

**MainePERS Board of Trustees  
Finance and Audit Committee Meeting  
November 9, 2023  
One City Center, Portland**

**AGENDA**

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8:00 a.m. <sup>1</sup>	CALL TO ORDER		Shirrin Blaisdell
8:00 – 8:05 a.m.	1. <a href="#">MINUTES APPROVAL 08/10/2023 MEETING</a>	ACTION	Shirrin Blaisdell
8:05 – 8:20 a.m.	2. <a href="#">INTERNAL AUDIT PRESENTATION</a> a. <a href="#">Investment Controls</a>		Wipfli Sherry Vandrell
8:20 – 8:40 a.m.	3. <a href="#">ADMINISTRATION</a> a. <a href="#">Employer Reporting Update</a> b. <a href="#">Pension and OPEB Supplemental Report Status</a> c. <a href="#">Report on Internal Audit Activity</a>		Dr. Rebecca M. Wyke Sherry Vandrell
8:40 – 8:50 a.m.	4. <a href="#">REPORT ON FINANCIAL OPERATIONS</a> a. <a href="#">09/30/2023 Administration Operations Expense Report</a> b. <a href="#">09/30/2023 Investment Operations Expense Report</a>		Dr. Rebecca M. Wyke Sherry Vandrell
8:50 – 8:55 a.m.	5. <a href="#">OPEGA REQUIRED REPORTING TO THE BOARD</a> a. <a href="#">Travel Report</a> b. <a href="#">Procurement Report – Next Report in February</a>		Dr. Rebecca M. Wyke Sherry Vandrell
8:55 a.m.	<a href="#">ADJOURNMENT</a>		Shirrin Blaisdell

<sup>1</sup> All times are estimated based upon the anticipated length of each presentation, hearing, discussion, and action. The presiding officer may take agenda items out of order for more efficient or effective conduct of the meeting.

## MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

### M i n u t e s

Board of Trustees  
Meeting of the Finance and Audit Committee  
August 10, 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 members Brian Noyes and Dick Metivier also participated. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; Sherry Vandrell, Chief Financial Officer; Mark LaPrade and Leah Clair of BerryDunn.*

### **MINUTES**

Shirrin called for acceptance of the minutes from the May 11, 2023 meeting of the Finance and Audit Committee.

- Action: Brian Noyes made the motion, seconded by Dick Metivier, to accept the minutes from the May 11, 2023 meeting. Voted unanimously by those Trustees participating.

### **EXTERNAL AUDIT**

#### **Audit Plan Review**

Mark LaPrade and Leah Clair of BerryDunn presented their audit plan for the independent audit of the System's FY23 financial statements. Mark shared what the roles and responsibilities of the auditor and management are with respect to the financial statements and presented the scope of the engagement in regards to the financial statements as a whole, the ACFR, required supplementary information, and the schedules required by GASB 68 and 75. Mark and the Committee discussed the various steps in planning and performing the audit including the required auditor communications.

Leah reviewed the audited components of the GASB 68 and GASB 75 schedules. Leah also reviewed the significant audit areas to be tested, noting primary focus is on investments, contributions, and benefits paid. Leah shared dates for year-end, draft reports, and the final presentation to the Finance and Audit Committee. Leah discussed the various fraud risks with the Committee.

### **ADMINISTRATION**

#### **Employer Reporting Update**

Sherry Vandrell reported that 98.7% of the June payroll reports due in July were submitted on time. She shared this was the highest percentage in some time and thanked the staff for their continued hard work. Sherry stated the continued focus is with the employer account reconciliations which includes continued training for staff and employers. She shared that as part of the strategic plan the first annual employer satisfaction survey has been completed and the feedback will be shared with the Trustees.

Finance and Audit Committee  
Finance and Audit Committee Meeting – August 10, 2023  
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**Report on Internal Audit**

Sherry Vandrell reported that the internal audit engagement focusing on investment processes and controls is expected to be completed within the next few weeks. Sherry shared that Wipfli will be invited to the November meeting to review the audit and discuss their recommendations. She stated CLA will be conducting the next two audits. One will focus on facilities management and the other on cash receipts and disbursements.

**FINANCIAL STATEMENTS**

Sherry reviewed the Administrative and the Investment Operations Reports for the twelve months ended June 30, 2023 and answered questions from the Committee. Both the operations and investment budgets ended the year with surpluses.

**OPEGA REPORT**

Sherry shared the travel expenses report for quarter ending June 30, 2023. She also shared the procurement report for the six months ended June 30, 2023. Sherry answered questions from the Committee members.

