



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Finance and Audit Committee

Public Meeting Packet

April 10, 2025

**MainePERS Board of Trustees
Finance and Audit Committee Meeting
April 10, 2025
139 Capitol Street, Augusta**

AGENDA

8:00 a.m.	CALL TO ORDER		Shirrin Blaisdell
8:00 – 8:05 a.m.	1. MINUTES APPROVAL 2/13/2025 Meeting	ACTION	Shirrin Blaisdell
8:05 – 8:35 a.m.	2. FY26 Proposed Operating Budgets a. FY26 Draft Administrative Operations Budget b. FY26 Draft Investment Operations Budget		Dr. Rebecca M. Wyke Sherry Vandrell
8:35 – 8:45 a.m.	3. REPORT ON FINANCIAL OPERATIONS a. 02/28/2025 Administrative Operations Expense Report b. 02/28/2025 Investment Operations Expense Report		Sherry Vandrell
8:45 – 8:55 a.m.	4. ADMINISTRATION a. Employer Reporting Update b. Report on Internal Audit		Sherry Vandrell
8:55 a.m.	ADJOURNMENT		Shirrin Blaisdell

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Meeting of the Finance and Audit Committee
February 13, 2025

MainePERS
Remote
8:00 a.m.

The meeting of the Finance and Audit Committee was held at 8:00 a.m. through video remote access due to a weather related closure for the office of the Maine Public Employees Retirement System, 139 Capitol Street, Augusta, Maine. Shirrin Blaisdell, Finance and Audit Committee Chair, presided. Committee members Dick Metivier, Vice Chair; and Brian Noyes also participated. Joining the Trustees were Dr. Rebecca M. Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer/General Counsel; Sherry Vandrell, Chief Financial Officer; and Jenn Lidback, Assistant Director of Finance and Budget.

Shirrin Blaisdell called the meeting to order at 8:00 a.m. Shirrin called for nominations for committee chair and vice chair.

SELECTION OF COMMITTEE CHAIR AND VICE CHAIR

- Action. Dick Metivier made the motion, seconded by Brian Noyes, 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 14, 2024 meeting of the Finance and Audit Committee.

- Action: Brian Noyes made the motion, seconded by Dick Metivier, to accept the minutes from the November 13, 2024 meeting. Voted unanimously by those Trustees participating (Blaisdell, Metivier, Noyes).

ADMINISTRATION

Employer Reporting Update

Sherry Vandrell provided an update on the employer reporting status. Sherry shared that 93% of employers reported on time for December, which was a significant improvement from the previous quarter. Sherry stated employer account reconciliations continue to be an ongoing focus of work with 82.8% of all employer accounts fully reconciled through November. She shared the Employer Reporting Unit is fully staffed in order to address backlogs and prepare for the new pension administration system. Sherry stated progress continues on the work with Portland Public Schools to reconcile and clean up member accounts. Sherry answered questions from the Trustees.

Report on the Pension Administration System (PAS) Budget

Sherry reported the PAS budget is on track for this budget year.

Report on Internal Audit

Sherry stated two audits were being done concurrently. One audit is reviewing the MaineSTART processes and the other is reviewing the actuarial processes. The next area for review will be the legislative processes.

REPORT ON FINANCIAL OPERATIONS

Sherry reviewed the Administrative and the Investment Operations Reports for the six months ended December 31, 2024. Sherry discussed and answered questions from the Committee on various portions of both expense reports.

OPEGA REQUIRED REPORTING TO THE BOARD

Sherry provided the Trustees with the travel expense report for the quarter ended December 31, 2024. She also provided them with the procurement report for the six months ended December 31, 2024.

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 8:25 a.m.

The next meeting of the Finance and Audit Committee is expected to be held April 10, 2025 at 8:00 a.m.

April 10, 2025
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: FY26 PROPOSED OPERATING BUDGET – ADMINISTRATIVE AND INVESTMENT OPERATIONS
DATE: APRIL 3, 2025

I have included draft administrative and investment operations budgets for the fiscal year ending June 30, 2026, 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 7.7%, or \$1,697,942 increase over the budget approved for FY24 and a 10.4% increase over expected expenses for this year. Personnel services are proposed to increase by 8.5%, or \$1,227,205.

