

Position Specification

Executive Director

Maine Public Employees Retirement System (MainePERS or System), with offices in Augusta and Portland, is searching for an *Executive Director* to lead this \$16.7 billion fund serving over 157,000 members and retirees. The position is open as a result of Sandy Matheson, Executive Director since 2009, announcing her retirement.

System Overview

MainePERS, an independent agency of the State of Maine, provides pension, disability, and death benefits to its members. Members include employees of the State, public school teachers, and employees of 307 local municipalities and other public entities (participating local districts, or PLDs).

The System administers four open defined benefit plans consisting of the State Employee and Teacher Plan, the Judicial Plan, the Legislative Plan, the PLD Consolidated Plan, and several small, closed plans.

The System also manages a Group Life Insurance Plan covering active and retired state employees, teachers, and employees of participating PLDs. In addition, the System manages three defined contribution plans, the MainePERS OPEB Trust and the Retiree Health Insurance Trust.

Governance of the System is under the direction of an eight-member Board of Trustees. All trustee terms are three years, except for the two-year term of the State Treasurer. Six trustees are System members, two of which are active and elected by their unions, two of which are retired and appointed by the Governor, one which represents municipal plan members appointed by a municipality organization, and the State Treasurer who serves ex-officio. Two trustees are appointed by the Governor requiring investment or pension related expertise.

During Matheson's tenure, much has been achieved to strengthen the System's brand, reputation, and financial health. Several of the most notable accomplishments include:

- Transformed the out-reach program to be more proactive, transparent, and educational resulting in positive and productive relationships with all member groups and stakeholders.
- Balanced the investment focus between investment risk and contribution rate volatility resulting in the lowering of the discount rate. The rate has been lowered by 1% over the last 10 years with no disruption to contribution rate.
- Developed an innovative approach and redesigned the PLD Plan to be a more equitable risk sharing formula and having it accepted by members, retirees, and stakeholders. The System has been recognized and honored by the Society of Actuaries and the American Academy of Actuaries for this innovative and sound plan design.

For additional System information, visit www.maineopers.org.

Financial and Investment Highlights

The investment program is managed by a strong internal investment team; Jim Bennett, Chief Investment Officer, along with eight investment professionals. They are well credentialed; 6 hold an advanced degree, 4 have the CFA certification and 9 the CAIA certification. They work well together and have seven years of average service with MainePERS.

The Fund ended the fiscal year 2020 with a net position of \$15.6 billion compared to \$15.5 billion in fiscal year 2019. The Fiduciary Net Position increased by \$64.8 million from the prior year. While lower in 2019, investment returns were positive and contributed to the increase. Investment income was \$468.5 million in fiscal year 2020 compared to \$996.1 million in fiscal year 2019.

As of June 30, 2020, the System reported an aggregate funded ratio of 83.9% with an Unfunded Actuarial Accrued Liability of \$2.6 billion. For the past ten years, the System's funded ratio has been near or over 80%. For the past five years, the funded ratio has increased every year; 81.6% in 2016 to 83.9% in 2020.

All of the assets invested by the System are managed by professional investment management firms. The assets of all defined benefit plans are commingled for investment purposes. Investments of the Group Life Insurance Plans and Retiree Health Insurance Trust are invested separately from the assets of the defined benefit retirement plans.

The investment return, net of fees, was 1.8% for the year ended June 30, 2020; returns for years ended June 30, 2019 and 2018 were 7.1% and 10.3%, respectively. Investment returns, net of fees, for 3, 5 and 10-year reporting periods were 6.4%, 6.4% and 8.3%, respectively. At 8.3%, the 10-year return has outperformed relative to the 6.75% actuarial assumed investment rate of return.

Executive Director Responsibilities

The Executive Director, reporting to the Board and to the Board Chair, administratively, is the central point of responsibility and accountability for the System. Leading a team of 100, the Executive Director's direct reports include Chief Deputy Executive Director, Chief Investment Officer, and General Counsel. The Director of Internal Audit reports to the Audit Committee of the Board and administratively to the Executive Director. The Director of Finance, Deputy Executive Director-Service Programs, Deputy Executive Director-Administration, and Associate Deputy Director-Special Projects report to the Chief Deputy Executive Director.