*The meeting adjourned at 8:55 a.m.*

*The next meeting of the Finance and Audit Committee is expected to be held November 14, 2023, at the office of the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, ME at 8:00 a.m.*

November 14, 2023  
Date Approved by the Committee

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Dr. Rebecca M. Wyke, Chief Executive Officer

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Date Signed

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## MAINEPERS

### FINANCE AND AUDIT COMMITTEE MEMORANDUM

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**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS  
**FROM:** SHERRY VANDRELL, CHIEF FINANCIAL OFFICER  
**SUBJECT:** INTERNAL AUDIT REPORT ON INVESTMENTS  
**DATE:** NOVEMBER 1, 2023

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#### POLICY REFERENCE

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

#### INTERNAL AUDIT REPORT ON INVESTMENTS

Wipfli completed the internal audit on investment controls in September of 2023. A copy of their report is included in your packet. Chris Curran and Sarah Lutzke will be at the November 9<sup>th</sup> Finance and Audit Committee meeting to review the report with you and to answer any questions you may have.

#### RECOMMENDATION

*No action is required by the Committee at this time.*

# Maine Public Employees Retirement System

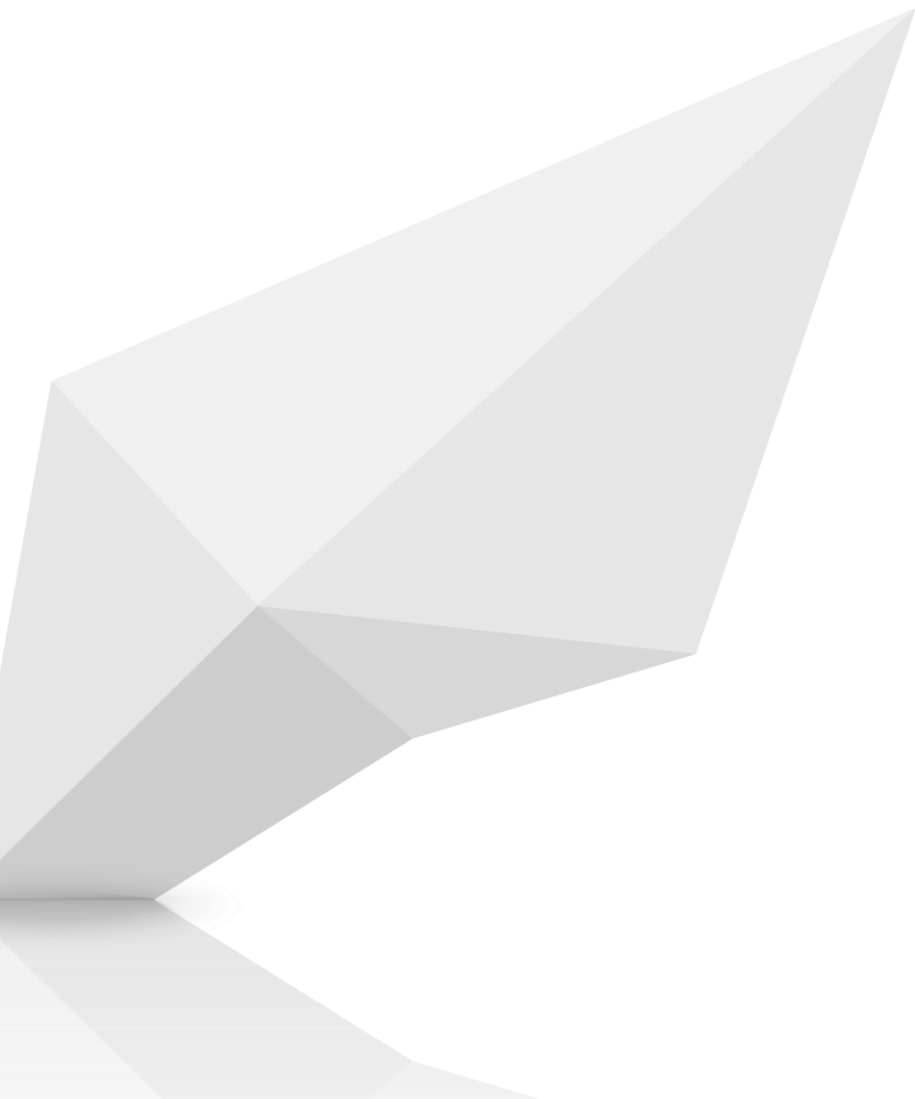
Augusta, Maine

Investment Internal Audit  
August 2023

Preliminary report issued: August 15, 2023  
Final report issued: September 14, 2023

Prepared by Wipfli LLP

wipfli.com



August 15, 2023

Sherry Vandrell  
Maine Public Employees Retirement System  
139 Capitol St.  
Augusta, ME 04330

Ms. Vandrell,

In accordance with the terms of our engagement letter dated April 3, 2023, we have completed investment internal audit procedures for Maine Public Employees Retirement System (“MPERS”). The scope and procedures for this engagement were agreed upon by MPERS and are outlined in the report. This engagement was performed from May to July 2023 and includes our observations and recommendations related to the procedures performed.

