



**MainePERS**

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Finance & Audit Committee

Public Meeting Packet

April 9, 2026

**MainePERS Board of Trustees  
Finance and Audit Committee Meeting  
April 9, 2026  
139 Capitol Street, Augusta**

**AGENDA**

8:00 a.m.		CALL TO ORDER		Shirrin Blaisdell
8:00 – 8:05 a.m.	1.	<u>MINUTES APPROVAL 2/12/2026 Meeting</u>	ACTION	Shirrin Blaisdell
8:05 – 8:15 a.m.	2.	<u>INTERNAL AUDIT PRESENTATION</u>		Sarah Lutzke, Wipfli Jennifer Lidback
		a. Death Benefit Processing		
8:15 – 8:45 a.m.	3.	<u>FY27 Draft Budget</u>		Dr. Rebecca M. Wyke Jennifer Lidback
		a. FY27 Draft Administration Operations Budget		
		b. FY27 Draft Investment Operations Budget		
8:45 – 8:55 a.m.	4.	<u>REPORT ON FINANCIAL OPERATIONS</u>		Jennifer Lidback
		a. 02/28/2026 Administration Operations Expense Report		
		b. 02/28/2026 Investment Operations Expense Report		
8:55 a.m.		<u>ADJOURNMENT</u>		Shirrin Blaisdell

# MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Minutes

Board of Trustees  
Meeting of the Finance and Audit Committee  
February 12, 2026

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 Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Finance and Audit Committee Chair Shirrin Blaisdell presided. Committee members Vice Chair Dick Metivier and Brian Noyes also participated. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Sherry Vandrell, Chief Financial Officer; Jennifer Lidback, Director of Finance; John Nichols, Assistant Attorney General; Sarah Lutzke, Wipfli; Mark LaPrade and Leah Clair; BerryDunn; Spencer Hathaway, Baker Newman Noyes; and Roger Alfaro, Paul Skeen, Kelly Bergey, and David Preciado, Eide Bailly.*

Shirrin Blaisdell called the meeting to order at 8:00 a.m.

### **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 Blaisdell called for acceptance of the minutes from the November 13, 2025 meeting of the Finance and Audit Committee.

- **Action:** Dick Metivier made the motion, seconded by Brian Noyes, to accept the minutes from the November 13, 2025 meeting. Voted unanimously by those Trustees participating (Blaisdell, Metivier, Noyes).

### **INTERNAL AUDIT PRESENTATION**

#### **Human Resource Practices Review**

Sarah Lutzke from Wipfli presented the results of the latest internal audit on human resource practices. Sarah shared that overall, it was a clean audit.

## **EXTERNAL AUDITOR HIRING RECOMMENDATION**

Sherry Vandrell stated after a competitive review process for external auditor, three firms were recommended to the Committee. Presentations were given by Mark LaPrade and Leah Clair of BerryDunn; Spencer Hathaway of Baker Newman Noyes; and Roger Alfaro Paul Skeen, Kelly Bergey, and David Preciado of Eide Bailly. The firms answered questions from the Committee.

- **Action.** Brian Noyes made the motion, seconded by Dick Metivier, to approve the recommendation from Sherry Vandrell and staff to retain BerryDunn as the external auditor for MainePERS. Voted unanimously by those Trustees participating (Blaisdell, Metivier, Noyes).

## **ADMINISTRATION**

### **Employer Reporting Update**

Sherry Vandrell shared 82% of employer accounts were fully reconciled through November 2025 as of February 2, 2026. Progress continues on the oldest accounts. Work is ongoing with the Portland Public Schools accounts.

### **Report on Internal Audit Activity**

Sherry shared the review of Death Benefit Processing Practices is complete and the final report and recommendations will be brought at a future meeting. She stated the next audit review has begun and will cover the Employer Auditing Program.

## **REPORT ON FINANCIAL OPERATIONS**

Jennifer Lidback reviewed the Administrative and the Investment Operations Reports for the six months ending December 31, 2025. Jennifer answered questions from the Trustees.