The proposed increase to personal services includes projected increases in health and dental premium costs (6% and 2%), a general cost of living increase, step increases for bargaining unit staff, and performance pay for confidential staff, as well as the impact of FY25 mid-year compensation adjustments. Additional increases include a lump sum bonus for bargaining unit staff as well as retention bonuses related to the PAS project, as agreed to in the contract. The budget also includes a full year of the cost related to the Family Medical Leave law that took effect January 1, 2025 and requires employers to contribute 1% of payroll in the first year to a state-wide fund to support Maine employees who otherwise might not have access to paid family

medical leave. The budget assumes the 1% rate will not change in January 2026. Personal services also includes \$437,814 in salaries and benefits for the 4 PAS project staff.

The administrative operating expenses other than personnel are expected to increase this coming year by 6.3%, or \$470,737. Included in this increase are the costs associated with replacing aging IT equipment for staff and improvements in our IT infrastructure ahead of standing up the initial version of the new PAS system in the new year. Actuarial services are also expected to increase in the new year as we are due for another experience study. The operating expenses also include \$435,590 for professional services associated with the PAS project.

INVESTMENT OPERATIONS BUDGET

The investment operations budget is expected to remain flat in the new fiscal year overall. Personnel services are expected to increase by \$287,773, or 9.8%. In addition to anticipated cost of living increases and performance pay for confidential staff, there is one vacant position in the budget that was budgeted for 6 months in FY25 and we are seeking to fund that position for the full year in FY26. There are plans currently underway to recruit for this position prior to the end of the current fiscal year.

The budget also includes projected increases in health and dental premium costs (6% and 2%) and the impact of FY25 mid-year compensation adjustments.

Operating expenses are expected to decrease 7.3%, or \$289,214. The primary driver for this decrease is a reduction in proposed legal services expenses of \$240,000 and professional services of \$100,000.

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, 2026

	FY 25 Budgeted	FY25 Expected	FY 26 Budgeted	FY 26 Budget vs. FY25 Expected	FY 26 Budget vs. FY 25 Budget	FY 26 Budget vs. FY 25 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 10,651,839	\$ 10,437,379	\$ 11,444,890	\$ 1,007,511	\$ 793,051	7.4%
Overtime Wages	-	100,579	-	(100,579)	-	
Total Salaries & Wages	10,651,839	10,537,958	11,444,890	906,932	793,051	7.4%
Benefits						
Health Insurance	\$ 2,500,137	2,380,869	\$ 2,794,625	413,756	294,488	11.8%
MainePERS Retirement Contributions	1,307,416	1,251,433	1,438,573	187,140	131,157	10.0%
Retiree Health Insurance Reserve	9,480	9,480	10,739	1,259	1,259	13.3%
Other Insurance and Benefits	28,000	28,000	35,250	7,250	7,250	25.9%
Total Benefits	3,845,032	3,669,782	4,279,187	609,405	434,154	11.3%
Total Personnel Services	14,496,871	14,207,740	15,724,077	1,516,337	1,227,205	8.5%
	-	-	-			
Operating Expenses						
Computer Equipment, Supplies and Supports	2,841,100	2,815,918	2,984,996	169,078	143,896	5.1%
Medical Consultation Services	244,500	198,634	291,700	93,066	47,200	19.3%
Training, Continuing Education and Tuition	122,764	121,678	107,320	(14,358)	(15,444)	-12.6%
Travel	57,435	50,578	60,186	9,608	2,751	4.8%
Depreciation	450,963	432,510	493,199	60,689	42,236	9.4%
Professional Services						
Actuarial Services	397,140	431,437	603,150	171,713	206,010	51.9%
Audit Services	142,000	142,000	153,500	11,500	11,500	8.1%
Legal Services	211,500	277,321	214,224	(63,097)	2,724	1.3%
Hearing Officers Services	50,500	37,548	40,400	2,852	(10,100)	-20.0%
Miscellaneous Professional Services	839,053	572,731	778,094	205,363	(60,960)	-7.3%
Total Professional Services	1,640,193	1,461,037	1,789,367	328,330	149,174	9.1%
Other Operating Expenses						
Buildings and Operations	496,127	505,335	537,909	32,574	41,782	8.4%
Capital Lease Expense	549,397	546,915	555,969	9,054	6,572	1.2%
Insurance	109,100	106,824	92,673	(14,151)	(16,427)	-15.1%
Printing and Publications	198,121	207,478	228,113	20,635	29,992	15.1%
Postage	370,705	378,264	376,775	(1,489)	6,070	1.6%
Telephone	166,992	170,570	180,997	10,427	14,005	8.4%
Other	249,938	251,768	268,867	17,099	18,929	7.6%
Total Other Operating Expenses	2,140,380	2,167,154	2,241,304	74,150	100,924	4.7%
Total Operating Expenses	7,497,335	7,247,509	7,968,072	720,563	470,737	6.3%
Total Administrative Expenses	\$ 21,994,206	\$ 21,455,249	\$ 23,692,148	\$ 2,236,899	\$ 1,697,942	7.7%