The scope of this engagement did not include procedures to form an opinion. As such, we do not express any form of assurance on the effectiveness of internal controls, the financial statements, or any other matter. In addition, our engagement was not designed to detect fraud.

During this engagement, we relied on the representations of MPERS’ management and staff. Misrepresentations by any participating individual or parties could lead to incorrect results.

This engagement was performed in accordance with the Statement on Standards for Consulting Services as issued by the American Institute of Certified Public Accountants. This information is intended solely for the use of management and is not intended to be, and should not be, used by anyone other than these specified parties. Distribution of this information by these specified parties to other third parties does not constitute designation of those third parties as “users” or “specified parties” with respect to the matters addressed herein, nor does it permit those third parties to use or rely upon this information for any purpose.

We appreciate this opportunity to be of service to MPERS and acknowledge the cooperation of project participants during the course of this project. Please contact us if you have any questions or need further assistance.

Sincerely,



Wipfli LLP

# Executive summary

## Overall rating

For each of the components evaluated by Wipfli LLP (“Wipfli”), we applied an overall rating to provide additional information on the area under review. The overall rating definitions are as follows:

### Strong

A strong system of controls is evident. Management has effective and efficient oversight and control monitoring of the areas being reviewed. Policies comprehensively define risk tolerance, responsibilities, and accountabilities. Policies are effectively communicated, and staff is fully trained and accountable for established internal controls. Management has broad expertise and is effective in identifying, measuring, monitoring, and controlling risk in this area.

### Satisfactory

The overall internal control environment is well designed and functioning effectively. Issues identified do not pose significant financial, operational, compliance, or reputational risk to the area or to the organization. Any internal control weaknesses or technical violations of regulations are considered minimal and would result in minimal risk exposure. Any repeat issues identified are isolated or are considered low risk. Management oversight and control monitoring of the area are adequate.

### Needs Improvement

The overall internal control environment indicates weaknesses in design and/or effectiveness associated with certain key internal controls. Issues identified individually or in aggregate pose elevated financial, operational, compliance, or reputational risk to the auditable unit or to the organization. Audits rated Needs Improvement may have identified major control weakness(es). In addition, Needs Improvement audits may have one or more repeat issues from previous audits. Management oversight and control monitoring of certain key processes need strengthening.

### Unsatisfactory

The overall internal control environment is not well designed or functioning effectively. Issues noted pose an unacceptable level of financial, operational, compliance, or reputational risk to the area or to the organization. The audited area may not follow policies and/or procedures and may pose significant risk of reputational damage or financial loss. There may be multiple repeat issues and/or major risk repeat issues. Management oversight is lacking, or management has not demonstrated commitment to sound internal controls.

Internal audit area	Overall rating
Selecting and Closing Investments (Alternative Investment Focus)	Strong
Investment Cash Disbursements - Funding Investments	Strong
Investment Cash Disbursements – Management Fees	Strong
Investment Cash Disbursements – Transfer for Payment Benefits	Strong
Investment Management	Strong

## Risk ratings

In addition to the overall area ratings provided above, for each recommendation noted during our procedures, we assigned a risk rating. The risk ratings are Wipfli's interpretation of the spirit of the 2017 COSO Enterprise Risk Management (ERM) Framework. The COSO ERM Framework bases the risk rating on the result or effect of a risk and explains that there may be a range of possible impacts associated with a risk. These ratings are intended to be used when prioritizing corrective actions. The risk ratings and a summary of the number of findings are as follows:

### High (0 findings)

- Moderate to high potential of loss of assets
- Critical impact on operational efficiency and effectiveness of the department
- Critical impact on implementation of other recommendations in the report

### Moderate (0 findings)

- Limited potential of loss of assets
- Significant impact on operations efficiency and effectiveness of the department
- Significant impact on implementation of other recommendations in the report
- Control deficiency
- May be mitigated by other informal controls

### Low (2 findings)

- Limited potential of loss of assets
- Limited impact on operational efficiency and effectiveness of the department
- Limited impact on implementation of other recommendations in the report
- Opportunity for improvement in processes or documentation
- May enhance the control environment
- May provide increased value to management



# Procedures performed

## Control Environment

### Assessment of Internal Control Environment

As part of our internal audit, we inquired with MPERS investment management to gain their thoughts on the internal control environment, including their overall perception of how they felt the Investment business process was operating.

A questionnaire was developed utilizing the Committee of Sponsoring Organizations (COSO) Risk Framework. The framework helps to ensure we consistently captured and evaluated each individual's responses. This was also utilized as a tool to help facilitate further discussion with investment management and will be used in future engagements to track the perception of the investment function.