## **OPEGA REQUIRED REPORTING TO THE BOARD**

Jenn shared the travel expense report for quarter ending December 31, 2025 and the report on procurement activity for the six months ended December 31, 2025.

## **ADJOURNMENT**

The meeting adjourned at 8:55 a.m.

*The next meeting of the Finance and Audit Committee is expected to be held April 9, 2026, at the offices of the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, ME at 8:00 a.m.*

April 9, 2026  
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 PRESENTATION  
**DATE:** MARCH 30, 2026

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#### POLICY REFERENCE

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

#### INTERNAL AUDIT PRESENTATION

Sarah Lutzke from the audit firm Wipfli will be attending the April meeting of the Finance and Audit Committee to present the audit report resulting from the review of our Death Benefit Processing procedures. A copy of the audit report is included in your packet materials for your reference.

#### RECOMMENDATION

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

# Maine Public Employees Retirement System

Internal Audit: Death Benefits

Wipfli Advisory LLC

November 30, 2025

November 30, 2025

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

Dear Ms. Vandrell:

In accordance with the terms of our engagement letter dated September 26, 2025, we have completed an internal audit for Maine Public Employees Retirement System (MainePERS). The scope of this review is outlined in Appendix A – Procedures Performed. This review was performed as of November 30, 2025, and includes our recommendations related to the internal control environment.

The scope of this review 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 MainePERS's 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 MainePERS 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 Advisory LLC*

Wipfli Advisory LLP

# Executive summary

## Rating definitions

The rating definitions are as follows. Some or all of the factors described may apply.

### Satisfactory

Recommendations or best practices identified, if any, are minor, isolated, or low risk in nature and do not pose significant financial, operational, compliance or reporting risk. Internal control environment is designed and operating effectively.

### Needs Improvement

Recommendations identified warrant prompt attention. The internal control environment shows weaknesses in design or execution that may elevate financial, operational, compliance, or reporting risks.

### Unsatisfactory

Multiple new or repeat high-risk results are identified or there are repeat issues of a nature that will require an immediate commitment for correction. If uncorrected, the issues identified could lead to material financial liability, regulatory concern, or loss of revenue or reputation. Internal control environment is not designed or operating effectively.

## Overall ratings

Internal audit area	Overall rating
Death Benefits	Satisfactory

## 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)

- Significant control design issue or failure
- Repeat "moderate" findings for which corrective action was not taken in accordance with management's response
- Singular or multiple instances of noncompliance with a provision of a law, rule, or regulation
- Moderate to high potential of financial loss
- Potential reputational damage
- Significant impact on operational efficiency and effectiveness
- Threatened or actual loss of customers

### Moderate (1 finding)

- Control design issue or failure
- Repeat "low" findings for which corrective action was not taken in accordance with management's response
- Multiple instances of noncompliance with a provision of a law, rule, regulation, regulatory guideline, regulatory expectation, or internal policy or procedure
- Limited potential for financial loss
- Moderate impact on operational efficiency and effectiveness
- Moderate impact on implementation of other recommendations in the report

### Low (1 finding)

- Limited instances of noncompliance with a provision of a law, rule, regulation, regulatory guideline, regulatory expectation, or internal policy or procedure
- Minimal potential for financial loss
- Limited impact on operational efficiency or effectiveness
- Limited impact on other procedures and processes

# Results and recommendations

## Death benefit processing

1. One of fifteen death notifications we selected for testing was not performed timely. Survivor services was notified on July 29, 2025, of the death of member C. Gray that occurred on July 27, 2025. The death notification workflow was properly opened on July 29, 2025; however, no further progress was made on the workflow until November 13, 2025, when condolence letters were sent to his beneficiaries.

In addition, we obtained a system report of Pending Workflows that included 15 workflows (one death notification workflow, four post-RA death workflows, and 11 pre-RA death workflows) outstanding over one year. The analysis of, and escalation process for, stale workflows was not readily apparent.