Maine Public Employees Retirement System
Proposed Investment Operations Expenses Budget
For the Fiscal Year Ended June 30, 2026

	FY 25 Budgeted	FY25 Expected	FY 26 Budgeted	FY 26 Budget vs. FY25 Expected	FY 26 Budget vs. FY 25 Budget	FY 26 Budget vs. FY 25 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 2,258,055	\$ 2,290,176	\$ 2,452,119	\$ 161,943	\$ 194,064	8.6%
Overtime Wages	-	-	-	-	-	
Total Salaries & Wages	2,258,055	2,290,176	2,452,119	161,943	194,064	8.6%
Benefits						
Health Insurance	317,028	310,910	357,206	46,296	40,178	12.7%
MainePERS Retirement Contributions	368,740	360,117	419,457	59,340	50,717	13.8%
Retiree Health Insurance Reserve	2,370	2,280	2,685	405	315	13.3%
Other Insurance and Benefits	-	-	2,500	2,500	2,500	
Total Benefits	688,138	673,307	781,847	108,541	93,710	13.6%
Total Personnel Services	2,946,193	2,963,483	3,233,966	270,483	287,773	9.8%
	-	-	-			
Operating Expenses						
Computer Equipment, Supplies and Supports	158,781	152,121	196,210	44,089	37,429	23.6%
Medical Consultation Services	-	-	-	-	-	
Training, Continuing Education and Tuition	29,500	29,500	11,300	(18,200)	(18,200)	-61.7%
Travel	79,300	76,151	78,700	2,549	(600)	-0.8%
Depreciation	4,271	4,271	10,671	6,400	6,400	149.8%
Professional Services						
Actuarial Services	-	-	-	-	-	
Audit Services	57,000	57,000	58,500	1,500	1,500	2.6%
Legal Services	1,140,000	327,873	900,000	572,127	(240,000)	-21.1%
Investment Consulting	1,245,000	1,235,000	1,225,000	(10,000)	(20,000)	-1.6%
Proxy Voting Services	24,037	24,037	24,037	-	-	0.0%
Custody Services	750,000	750,000	770,000	20,000	20,000	2.7%
Other Professional Services	118,500	118,500	18,500	(100,000)	(100,000)	-84.4%
Total Professional Services	3,334,537	2,512,410	2,996,037	483,627	(338,500)	-10.2%
Other Operating Expenses						
Buildings and Operations	136,196	134,086	139,496	5,410	3,300	2.4%
Capital Lease Expense	151,679	157,342	155,995	(1,347)	4,316	2.8%
Insurance	8,683	15,081	23,941	8,860	15,258	175.7%
Printing and Publications	-	24	-	(24)	-	
Postage	540	629	750	121	210	38.9%
Telephone	49,608	50,195	47,519	(2,676)	(2,089)	-4.2%
Other	30,526	32,140	33,789	1,650	3,263	10.7%
Total Other Operating Expenses	377,232	389,497	401,490	11,993	24,257	6.4%
Transfers to Reserves - MePERS	-	-	-	-	-	
Total Operating Expenses	3,983,621	3,163,950	3,694,408	530,458	(289,214)	-7.3%
Total Investment Operations Expenses	\$ 6,929,814	\$ 6,127,433	\$ 6,928,374	\$ 800,942	\$ (1,440)	0.0%