## Selecting, Closing, and Funding New Investments

### Internal Control Walkthrough

Policies and procedures relating to the MPERS selection and closing of new investments were obtained and analyzed for understanding. Procedures and controls were discussed with MPERS Investment Management and evaluated for internal controls relating to the following:

- Identification of the investment.
- Feasibility determination and due diligence.
- Analyst recommendations to proceed.
- MPERS management reviews and approvals.
- MPERS legal reviews and approvals.
- MPERS Board of Trustees reviews and approvals.
- Subsequent investment purchase, payment, and retainage of investment documentation.

### Internal Control Testing

From the population of all new alternative investment purchases from January 1, 2023, through March 31, 2023, a sample of eight new investments were selected and tested for adherence with MPERS policies and procedures, notably *Investment Policy 41.0 Selecting Alternative Investments – New Investments*.

## Investment Cash Disbursements – Management Fees

### Internal Control Walkthrough

Policies and procedures relating to receiving, reviewing, and processing management fee payments were obtained and analyzed for understanding. Procedures and controls were discussed with MPERS investment management and evaluated for internal controls relating to the following:

- Service fees paid via accounting vs. directly from the investment team via direct wire.
- Review and approval.
- Timely processing of payment.

## Internal Control Testing

From the population of all investment management fees paid from January 1, 2023, through March 31, 2023, a sample of six payments were selected and tested for adherence with MPERS policies and procedures, notably *Investment Policy 2.0 – Cash Disbursements: Investment Operations Practices 2.0 – Paying Investment-Related Invoices*.

## Freedom of Information Act Requests

### Internal Control Walkthrough

Policies and procedures relating to receiving, reviewing, and responding to Freedom of Information Act (FOIA) requests related to investments were obtained and analyzed for understanding. Procedures and controls were discussed with MPERS investment management and evaluated for internal controls relating to the following:

- Tracking mechanism in place for managing FOIA requests.
- Review and responding to requests.
- Timely response to requestors.

### Internal Control Testing

From the population of FOIA requests from January 1, 2023, through June 30, 2023, a sample of four requests were selected and tested for adherence with MPERS policies and procedures, including response requirements compliance with 1 M.R.S. §§ 408-A.

## Investment Cash Disbursements – Transfer for Benefit Payments

### Internal Control Walkthrough

Policies and procedures relating to the transfer of benefit payments were obtained and analyzed for understanding. Procedures and controls were discussed with MPERS investment management and evaluated for internal controls relating to transfer of payments.

### Internal Control Testing

From the population of all investment management fees paid from January 1, 2023, through March 31, 2023, a sample of six payments were selected and tested for adherence with MPERS policies and procedures, notably *Investment Policy 2.0 – Cash Disbursements: Investment Operations Practices 2.0 – Paying Investment-Related Invoices*.

## Investment Cash Disbursements – Investment Management

### Internal Control Walkthrough

Policies and procedures relating to the overall management of the Investment function were obtained and analyzed for understanding. Procedures and controls were discussed with MPERS investment management and evaluated for internal controls related to other investment management activities.

## Internal Control Testing

Based on our review and analysis of the policies and procedures, we selected the following areas to review:

- Conflict of Interest Statements – Verification MPERS staff completed a conflict-of-interest statement.
- Reporting – Key reporting requirements were met and in adherence with policy and procedure.
- Freedom of Information Act (FOIA) – Information requests sent to MPERS were reviewed, assessed, and processed in accordance with policy and procedure.
- Fossil Fuel and Private Prison Investments – Disclosed to the Board prior to the Board’s approval of a strategy.
- Fossil Fuel and Private Prison Investments – Board provided with a report summarizing the System’s fossil fuel and for-profit prison investments.
- Contracts – Performance and contract terms of service providers are evaluated at least every 5 years.
- Long-Term Capital Markets – Annual review of long-term capital market expectations and existing asset class allocations with Trustees.
- RHIT Investments – Asset allocations were provided to the Trustees.

# Results and recommendations

## Control Environment

### Assessment of Internal Control Environment

#### **Reportable Observation:**

We noted that policies and procedures were not consistently reviewed and approved on an annual basis or on an established timeframe.

#### **Recommendation:**

We recommend MainePERS inventory their existing policies and procedures and establish a policy and procedure review schedule, with established timeframes for review of approval of each. All reviews and approvals should be clearly documented and retained.

#### **Management Response:**

MainePERS maintains an inventory of policies and practices and reviews them regularly as recommended. We understand that some of the policies covered in this review were not updated timely and staff will review and update them as appropriate.

## Investment Freedom of Information Act (FOIA) Requests

### Internal Control Testing

#### **Reportable Observation:**

For one of the four FOIA requests reviewed, the initial recognition of the response to the requestor did not meet the five-day requirement; the response was on the sixth day.

#### **Recommendation:**

Although there was only a one-day deficiency, we recommend the five-day requirement be met and that the response is clear on a non-binding estimate of time they will comply with the request.

#### **Management Response:**

Management agrees with this recommendation.