Although we recognize that some extenuating circumstances were in place for the team during this time period, timely completion of the queue of workflows is a key control point for the Survivor Services team. We recommend management evaluate the stale workflows for potential research and resolution and enhance the formal process for escalation of items to ensure necessary resolution is achieved. (Moderate)

### Management Response

Management agrees with this recommendation.

MainePERS is currently engaged in a replacement of its Pension Administration System with a scheduled live operational target date window of June-September 2028. That new system will provide automated mechanisms which are intended to avoid any accumulation of stale workflows and to address aging workflows. In the interim, MainePERS will utilize an existing query of aging workflows in order to identify any pending death benefits that are aging. This data will be reviewed at least monthly by the unit's supervisor who will follow up accordingly with staff.

2. We noted two stale references within written practice documents, including:
  - Several documents referenced Survivor Services Practice 5.1.2. Our understanding is that this practice document was updated to Member Services Practice 1.2.3. References in various practice documents should be updated, as necessary.
  - There is a reference within Member Services Practice 1.2.3 to Member Services Practice 1.2.2, which we determined was repealed in October 2024, so this reference should be removed accordingly.

We recommend these documents be updated accordingly. (Low)

#### Management Response

Management agrees with this recommendation.

Regarding the several documents referencing Survivor Services Practice 5.1.2 which should instead reference Member Services Practice 1.2.3: MainePERS has identified that Survivor Services Practices 5.1.3, 5.4.1, and 5.4.13 each contain a stale reference to Survivor Services Practice 5.1.2. Survivor Services Practices 5.1.3, 5.4.1, and 5.4.13 are next due for review and updates per MainePERS System Policy 1.0 in August, February, and August of 2026, respectively. Each of these will be updated on an expedited basis, also in keeping with MainePERS System Policy 1.0, by the end of February 2026 with regard to the stale references.

Regarding a reference within Member Services Practice 1.2.3 to Member Services Practice 1.2.2, which should be updated due to the repeal of Member Services Practice 1.2.2: Member Services Practice 1.2.3 is next due for review by the responsible MainePERS entity in March 2026. The stale reference to Member Services Practice 1.2.2. will be updated at that time. MainePERS also has identified a stale reference Member Services Practice 1.2.2. in Disability Services Practice 2.1.4. That also will be updated on an expedited basis by the end of March 2026.

# Procedures performed

## Death benefit processing

We completed an internal audit of death benefit processing, the objective of which was to evaluate internal controls, policies, and procedures related to the processing of death benefits, and to confirm that payments were accurate, timely, and compliance with relevant plan provisions and regulations. In order to meet this objective, the following detailed procedures were performed:

- Walkthroughs of key control processes was completed, as attended by Sarah Lutzke from Wipfli and Andrew Rasche, Stacey Beckin, and Elle Wetter from MainePERS. Processes discussed include claim notification and intake, use of death audit services, beneficiary identification and verification, payment calculations, payment disbursements, maintenance of supporting documentation, and handling of overpayments. Segregation of duties and management oversight of processes discussed and tested were deemed to be appropriate.
- Written policies and procedures related to death benefit processing were obtained and read. Written procedures are sufficiently detailed to provide guidance and support to staff on proper operating procedures.
- Fifteen death notification workflows were selected from a listing of death notifications initiated in July, August, and September 2025. For each death notification selected, we performed the following procedures:
  - ▶ Confirmed appropriate supporting documentation was on file to support the death; including obituaries, LexisNexis searches, or phone calls/notification.
  - ▶ Ensured a sympathy letter was sent to the beneficiary on file and was performed timely.
  - ▶ Recalculated the final payment or the payment adjustment required based on the option selected at retirement; the date of death, and date of notification.
  - ▶ Traced the final payment or payment adjustment to V3 entry and check or ACH entry.
  - ▶ Confirmed a sufficient audit trail was available related to the intake, processing, and completion of death notification workflows, pre -RA death workflows, and post RA death workflows.
- Confirmed a sufficient audit trail was available related to the intake, processing, and completion of death notification workflows, pre-RA death workflows, and post-RA death workflows. The September 30, 2025, reconciliation of Member A/R general ledgers 1210-1211 was obtained. This general ledger houses the balances of member overpayments in process of collections, among other transaction types. We noted proper evidence of completion of the monthly reconciliation, as well as independent review.
- We selected six entries to this general ledger occurring between June and September 2025. For each, we recalculated the initial overpayment, verified the reclamation was performed with the five-day period required, that the amount reclaimed was accurate, and that notification to beneficiaries of any outstanding balances were accurate and appropriate. Timely resolution of these balances, including write-off or transfer to the allowance for doubtful accounts, was evaluated.
- We verified software used by Survivor Services was appropriately restricted to staff in that department or with a logistical need for access.