Some of the key responsibilities and duties include:

- Ensure the plan's financial stability and long-term viability.
- Oversee planning, organization, and administration of all program areas for which the System is statutorily responsible.
- Oversee the System's leadership to manage the operations to the highest standards and in accordance with its mission, vision and core values, and state and federal law.
- Monitor the investment portfolio performance to ensure assets are invested in accordance with established policies and that proper controls are in place to safeguard assets.

- Advise and confer with the Board on financial, economic, and political trends and developments affecting the System.
- Maintain effective relationships with plan sponsors, member groups, key political leaders, media, and other stakeholders.
- Represent MainePERS as a subject matter expert on retirement system programs and activities and, as necessary, interact with legislators and testify on proposed legislation affecting the System.

Key Objectives

The Board has identified the following Key Objectives to measure, in part, the Executive Director's performance.

- Establish and maintain relationships with key constituents, such as the Governor's office, Legislature, members, retirees, and related organizations participating employers, and the media to continue these positive and productive working relationships.
- Ensure the System continues to be recognized as a resource to bring leadership to key challenges facing the Legislature and the System, such as plan design and full plan funding.
- Evaluate the System's professional development programs and, if necessary, make changes to improve their effectiveness in developing the Senior Management Team's skills and to improve their collaboration and effectiveness.
- Evaluate the member service delivery system and, if necessary, implement changes to ensure the System is operating cost effectively and meeting/exceeding member expectations.
- Direct a redesign of the performance evaluation system to ensure appropriate measurements and accountabilities are in place to recognize and reward employees based on performance.
- Work in collaboration with the Chief Investment Officer and the System's investment consultant to ensure the strategic asset allocation aligns with the System's plans as they move to full funding.
- Work with the Board and Governance Consultant to maintain and improve the Board's governance program to ensure it incorporates best practices and is meeting expectations.

Qualifications and Experience

The Board desires an Executive Director with broad-based relevant experience and knowledge, and a track record of superior performance in a complex organization. An executive with relevant operational and administrative experience and a general knowledge of actuarial applications and investments is required.

Requirements

- Bachelor's degree in business or public administration, public finance, finance, insurance, or other related fields.
- Ten years of relevant experience, including at least seven in a senior leadership role.
- Defined benefit plan understanding and knowledge.

Preferences

- Advanced degree.
- Knowledge of operational best practices and experience implementing process changes to improve operational efficiencies and customer service.

- Experience working with public boards.
- Working knowledge of federal and state pension laws.
- Legislative experience, preference to state and/or federal level.

While public pension experience is preferred, candidates with other relevant experience and a proven track record of managing in a complex environment will be considered.

Leadership Competencies

The Board is seeking a leader with a dedication to public service and defined benefit plans. The ideal candidate is strategic and visionary, a leader of the highest integrity, and one who enjoys being the “public face” of the System.

An executive who empowers people and leads with a participative and collaborative style while establishing clear goals supported by accountabilities is desired. The Executive Director must be committed to delivering superior customer service and one who inspires and motivates people to drive engagement and results.

As the System’s chief executive, the Executive Director must be a leader who takes ownership of the plan, values strong governance, has the courage to make tough decisions, and the interpersonal and political skills to:

- Educate, influence, advise and lead trustees representing different constituencies.
- Educate and build trust and relationships among constituents and stakeholders.
- Communicate in a transparent, honest, and forthright manner and engage stakeholders.
- Recommend solutions while being open to adjusting them based on input from others.
- Maintain a strategic focus in a changing environment.
- Manage complexity in a changing environment.

The Executive Director must demonstrate poise and presence to expertly represent the System and understand and respect the requirements of operating in a public environment.

Compensation

The Executive Director is an exempt position and an “at will” employee. The System provides competitive compensation and benefit packages that are designed to attract top talent from the national market.

For additional information or to apply, please contact Hudepohl & Associates, info@hudepohl.com or (614) 854-7300.