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## MAINEPERS

### FINANCE AND AUDIT COMMITTEE MEMORANDUM

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**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS  
**FROM:** SHERRY VANDRELL, CHIEF FINANCIAL OFFICER  
**SUBJECT:** REPORT ON EMPLOYER REPORTING  
**DATE:** OCTOBER 24, 2023

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#### POLICY REFERENCE

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

#### EMPLOYER REPORTING STATUS UPDATES

We continue to work with employers to get payroll reports and contributions payments in timely. In October 95% of our participating employers reported on time. Of those who were not timely, most have since reported. Last quarter we reported that two of our larger school districts continued to struggle with getting accurate information to us on time. Since that time, we have been able to successfully assist one of those employers with resolving their reporting issues and they are now current through the report due in October. Staff will continue to work with this employer to reconcile their account and make sure all payments are accounted for and that past data submitted is accurate. The second employer has made some progress but remains behind in reporting.

Employer account reconciliations continue to be an ongoing focus of our work, with 74% of all employer accounts fully reconciled through August payrolls as of today, up from 73% through May as of your last report. Staff are working to reconcile September data now as well as to continue reconciling older data for the remaining 26% of accounts.

We have completed initial assessments for those staff in positions that fall within the job series to assess baseline performance and have started creating individualized training plans for all staff to focus them on those skills and tasks they still need to master to progress through the series and advance to the next level. Most staff are quite close to having mastered the tasks needed to advance and I expect some of that advancement will occur in the next quarter. The team has not assumed new responsibilities related to

group life insurance account reconciliation work yet but plans are underway to transition that work in stages over the coming weeks and months.

**RECOMMENDATION**

*No action is required by the Committee at this time.*

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# MAINEPERS

## FINANCE AND AUDIT COMMITTEE MEMORANDUM

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**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS  
**FROM:** SHERRY VANDRELL, CHIEF FINANCIAL OFFICER  
**SUBJECT:** EXTERNAL AUDIT UPDATES  
**DATE:** OCTOBER 24, 2023

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### SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AND OPEB AMOUNTS

Draft Schedules of Employer Allocations and Pension Amounts and Schedules of Employer Allocations and OPEB Amounts (the Schedules) for fiscal year 2023 are being compiled by staff now. The schedules will be submitted to Berry Dunn for audit upon completion. This work is scheduled to be complete no later than January 31, 2024.

The Schedules are designed to provide governmental employers who are participating in Plans administered by MainePERS information they need to report on their financial statements. This includes each employer's share of the collective net pension liability and net OPEB liability and related expenses as required by Governmental Accounting Standards Board (GASB) Statement No. 68 and Statement No. 75.

### FY23 ANNUAL FINANCIAL STATEMENT AUDIT AND REQUIRED AUDITOR COMMUNICATIONS

The FY23 annual financial statements were completed following the Board of Trustees meeting in October. A copy of the final audited financial statements, including the audit opinion from Berry Dunn, have been included in the Board packet, along with other required auditor communications and the yellow book report which Mark LaPrade and Leah Claire discussed with the Board at the October meeting.

### RECOMMENDATION

*No action is required by the Committee at this time.*

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## MAINEPERS

### FINANCE AND AUDIT COMMITTEE MEMORANDUM

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**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS  
**FROM:** SHERRY VANDRELL, CHIEF FINANCIAL OFFICER  
**SUBJECT:** INTERNAL AUDIT UPDATE  
**DATE:** OCTOBER 30, 2023

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#### POLICY REFERENCE

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

#### INTERNAL AUDIT UPDATE

The internal audit engagement focusing on cash receipts and disbursements was initiated this quarter and is quickly coming to a close with the work expected to be complete within the next few weeks. We have started the audit planning for the next engagement which is a review of facilities management and maintenance practices and controls. CLA is developing the document request for this work now and the work will begin in November.

A summary of audit finding activity for the quarter follows:

Activity for April through September 30, 2023				
Source	Open Items Beginning of Quarter	Findings Resolved	Identified	Open Items End of Quarter
Internal Audit	1	1	2	2
External Audit	-	-	-	-
Total	1	1	2	2

#### RECOMMENDATION

*No action is required by the Committee at this time.*



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## MAINEPERS

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### FINANCE AND AUDIT COMMITTEE MEMORANDUM

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**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS  
**FROM:** SHERRY VANDRELL, CHIEF FINANCIAL OFFICER  
**SUBJECT:** FY24 – BUDGET UPDATE AND SEPTEMBER 2023 OPERATING AND INVESTMENT EXPENSE REPORTS  
**DATE:** OCTOBER 31, 2023

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Following is a brief update on the status of the FY24 budget, along with the reports of operating expenses for both administration and investment operations for the three months ended September 30, 2023. The reports summarize, by expense category, the approved budgeted amounts for the current fiscal year and the actual year-to-date expenses for the year.