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**MAINEPERS**

**FINANCE AND AUDIT COMMITTEE MEMORANDUM**

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**TO:** FINANCE AND AUDIT COMMITTEE MEMBERS  
**FROM:** DR. REBECCA M. WYKE, CEO  
**SUBJECT:** FY27 PROPOSED OPERATING BUDGET – ADMINISTRATIVE AND INVESTMENT OPERATIONS  
**DATE:** APRIL 6, 2026

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Attached are the draft administrative and investment operations budgets for the fiscal year ending June 30, 2027, 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 5.9%, or \$1,402,326 increase over the budget approved for FY26. Personal services are proposed to increase by 4.3% and operating expenses are proposed to increase by 9.3%. The administrative operations budget also includes \$874,860 for the PAS project.

The proposed increase to personal services includes \$469,000 in salaries and benefits for the 4 PAS project staff. Also included are a general cost of living increase, step increases for bargaining unit staff, and performance pay for confidential staff, as well as the impact of FY26 mid-year compensation adjustments and a 1% attrition factor. Two new positions are included in the budget: a part-time Director of Special Projects for Employer Services and a part-time IT developer. Benefits include projected increases in health and dental premium costs (6% and 2%) and a full year of the cost related to the Family Medical Leave law, the FY 26 budget only included 2 months.

The proposed increase to operating expenses includes \$415,516 for professional services associated with the PAS project. Also included are increased costs for cybersecurity

services, software licensing, and hardware maintenance. The cost of the 5-year actuarial audit is included under miscellaneous professional services. Other increases to operating expenses include medical consultation, depreciation, building and grounds, as well as postage and internet. These proposed expenses are partially offset by savings in computer equipment, financial audit fees, and actuarial services due to the completion of the 5-year experience study and the GLI premium study.

### **INVESTMENT OPERATIONS BUDGET**

The investment operations budget as proposed is a 5.7%, or \$393,582 increase over the budget approved for FY26. Personal services are proposed to increase by 4.6% and operating expenses are proposed to increase by 6.6%.

The proposed increase to personal services includes a general cost of living increase and performance pay for confidential staff, as well as the impact of FY26 mid-year compensation adjustments. One new investment analyst position is included in the budget. Benefits include projected increases in health and dental premium costs (6% and 2%) and a full year of the cost related to the Family Medical Leave law, the FY 26 budget only included 2 months.

The proposed increase to operating expenses includes increased costs for a server replacement, internet services, training and travel, and professional services. These increased expenses are partially offset by a reduction to legal fees based on a 6-year historical average.

**Maine Public Employees Retirement System  
Proposed Administrative Expenses Budget  
For the Fiscal Year Ended June 30, 2027**