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: FY25 – FEBRUARY 2025 OPERATING AND INVESTMENT EXPENSE REPORTS
DATE: MARCH 31, 2025

Reports of operating expenses for both administration and investment operations for the eight months ended February 28, 2024 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 FY25 OPERATING EXPENSES THROUGH FEBRUARY 28TH

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

Administration

(1) **Personal Services** (Under budget 2.0% or \$289,131) – Personal services costs include salaries and wages, along with associated benefits. The projected surplus in personal services is directly related to vacancy savings due to turnover and delays in filling several of the new positions added for FY25, offset by overtime and other adjustments. I continue to monitor the personal services lines and we will adjust the use of overtime as currently vacant positions are filled.

(2) **Computer Equipment, Supplies and Supports** (Under budget 1.0% or \$29,017) – Computer equipment, supplies and supports includes maintenance and support costs for various IT applications used to support MainePERS' business. Several support contracts have renewed in the first two quarters of the year at somewhat higher costs than anticipated, including our

Cybersecurity contract with Tyler Technologies. In February I reported that we were spending less in enhancement and maintenance costs for our current PAS in anticipation of replacing it and I expected there would be additional savings to cover this overage. The projections for this line and others in the IT budget have been updated to reflect that change.

(3) **Actuarial Services** (Over budget by 8.6% or \$34,297) – Actuarial services are expected to be over budget this year based in part on the cost of the FY24 GLI premium study that was completed in the fall of this fiscal year and an increase in costs associated with the work being done in anticipation of changes in funding expected for the State / Teacher Plan in 2028. The GLI premium study was budgeted in the FY24 budget and most of the work was conducted in FY24, but the work was completed and invoiced in the FY25 budget year.

(4) **Other Professional Services** (Under budget by 31.7% or \$266,322) – several things make up this expected surplus, including the anticipated costs associated with the new PAS. We had budgeted \$150,000 for data cleansing / conversion preparation work but do not anticipate spending that in the current fiscal year. However, we do anticipate using the full amount of the consulting budget (\$875,000) over the life of the project. In addition, we had budgeted \$50,000 and \$60,000, respectively, for ongoing support for a potential Long Term Disability initiative and for disability program vocational reviews. We do not anticipate the need for these services in the current fiscal year.

(5) **Buildings and Operations** (Over budget by 1.9% or \$9,208) – Approximately two thirds of the projected overage, or \$6,100, is attributable to the renewal of our grounds keeping contract. This contract was up for competitive bid which resulted in a new vendor being selected and at a cost that was slightly higher than what we had been paying the previous vendor. A combination of smaller increases in several additional service contract renewals makes up the remaining projected overage.

Investment Operations

(1) **Personnel Services** (Over budget by .6% or \$17,290) – Personnel services taken together are projected to be slightly over budget in the investments group. This is related to a difference in the amount budgeted for the DCIO position and the amount agreed to in negotiations.

(2) **Legal Services** (Under budget by 71.2% or \$812,127) – The legal services budget for investments has been very difficult to predict as it's based on the number and type of investments that the team is able to review and consider. We've reduced the projected remaining expenses

in this area to be more in line with what we are experiencing and will continue to monitor it through the remainder of the fiscal year.

(3) **Insurance** (Over budget by 73.7% or \$6,398) – This expected deficit is the result of allocating a portion of the cyber insurance costs to the investment budget this fiscal year. This line item was budgeted for in the administration budget for FY25.

RECOMMENDATION

No action is required by the Committee at this time.