#### **POLICY REFERENCE**

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

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

#### **FY24 BUDGET UPDATE**

The FY24 administrative operating budget in the amount of \$19,170,306 was approved by the Board on May 11, 2023. This represented a significant increase over the approved FY23 budget and included a number of initiatives related to salaries and benefit increases that we anticipated would be needed as we completed the compensation study for bargaining unit positions and re-opened contract negotiations to address that. The total included in the budget for this work was just under \$670,000. In addition to this increase, we requested six new positions, including four who would work as Member Service Representatives to ensure phone calls are answered, support the member portal, and address various backlogs.

At the time we presented the budget for consideration, we were experiencing a very high turnover rate, with an average of 11 vacancies during April and May. This was down from a high of 20 vacancies in August of 2022. Due to the very difficult recruitment environment, we added an attrition factor to the budget assuming the equivalent of 10 vacancies for one half of the year and removed the salary pool that had previously been included for project employees and

overtime. The intent was to use any attrition savings that exceeded the amount budgeted for continued overtime for staff and for project employees to address various backlogs.

We have been very successful in recruiting since the start of the year and currently have only six vacancies, with an active offer out for one of them. We have also been very successful at staffing project positions with two former employees, now retired, and staff continue to work overtime in support of various backlog projects. As a result, we are currently projecting a very modest budget shortfall in personnel services. Given that we have three quarters remaining of this fiscal year, we are not seeking a budget adjustment at this time but will continue to monitor closely and bring you an update in February. If we are able to retain staff and continue to fill vacancies at the rate we have been able to in the last few months, we may need to request an adjustment to personnel services budget in the current fiscal year.

### **REVIEW OF FY24 OPERATING EXPENSES THROUGH SEPTEMBER 30<sup>TH</sup>**

Following is information about significant budget variances that occurred during the first three months of the year:

#### Administration

(1) **Personnel Services** (Over budget .1% or \$12,003) – Personnel services costs include salaries and wages, along with associated benefits. Our ability to hire and retain personnel is much improved over last fall and winter, contributing to lower than projected savings due to attrition. Costs related to collective bargaining were also somewhat higher than what was in the original budget by approximately \$60,000.

(2) **Other Professional Services** (Over budget 4.72% or \$32,035) – The professional services contract we entered into to support the development of a new pension administration system, or PAS, was higher than what was originally in the budget by close to \$100,000. This increase in cost is being offset by a reduction in costs for a consultant to support the organizational values committee work. That committee has decided not to pursue engaging a consultant further at this time.

(3) **Telephone** (Over budget 9.85% or \$14,574) – In order to resolve an issue with replication between our Augusta and Brunswick sites, internet speed was increased. The incremental costs associated with that upgrade is driving this budget overage.

#### Investment Operations

(1) **Personnel Services** (Under budget by 4.71% or \$129,851) – Personnel services taken together are under budget in the investments group due to one vacant position in the personnel complement. This position is currently being recruited for.

(2) **Legal Services** (Under budget by 19.63% or \$223,747) – Legal services related to investments are down as compared to budget. This is due to the low level of private market investment activity over the summer.

(3) **Telephone** (Over budget 15.11% or \$6,380) – In order to resolve an issue with replication between our Augusta and Brunswick sites, internet speed was increased. The incremental costs associated with that upgrade is driving this budget overage.