	FY26 Budgeted	As of 2/28/2026 FY26 Expected	FY27 Budgeted	FY27 Budget vs. FY26 Expected	FY27 Budget vs. FY26 Budget	FY27 Budget vs. FY26 Budget
<b>Personnel Services</b>						
Salaries & Wages						
Salaries and Wages	\$ 11,444,890	\$ 11,169,354	\$ 11,866,632	\$ 697,278	\$ 421,742	3.7%
Overtime Wages	-	107,928	-	(107,928)	-	
Total Salaries & Wages	<u>11,444,890</u>	<u>11,277,282</u>	<u>11,866,632</u>	<u>589,350</u>	<u>421,742</u>	<u>3.7%</u>
Benefits						
Health Insurance	\$ 2,696,390	2,551,571	\$ 2,897,934	346,363	201,544	7.5%
MainePERS Retirement Contributions	1,438,573	1,398,335	1,477,290	78,955	38,717	2.7%
Retiree Health Insurance Reserve	10,739	10,739	12,874	2,135	2,135	19.9%
Other Insurance and Benefits	35,250	31,713	35,250	3,537	-	0.0%
Total Benefits	<u>4,180,952</u>	<u>3,992,358</u>	<u>4,423,348</u>	<u>430,990</u>	<u>242,396</u>	<u>5.8%</u>
<b>Total Personnel Services</b>	<u><u>15,625,842</u></u>	<u><u>15,269,640</u></u>	<u><u>16,289,980</u></u>	<u><u>1,020,340</u></u>	<u><u>664,138</u></u>	<u><u>4.3%</u></u>
<b>Operating Expenses</b>						
Computer Equipment, Supplies and Supports	2,984,996	2,807,793	3,315,378	507,585	330,382	11.1%
Medical Consultation Services	291,700	254,763	374,000	119,237	82,300	28.2%
Training, Continuing Education and Tuition	107,320	104,693	125,528	20,835	18,208	17.0%
Travel	60,186	62,082	70,422	8,340	10,237	17.0%
Depreciation	493,199	455,365	587,520	132,155	94,321	19.1%
Professional Services						
Actuarial Services	603,150	604,619	535,448	(69,172)	(67,703)	-11.2%
Audit Services	153,500	117,226	119,000	1,774	(34,500)	-22.5%
Legal Services	214,224	135,913	212,000	76,087	(2,224)	-1.0%
Hearing Officers Services	40,400	17,790	25,400	7,610	(15,000)	-37.1%
Miscellaneous Professional Services	778,094	585,642	815,297	229,655	37,203	4.8%
Total Professional Services	<u>1,789,367</u>	<u>1,461,190</u>	<u>1,707,144</u>	<u>245,954</u>	<u>(82,223)</u>	<u>-4.6%</u>
Other Operating Expenses						
Buildings and Operations	537,909	558,800	639,835	81,035	101,926	18.9%
Capital Lease Expense	555,969	555,969	564,885	8,916	8,916	1.6%
Insurance	92,673	90,098	115,540	25,442	22,867	24.7%
Printing and Publications	228,113	235,194	230,213	(4,981)	2,099	0.9%
Postage	376,775	391,987	442,094	50,107	65,319	17.3%
Telephone	180,997	173,466	220,175	46,709	39,178	21.6%
Other	268,867	271,700	313,525	41,825	44,658	16.6%
Total Other Operating Expenses	<u>2,241,304</u>	<u>2,277,214</u>	<u>2,526,267</u>	<u>249,053</u>	<u>284,963</u>	<u>12.7%</u>
<b>Total Operating Expenses</b>	<u><u>7,968,072</u></u>	<u><u>7,423,100</u></u>	<u><u>8,706,259</u></u>	<u><u>1,283,159</u></u>	<u><u>738,188</u></u>	<u><u>9.3%</u></u>
<b>Total Administrative Expenses</b>	<u><u>\$ 23,593,914</u></u>	<u><u>\$ 22,692,740</u></u>	<u><u>\$ 24,996,240</u></u>	<u><u>\$ 2,303,500</u></u>	<u><u>\$ 1,402,326</u></u>	<u><u>5.9%</u></u>

**Maine Public Employees Retirement System**  
**Proposed Investment Operations Expenses Budget**  
**For the Fiscal Year Ended June 30, 2027**