Maine Public Employees Retirement System
FY25Administrative Expenses YTD
And Year End Projection

	FY 25 Budgeted	FY 25 Actual Thru 02/28/25	FY 25 Projected Remaining	FY 25 Total Expected	Projected Surplus (Deficit)	
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 10,651,839	\$ 6,512,274	\$ 3,925,105	\$ 10,437,379	\$ 214,460	
Overtime Wages	-	100,579	-	100,579	(100,579)	
Total Salaries & Wages	10,651,839	6,612,853	3,925,105	10,537,958	113,881	
Benefits						
Health Insurance	2,500,137	1,434,686	946,183	2,380,869	119,268	
MainePERS Retirement Contributions	1,307,416	779,468	471,965	1,251,433	55,983	
Retiree Health Insurance Reserve	9,480	6,184	3,296	9,480	-	
Other Insurance and Benefits	28,000	6,779	21,221	28,000	-	
Total Benefits	3,845,032	2,227,117	1,442,665	3,669,782	175,250	
Total Personnel Services	14,496,871	8,839,970	5,367,770	14,207,740	289,131	(1)
Operating Expenses						
Computer Equipment, Supplies and Supports	2,844,935	1,752,771	1,063,147	2,815,918	29,017	(2)
Medical Consultation Services	244,500	105,076	93,558	198,634	45,866	
Training and Tuition	122,764	51,620	70,058	121,678	1,086	
Travel	57,435	10,377	40,201	50,578	6,857	
Depreciation	450,963	222,540	209,970	432,510	18,453	
Professional Services						
Actuarial Services	397,140	246,458	184,979	431,437	(34,297)	(3)
Audit Services	142,000	95,552	46,448	142,000	-	
Legal Services	211,500	196,474	80,847	277,321	(65,821)	
Hearing Officers Services	50,500	26,110	11,438	37,548	12,952	
Other Professional Services	839,053	350,282	222,449	572,731	266,322	(4)
Total Professional Services	1,640,193	914,876	546,161	1,461,037	179,156	
Other Operating Expenses						
Buildings and Operations	496,127	314,440	190,895	505,335	(9,208)	(5)
Capital Lease Expense	549,397	364,755	182,160	546,915	2,482	
Insurance	109,100	82,133	24,691	106,824	2,276	
Printing and Publications	198,121	117,730	89,748	207,478	(9,357)	
Postage	370,705	240,558	137,706	378,264	(7,559)	
Telephone	166,992	113,317	57,253	170,570	(3,578)	
Other	246,103	165,457	86,311	251,768	(5,665)	
Total Other Operating Expenses	2,136,545	1,398,390	768,764	2,167,154	(30,609)	
Total Operating Expenses	7,497,335	4,455,650	2,791,859	7,247,509	249,826	
Total Administrative Expenses	\$ 21,994,206	\$ 13,295,620	\$ 8,159,629	\$ 21,455,249	\$ 538,957	

Maine Public Employees Retirement System
FY25 Investment Operations Expenses YTD
And Year End Projection

	FY 25 Budgeted	FY 25 Actual Thru 02/28/25	FY 25 Projected Remaining	FY 25 Total Expected	Projected Surplus (Deficit)
Personnel Services					
Salaries & Wages					
Salaries and Wages	\$ 2,258,055	\$ 1,451,413	\$ 838,763	\$ 2,290,176	\$ (32,121)
Overtime Wages	-	-	-	-	-
Total Salaries & Wages	2,258,055	1,451,413	838,763	2,290,176	(32,121)
Benefits					
Health Insurance	317,028	189,442	121,468	310,910	6,118
MainePERS Retirement Contributions	368,740	225,540	134,577	360,117	8,623
Retiree Health Insurance Reserve	2,370	1,520	760	2,280	90
Other Insurance and Benefits	-	304	(304)	-	-
Total Benefits	688,138	416,807	256,500	673,307	14,831
Total Personnel Services	2,946,193	1,868,220	1,095,263	2,963,483	(17,290) (1)
Operating Expenses					
Computer Equipment, Supplies and Supports	158,781	90,385	61,736	152,121	6,660
Medical Consultation Services	-	-	-	-	-
Training and Tuition	29,500	23,746	5,754	29,500	-
Travel	79,300	22,736	53,415	76,151	3,149
Depreciation	4,271	2,847	1,424	4,271	-
Professional Services					
Actuarial Services	-	-	-	-	-
Audit Services	57,000	57,000	-	57,000	-
Legal Services	1,140,000	226,910	100,963	327,873	812,127 (2)
Investment Consulting	1,245,000	823,333	411,667	1,235,000	10,000
Proxy Voting Services	24,037	16,024	8,013	24,037	-
Custody Services	750,000	500,000	250,000	750,000	-
Other Professional Services	118,500	50,000	68,500	118,500	-
Total Professional Services	3,334,537	1,673,267	839,143	2,512,410	822,127
Other Operating Expenses					
Buildings and Operations	136,196	103,879	30,207	134,086	2,110
Capital Lease Expense	151,679	110,810	46,532	157,342	(5,663)
Insurance	8,683	5,842	9,239	15,081	(6,398) (3)
Printing and Publications	-	45	(21)	24	(24)
Postage	540	449	180	629	(89)
Telephone	49,608	33,583	16,612	50,195	(587)
Other	30,526	19,772	12,368	32,140	(1,613)
Total Other Operating Expenses	377,232	274,382	115,116	389,497	(12,264)
Total Operating Expenses	3,983,621	2,087,363	1,076,587	3,163,950	819,672
Total Investment Operations Expenses	\$ 6,929,814	\$ 3,955,583	\$ 2,171,850	\$ 6,127,433	\$ 802,381