### **RECOMMENDATION**

*No action is required by the Committee at this time.*

**Maine Public Employees Retirement System**  
**FY24 Administrative Expenses YTD**  
**And Year End Projection**

	FY 24 Budgeted	FY 24 Actual Thru 09/30/23	FY 24 Projected Remaining	FY 24 Total Expected	Projected Surplus (Deficit)
<b>Personnel Services</b>					
Salaries & Wages					
Salaries and Wages	\$ 8,444,202	\$ 1,898,956	\$ 6,558,376	\$ 8,457,332	\$ (13,130)
Overtime Wages	-	34,762	-	34,762	(34,762)
Total Salaries & Wages	<u>8,444,202</u>	<u>1,933,718</u>	<u>6,558,376</u>	<u>8,492,094</u>	<u>(47,892)</u>
Benefits					
Health Insurance	1,962,889	395,133	1,541,970	1,937,103	25,786
MainePERS Retirement Contributions	1,080,286	244,971	825,971	1,070,942	9,344
Retiree Health Insurance Reserve	9,143	2,319	6,962	9,281	(138)
Other Insurance and Benefits	28,000	1,603	25,500	27,103	897
Total Benefits	<u>3,080,318</u>	<u>644,026</u>	<u>2,400,403</u>	<u>3,044,429</u>	<u>35,889</u>
<b>Total Personnel Services</b>	<u><u>11,524,520</u></u>	<u><u>2,577,744</u></u>	<u><u>8,958,779</u></u>	<u><u>11,536,523</u></u>	<u><u>(12,003)</u></u> (1)
<b>Operating Expenses</b>					
Computer Equipment, Supplies and Supports	3,017,266	627,905	2,426,832	3,054,737	(37,471)
Medical Consultation Services	244,500	27,511	190,622	218,133	26,367
Training and Tuition	89,760	15,158	74,602	89,760	-
Travel	61,505	3,883	57,622	61,505	-
Depreciation	578,836	138,430	451,805	590,235	(11,399)
Professional Services					
Actuarial Services	423,720	34,159	381,887	416,046	7,674
Audit Services	120,500	42,340	78,160	120,500	-
Legal Services	197,000	23,700	169,689	193,389	3,611
Hearing Officers Services	35,500	10,115	26,750	36,865	(1,365)
Other Professional Services	678,178	93,675	616,538	710,213	(32,035)
Total Professional Services	<u>1,454,898</u>	<u>203,989</u>	<u>1,273,024</u>	<u>1,477,013</u>	<u>(22,115)</u>
Other Operating Expenses					
Buildings and Operations	579,227	160,741	402,797	563,538	15,689
Capital Lease Expense	552,714	134,883	414,561	549,444	3,270
Insurance	109,807	46,048	67,214	113,262	(3,455)
Printing and Publications	205,766	79,436	129,306	208,742	(2,976)
Postage	359,100	85,145	275,114	360,259	(1,159)
Telephone	147,978	37,310	125,242	162,552	(14,574)
Other	244,430	42,614	200,641	243,255	1,175
Total Other Operating Expenses	<u>2,199,022</u>	<u>586,177</u>	<u>1,614,875</u>	<u>2,201,052</u>	<u>(2,030)</u>
<b>Total Operating Expenses</b>	<u><u>7,645,787</u></u>	<u><u>1,603,053</u></u>	<u><u>6,089,382</u></u>	<u><u>7,692,435</u></u>	<u><u>(46,648)</u></u>
<b>Total Administrative Expenses</b>	<u><u>\$ 19,170,307</u></u>	<u><u>\$ 4,180,797</u></u>	<u><u>\$ 15,048,161</u></u>	<u><u>\$ 19,228,958</u></u>	<u><u>\$ (58,651)</u></u>

**Maine Public Employees Retirement System**  
**FY24 Investment Operations Expenses YTD**  
**And Year End Projection**

	FY 24 Budgeted	FY 24 Actual Thru 09/30/23	FY 24 Projected Remaining	FY 24 Total Expected	Projected Surplus (Deficit)
<b>Personnel Services</b>					
Salaries & Wages					
Salaries and Wages	\$ 2,118,198	\$ 430,623	\$ 1,587,458	\$ 2,018,081	\$ 100,117
Overtime Wages	-	-	-	-	-
Total Salaries & Wages	<u>2,118,198</u>	<u>430,623</u>	<u>1,587,458</u>	<u>2,018,081</u>	<u>100,117</u>
Benefits					
Health Insurance	287,524	51,368	219,702	271,070	16,454
MainePERS Retirement Contributions	348,319	69,446	265,599	335,045	13,274
Other Insurance and Benefits	<u>2,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,286</u>
Total Benefits	<u>638,129</u>	<u>121,384</u>	<u>487,011</u>	<u>608,395</u>	<u>29,734</u>
<b>Total Personnel Services</b>	<u><u>2,756,327</u></u>	<u><u>552,007</u></u>	<u><u>2,074,469</u></u>	<u><u>2,626,476</u></u>	<u><u>129,851</u></u> (1)
<b>Operating Expenses</b>					
Computer Equipment, Supplies and Supports	167,870	29,352	140,330	169,682	(1,812)
Medical Consultation Services	-	-	-	-	-
Training and Tuition	26,200	6,939	19,261	26,200	0
Travel	78,300	6,017	72,283	78,300	-
Depreciation	1,920	960	960	1,920	-
Professional Services					
Actuarial Services	-	-	-	-	-
Audit Services	65,500	56,620	14,000	70,620	(5,120)
Legal Services	1,140,000	120,376	795,878	916,253	223,747 (2)
Investment Consulting	1,215,000	303,750	911,250	1,215,000	-
Proxy Voting Services	24,037	6,009	18,028	24,037	-
Custody Services	720,000	180,000	540,000	720,000	-
Other Professional Services	<u>107,000</u>	<u>-</u>	<u>199,500</u>	<u>199,500</u>	<u>(92,500)</u>
Total Professional Services	<u>3,271,537</u>	<u>666,755</u>	<u>2,478,656</u>	<u>3,145,410</u>	<u>126,127</u>
Other Operating Expenses					
Buildings and Operations	132,110	29,768	102,890	132,658	(548)
Capital Lease Expense	150,782	37,702	113,087	150,789	(7)
Insurance	9,205	340	8,865	9,205	-
Postage	540	75	405	480	60
Telephone	42,210	15,240	33,350	48,590	(6,380)
Other	<u>32,038</u>	<u>9,805</u>	<u>27,030</u>	<u>36,835</u>	<u>(4,797)</u>
Total Other Operating Expenses	<u>366,885</u>	<u>92,951</u>	<u>285,628</u>	<u>378,579</u>	<u>(11,694)</u>
<b>Total Operating Expenses</b>	<u><u>3,912,712</u></u>	<u><u>802,974</u></u>	<u><u>2,997,118</u></u>	<u><u>3,800,091</u></u>	<u><u>112,621</u></u>
<b>Total Investment Operations Expenses</b>	<u><u>\$ 6,669,039</u></u>	<u><u>\$ 1,354,981</u></u>	<u><u>\$ 5,071,587</u></u>	<u><u>\$ 6,426,567</u></u>	<u><u>\$ 242,472</u></u>