	FY26 Budgeted	As of 2/26/2026 FY26 Expected	FY27 Budgeted	FY27 Budget vs. FY26 Expected	FY27 Budget vs. FY26 Budget	FY27 Budget vs. FY26 Budget
<b>Personnel Services</b>						
Salaries & Wages						
Salaries and Wages	\$ 2,452,119	\$ 2,371,023	\$ 2,534,031	\$ 163,007	\$ 81,912	3.3%
Overtime Wages	-	-	-	-	-	
Total Salaries & Wages	2,452,119	2,371,023	2,534,031	163,007	81,912	3.3%
Benefits						
Health Insurance	336,159	332,564	392,989	60,424	56,830	16.9%
MainePERS Retirement Contributions	419,457	397,929	430,320	32,391	10,863	2.6%
Retiree Health Insurance Reserve	2,685	2,685	1,430	(1,255)	(1,254)	-46.7%
Other Insurance and Benefits	2,500	2,203	2,750	547	250	10.0%
Total Benefits	760,800	735,381	827,489	92,108	66,689	8.8%
<b>Total Personnel Services</b>	<b>3,212,919</b>	<b>3,106,405</b>	<b>3,361,520</b>	<b>255,115</b>	<b>148,601</b>	<b>4.6%</b>
	-	-	-			
<b>Operating Expenses</b>						
Computer Equipment, Supplies and Supports	196,210	203,603	193,717	(9,886)	(2,493)	-1.3%
Medical Consultation Services	-	-	-	-	-	
Training, Continuing Education and Tuition	11,300	13,470	11,300	(2,170)	-	0.0%
Travel	78,700	43,680	78,700	35,020	-	0.0%
Depreciation	10,671	10,671	9,956	(715)	(715)	-6.7%
Professional Services						
Actuarial Services	-	-	-	-	-	
Audit Services	58,500	58,500	56,000	(2,500)	(2,500)	-4.3%
Legal Services	900,000	785,099	700,000	(85,099)	(200,000)	-22.2%
Investment Consulting	1,225,000	1,218,333	1,638,500	420,167	413,500	33.8%
Proxy Voting Services	24,037	24,518	25,998	1,480	1,961	8.2%
Custody Services	770,000	770,000	800,000	30,000	30,000	3.9%
Other Professional Services	18,500	18,500	6,500	(12,000)	(12,000)	-64.9%
Total Professional Services	2,996,037	2,874,950	3,226,998	352,048	230,961	7.7%
Other Operating Expenses						
Buildings and Operations	139,496	142,909	145,512	2,603	6,016	4.3%
Capital Lease Expense	155,995	155,998	160,418	4,420	4,423	2.8%
Insurance	23,941	11,155	7,813	(3,342)	(16,128)	-67.4%
Printing and Publications	-	42	-	(42)	-	
Postage	750	498	750	252	-	0.0%
Telephone	47,519	44,045	66,445	22,400	18,926	39.8%
Other	33,789	34,173	37,781	3,608	3,992	11.8%
Total Other Operating Expenses	401,490	388,820	418,718	29,898	17,228	4.3%
Transfers to Reserves - MePERS	-	-	-	-	-	
<b>Total Operating Expenses</b>	<b>3,694,408</b>	<b>3,535,194</b>	<b>3,939,389</b>	<b>404,195</b>	<b>244,981</b>	<b>6.6%</b>
<b>Total Investment Operations Expenses</b>	<b>\$ 6,907,327</b>	<b>\$ 6,641,599</b>	<b>\$ 7,300,909</b>	<b>\$ 659,310</b>	<b>\$ 393,582</b>	<b>5.7%</b>

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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  
JENNIFER LIDBACK, DIRECTOR OF FINANCE  
**SUBJECT:** FY26 – FEBRUARY 2026 OPERATING AND INVESTMENT EXPENSE  
REPORTS  
**DATE:** MARCH 30, 2026

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Reports of operating expenses for both administration and investment operations for the eight months ended February 28, 2026 are included in your packet materials. 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](#)

### REVIEW OF FY26 OPERATING EXPENSES THROUGH DECEMBER 31<sup>ST</sup>

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

#### Administration

(1) **Personal Services** (Under budget 2.28% or \$356,204) – Personal services costs include salaries and wages, along with associated benefits. Salaries and wages are currently projected to be under budget for the year. While we continue to utilize overtime to address pockets of backlogged work, these costs are being offset by savings from vacancies. Included in this surplus projection are savings in health insurance costs related, in part, to vacancies, but also to staff utilization of the benefit.