MAINEPERS

FINANCE AND AUDIT COMMITTEE MEMORANDUM

TO: FINANCE AND AUDIT COMMITTEE MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: REPORT ON FINANCIAL ADMINISTRATION
DATE: APRIL 1, 2025

POLICY REFERENCE

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

EMPLOYER REPORTING STATUS UPDATES

Ninety-four percent of our participating employers reported on time for the month of February. This is consistent with your last report, where ninety-three percent of employers reported timely for the month of December.

Staff continue to make progress with employer account reconciliations, with 83.8% of all employer accounts fully reconciled through February 2025 teacher payrolls as of March 31, 2025. This is up slightly from the 82.8% through November 2024 data reported at your last meeting. We continue to focus on accounts with the oldest transactions, reducing accounts with 2019 transactions by two since we last reported to this committee. A summary of that aging as of March 31, 2025 is as follows:

Year	Oldest Unreconciled Transactions						
	2025	2024	2023	2022	2021	2020	2019
# of Accts	16	65	7	1	4	7	12

Work with the Portland Public School District continues and I'm pleased to report a significant milestone. With the support of our staff and others, the District has been able to submit all calendar year 2024 and 2025 payroll reports for the teacher plan through the portal. The reports are being scrubbed and staff are working with District staff to address any inconsistencies in the data prior to releasing the payrolls and posting the data to member accounts. We anticipate that monthly reporting for the teacher plan will

be timely going forward. The District has now started to build the payroll reports for the same time period for the PLD Plan.

Work is ongoing with BerryDunn, the District, and my staff to reconcile and correct member records from 2023 and prior, and we are slowly increasing the number of statements of account we are able to send impacted members each month as the records are being corrected.

REPORT ON THE PENSION ADMINISTRATION SYSTEM (PAS) BUDGET

In February, I reported that we were on track with the PAS budget for FY25 and FY26, based on the information we had at that time. With the conclusion of contract negotiations, we have reassessed how to allocate the project budget but still have some unknowns. In particular, we had budgeted \$150,000 in FY25 for consultant expenses related to data cleansing and conversion, with a total of \$300,000 estimated for this purpose over the course of the project. This expense will not occur in FY25, as the work on data cleansing to date has been conducted by staff. It will not be clear until we complete data conversion planning with Sagitec whether these funds will be needed and what the actual cost will be.

REPORT ON INTERNAL AUDIT

The internal audit focused on our MaineSTART accounting practices and controls is continuing, with a draft report with initial findings expected in the coming days. The audit of our actuarial practices and processes is complete and a draft report has been received and reviewed. That report is back with the audit firm with our comments and is pending finalization. There were no unexpected findings or recommendations in this work but there are some suggestions for improvement for our consideration. Those will be added to the report on outstanding findings and recommendations with your next regular report.

RECOMMENDATION

No action is required by the Committee at this time.