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## MAINEPERS

### FINANCE AND AUDIT COMMITTEE MEMORANDUM

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**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS  
**FROM:** SHERRY VANDRELL, CHIEF FINANCIAL OFFICER  
**SUBJECT:** FY24 – 1<sup>ST</sup> QUARTER REPORTS – TRAVEL AND PROCUREMENT  
**DATE:** OCTOBER 24, 2023

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#### POLICY REFERENCE

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

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

#### TRAVEL EXPENSE REPORT

The report of travel expenses for the quarter ended September 30, 2023 is attached for your review. This report is provided in accordance with the System Policy 3.2 – Travel which is in compliance with the State of Maine’s Office of Program Evaluation and Government Accountability (OPEGA) requirements.

#### PROCUREMENT REPORT

The report of procurement activity for the six months ended December 31 will be provided at your February 8, 2024 meeting. This report is provided in accordance with the System Policy 3.1 – Procurement, which is in compliance with OPEGA requirements.

#### RECOMMENDATION

*No action is required by the Committee at this time.*

**Maine Public Employees Retirement System  
Travel Report to the Board of Trustees  
For the Period of July 1, 2023 through September 30, 2023**

Traveler	In/Out of State	Dept.	Dates of Travel		Destination	Purpose of Travel	M&IE	Lodging	Transportation	Other	Reimbursed Expenses	Total Expenses	
Ackor, James	O	Investments	September 7, 2023	Thru	September 8, 2023	Minneapolis, MN	ShoreView LPAC and Annual Meeting	86.00	157.05	520.77	-	-	763.82
Ackor, James	O	Investments	September 19, 2023	Thru	September 19, 2023	Chicago, IL	Wynnchurch Fund VI due diligence session and visit with Shore Capital	56.00	-	604.41	-	-	660.41
Bennett, James	O	Investments	September 14, 2023	Thru	September 20, 2023	Jackson, WY	NASIO Conference	56.00	-	887.41	2,950.00	-	3,893.41
Collins, Quinn	O	Legal	September 18, 2023	Thru	September 22, 2023	Albuquerque, NM	NCSSA Conference	211.50	559.64	869.09	600.00	-	2,240.23
Keller, Seth	O	Investments	September 24, 2023	Thru	September 27, 2023	San Francisco/Palo Alto, CA	Capricorn Investments Group Annual Meeting, Bain Capital Ventures Annual Meeting, Farallon Capital and Voleon Group	163.00	1,344.64	774.28	-	-	2,281.92
Porter, Douglas	O	Investments	July 10, 2023	Thru	July 10, 2023	Boston, MA	BlackRock Fixed Income Conference, Pathlight Capital meeting	61.00	-	81.75	-	-	142.75
Porter, Douglas	O	Investments	September 7, 2023	Thru	September 7, 2023	New York, NY	Private Debt Investor Conference	59.00	-	589.86	-	-	648.86
Porter, Douglas	O	Investments	September 11, 2023	Thru	September 12, 2023	New York, NY	SLR Capital Annual Meeting, Limited Partner Advisory Committee	68.00	432.85	508.05	-	(750.65)	258.25
Vandrell, Sherry	O	Accounting	September 17, 2023	Thru	September 19, 2023	Middletown, RI	IMA Northeast Regional Conference	60.00	427.14	319.17	295.00	-	1,101.31
Staff	I	Various	July 1, 2023	Thru	September 30, 2023	-	Misc. Local Travel	133.62	-	854.31	-	-	987.93
Trustees	I	Trustees	July 1, 2023	Thru	September 30, 2023	-	Board Meetings	-	-	448.06	-	-	448.06
<b>TOTAL EXPENSES</b>							<b>954.12</b>	<b>2,921.32</b>	<b>6,457.16</b>	<b>3,845.00</b>	<b>(750.65)</b>	<b>13,426.95</b>	

\*Airfare and Lodging paid by Fund