(2) **Computer Equipment, Supplies and Supports** (Under budget 5.94% or \$177,203) – Computer equipment, supplies and supports includes maintenance and support costs for various IT applications used to support MainePERS' business. This surplus is primarily a

reduction in projected costs to support the V3 Line of Business System as we are doing minimal changes and updates to that system and only as needed.

(3) **Other Professional Services** (Under budget by 24.73% or \$192,452) – Other professional services includes supports planned for as part of the new Pension Administration System (PAS) project. As the project continues, some of the supports needed are being aligned with future phases of the project and those dollars will be shifted to the appropriate fiscal year budget period, with no impact on the total cost originally planned.

#### Investment Operations

(1) **Personnel Services** (Under budget by 3.3% or \$106,515) – We had previously reported a much smaller projected surplus in personnel services for the investment operations budget. This projection has now been refined based on actual start dates for the two newest investment analysts who started in January 2026.

(2) **Legal Services** (Under budget 12.77% or \$114,901) – The projections for legal services were adjusted based on current actual utilization for the first eight months of the year. We will continue to monitor and make adjustments as appropriate in future reports.

#### **RECOMMENDATION**

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

**Maine Public Employees Retirement System**  
**FY26 Administrative Expenses YTD**  
**And Year End Projection**

	FY26 Budgeted	FY26 Actual Thru 02/28/2026	FY26 Projected Remaining	FY26 Total Expected	Projected Surplus (Deficit)
<b>Personnel Services</b>					
Salaries & Wages					
Salaries and Wages	\$ 11,444,892	\$ 7,155,381	\$ 4,013,973	\$ 11,169,354	\$ 275,538
Overtime Wages	-	107,928	-	107,928	(107,928)
Total Salaries & Wages	11,444,892	7,263,309	4,013,973	11,277,282	167,610
Benefits					
Health Insurance	2,696,390	1,559,150	992,421	2,551,571	144,819
MainePERS Retirement Contributions	1,438,573	896,246	502,089	1,398,335	40,238
Retiree Health Insurance Reserve	10,739	7,159	3,580	10,739	-
Other Insurance and Benefits	35,250	38,176	(6,463)	31,713	3,537
Total Benefits	4,180,952	2,500,731	1,491,627	3,992,358	188,594
<b>Total Personnel Services</b>	<b>15,625,844</b>	<b>9,764,040</b>	<b>5,505,600</b>	<b>15,269,640</b>	<b>356,204</b>
<b>Operating Expenses</b>					
Computer Equipment, Supplies and Supports	2,984,996	1,918,967	888,826	2,807,793	177,203
Medical Consultation Services	291,700	177,163	77,600	254,763	36,937
Training and Tuition	107,320	40,898	63,795	104,693	2,627
Travel	60,186	19,123	42,959	62,082	(1,896)
Depreciation	493,199	317,203	138,162	455,365	37,834
Professional Services					
Actuarial Services	603,150	250,161	354,458	604,619	(1,469)
Audit Services	153,500	95,186	22,040	117,226	36,274
Legal Services	214,224	72,064	63,849	135,913	78,311
Hearing Officers Services	40,400	11,390	6,400	17,790	22,610
Other Professional Services	778,094	274,956	310,686	585,642	192,452
Total Professional Services	1,789,368	703,757	757,433	1,461,190	328,178
Other Operating Expenses					
Buildings and Operations	537,909	350,722	208,078	558,800	(20,891)
Capital Lease Expense	555,969	369,285	186,684	555,969	-
Insurance	92,673	75,267	14,831	90,098	2,575
Printing and Publications	228,113	124,904	110,290	235,194	(7,081)
Postage	376,775	268,565	123,422	391,987	(15,212)
Telephone	180,997	116,475	56,991	173,466	7,531
Other	268,865	184,031	87,669	271,700	(2,835)
Total Other Operating Expenses	2,241,301	1,489,249	787,965	2,277,214	(35,913)
<b>Total Operating Expenses</b>	<b>7,968,070</b>	<b>4,666,360</b>	<b>2,756,740</b>	<b>7,423,100</b>	<b>544,970</b>
<b>Total Administrative Expenses</b>	<b>\$ 23,593,914</b>	<b>\$ 14,430,400</b>	<b>\$ 8,262,340</b>	<b>\$ 22,692,740</b>	<b>\$ 901,174</b>

