33,379	24.8%
Training, Continuing Education and Tuition	6,500	12,486	26,200	13,714	19,700	303.1%
Travel	63,000	59,897	78,300	18,403	15,300	24.3%
Depreciation	3,840	3,840	1,920	(1,920)	(1,920)	-50.0%
Professional Services						
Audit Services	54,000	50,750	65,500	14,750	11,500	21.3%
Legal Services	1,018,500	772,428	1,140,000	367,572	121,500	11.9%
Investment Consulting	1,120,000	1,205,940	1,215,000	9,060	95,000	8.5%
Proxy Voting Services	24,037	24,037	24,037	-	-	0.0%
Custody Services	675,000	675,000	720,000	45,000	45,000	6.7%
Other Professional Services	202,500	110,950	107,000	(3,950)	(95,500)	-47.2%
Total Professional Services	3,094,037	2,839,105	3,271,537	432,432	177,500	5.7%
Other Operating Expenses						
Buildings and Operations	127,668	131,205	132,110	905	4,442	3.5%
Capital Lease Expense	150,782	150,792	150,782	(10)	-	0.0%
Insurance	340	337	9,205	8,868	8,865	2607.4%
Postage	540	601	540	(61)	-	0.0%
Telephone	42,300	41,676	42,210	534	(90)	-0.2%
Other	44,462	41,387	32,038	(9,349)	(12,424)	-27.9%
Total Other Operating Expenses	366,092	366,178	366,885	707	793	0.2%
Transfers to Reserves - MePERS	-	-	-	-	-	
Total Operating Expenses	3,667,960	3,414,717	3,912,713	497,995	244,752	6.7%
Total Investment Operations Expenses	\$ 6,371,987	\$ 5,869,910	\$ 6,661,473	\$ 791,562	\$ 289,485	4.5%