**Maine Public Employees Retirement System**  
**FY26 Investment Operations Expenses YTD**  
**And Year End Projection**

	FY26 Budgeted	FY26 Actual Thru 02/28/2026	FY26 Projected Remaining	FY26 Total Expected	Projected Surplus (Deficit)
<b>Personnel Services</b>					
Salaries & Wages					
Salaries and Wages	\$ 2,452,119	\$ 1,498,304	\$ 872,718	\$ 2,371,023	\$ 81,096
Overtime Wages	-	-	-	-	-
Total Salaries & Wages	<u>2,452,119</u>	<u>1,498,304</u>	<u>872,718</u>	<u>2,371,023</u>	<u>81,096</u>
Benefits					
Health Insurance	336,159	197,920	134,644	332,564	3,594
MainePERS Retirement Contributions	419,457	248,086	149,843	397,929	21,528
Retiree Health Insurance Reserve	2,685	1,790	895	2,685	(0)
Other Insurance and Benefits	<u>2,500</u>	<u>1,003</u>	<u>1,200</u>	<u>2,203</u>	<u>297</u>
Total Benefits	<u>760,800</u>	<u>448,800</u>	<u>286,582</u>	<u>735,381</u>	<u>25,419</u>
<b>Total Personnel Services</b>	<u><u>3,212,919</u></u>	<u><u>1,947,104</u></u>	<u><u>1,159,300</u></u>	<u><u>3,106,405</u></u>	<u><u>106,515</u></u>
<b>Operating Expenses</b>					
Computer Equipment, Supplies and Supports	196,210	142,859	60,744	203,603	(7,393)
Medical Consultation Services	-	-	-	-	-
Training and Tuition	11,300	10,120	3,350	13,470	(2,170)
Travel	78,700	19,984	23,696	43,680	35,020
Depreciation	10,671	2,847	7,824	10,671	-
Professional Services					
Actuarial Services	-	-	-	-	-
Audit Services	58,500	58,500	-	58,500	-
Legal Services	900,000	495,099	290,000	785,099	114,901
Investment Consulting	1,225,000	810,000	408,333	1,218,333	6,667
Proxy Voting Services	24,037	16,183	8,335	24,518	(481)
Custody Services	770,000	513,336	256,664	770,000	-
Other Professional Services	<u>18,500</u>	<u>-</u>	<u>18,500</u>	<u>18,500</u>	<u>-</u>
Total Professional Services	<u>2,996,037</u>	<u>1,893,118</u>	<u>981,832</u>	<u>2,874,950</u>	<u>121,087</u>
Other Operating Expenses					
Buildings and Operations	139,496	90,426	52,483	142,909	(3,413)
Capital Lease Expense	155,995	102,522	53,476	155,998	(3)
Insurance	23,941	3,878	7,277	11,155	12,786
Printing and Publications	21	42	-	42	(21)
Postage	750	198	300	498	252
Telephone	47,519	42,736	1,309	44,045	3,474
Other	<u>33,768</u>	<u>25,104</u>	<u>9,070</u>	<u>34,173</u>	<u>(405)</u>
Total Other Operating Expenses	<u>401,490</u>	<u>264,905</u>	<u>123,916</u>	<u>388,820</u>	<u>12,670</u>
<b>Total Operating Expenses</b>	<u><u>3,694,408</u></u>	<u><u>2,333,833</u></u>	<u><u>1,201,361</u></u>	<u><u>3,535,194</u></u>	<u><u>159,214</u></u>
<b>Total Investment Operations Expenses</b>	<u><u>\$ 6,907,327</u></u>	<u><u>\$ 4,280,937</u></u>	<u><u>\$ 2,360,662</u></u>	<u><u>\$ 6,641,599</u></u>	<u><u>\$ 265,728</u></u>