

BOARD OF TRUSTEES
FOR THE
STATE RETIREMENT AND PENSION SYSTEM
OF MARYLAND

MINUTES OF MEETING

March 21, 2000

The Board of Trustees for the State Retirement and Pension System of Maryland met in the Louis L. Goldstein Treasury Building, Annapolis, at 9 30 a m There were present Richard N Dixon, Chairman, William Donald Schaefer, Vice-Chairman, Frederick W Puddester, Frank P Casula, Morris L Krome, Carl D Lancaster, Arthur N Caple, Jr, David B Mitchell, Ali A Alemu, William D Brown, Debra B Humphries, George R Tydings and G Bruce Harrison, Trustees, and Peter Vaughn, Secretary Agency staff members also attending were Margaret A Bury, Retirement Administrator, Harriet B Granet, Jill Leiner, Robert Feinstein, and Blaine Hoffmann, Assistant Attorneys General, J Howard Pleines, Director of Legislation, Carol Boykin, Chief Investment Officer, Sherlynn Matesky, Administrator, Patricia Scott, Administrative Officer, and Christopher Strott, Acting Chief Internal Auditor

Robert Turner, attorney for Elizabeth Williams, also attended

- | | | |
|--------------------|---|--|
| Minutes | 1 | On motion made by Mr Brown and seconded by Mr Harrison the Minutes of the regular meeting of the Board of Trustees for the State Retirement and Pension System of Maryland, held on February 15, 2000, were approved as amended (Exhibit A) |
| Robert Shunaberry | 2 | On motion made and duly seconded, the Board voted unanimously to defer Mr Shunaberry's case to the April 18, 2000 meeting |
| Elizabeth Williams | 3 | The Board considered the report of Mary Shock, sitting as Administrative Law Judge for the Office of Administrative Hearings, in connection with the appeal of Elizabeth Williams Ms Williams appealed the Medical Board's denial of accidental disability benefits The Medical Board reasoned that they did not believe that her disability was the natural and proximate result of an accident that occurred in the actual performance of duty |

The Administrative Law Judge, upon consideration of the record, and following a hearing, affirmed the Agency's decision and concluded that Ms Williams' disability was not the "natural and proximate result" of an accident that allegedly occurred on April 18, 1996. Therefore, her application for accidental disability benefits should be denied.

Mr Robert Turner, attorney for Ms Williams, presented his arguments opposing the Agency's position and the Administrative Law Judge's recommendations. Ms Jill Leiner, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations. The Board deferred further consideration to executive session.

Robert Hodges, III

4

The Board considered the report of M Virginia Hale, sitting as Administrative Law Judge for the Office of Administrative Hearings, in connection with the appeal of Robert Hodges, III. Mr Hodges appealed the Medical Board's denial of accidental disability benefits. The Medical Board reasoned that they did not believe that his disability was the natural and proximate result of an accident that occurred in the actual performance of duty.

The Administrative Law Judge, upon consideration of the record, and following a hearing, affirmed the Agency's decision and concluded that Mr Hodges' disability was not the "natural and proximate result" of an accident that allegedly occurred on August 16, 1991. Therefore, his application for accidental disability benefits should be denied.

Ms Michele Gallagher, attorney for Mr Hodges, presented her arguments opposing the Agency's position and the Administrative Law Judge's recommendations. Mr Blaine Hoffmann, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations. The Board deferred further consideration to executive session.

On motion made and duly seconded, the Board unanimously voted to meet in Executive Session to consider the appeals of Elizabeth Williams and Robert Hodges. State Government Article Section 10-502(i) authorizes the Board to meet in closed session to exercise a quasi-judicial function. State Government Article Section 10-508(a)(8) authorizes the Board to meet in closed session to consult with staff, consultants, or other individuals about pending or potential litigation.

EXECUTIVE SESSION

The Board met in Executive Session at 10 20 a m in the Louis L Goldstein Treasury Building, to consider the appeals of Elizabeth Williams and Robert Hodges All of the persons present at the beginning of the meeting were present in Executive Session except the following Blaine Hoffmann, Jill Leiner, Robert Turner and Michele Gallagher The Board adjourned its Executive Session at 10 25 a m and returned to regular session to complete the agenda

REGULAR SESSION

Elizabeth Williams On motion made by Mr Schaefer and seconded by Mr Brown, the Board voted unanimously to adopt the Administrative Law Judge's Proposed Findings of Fact and Conclusions of Law and denied Ms Williams' request for accidental disability retirement benefits

Robert Hodges On motion made by Mr Lancaster and seconded by Mr Schaefer, the Board voted to reject the Administrative Law Judge's Proposed Findings of Fact and Conclusions of Law and grant Mr Hodges' request for accidental disability retirement benefits Messrs Harrison, Lancaster, Caple, Brown, Tydings, Puddester, Schaefer and Casula and Ms Humphries and Major Krome and Colonel Mitchell registered yea votes Mr Dixon and Dr Alemi registered nay votes

Executive Director's Report 5 Mr Vaughn then reported on the financial status of the System and informed the Board that the asset value of the fund was \$32.3 billion as of February 28, and that the return was close to 8% even though the market was somewhat negative in February

Mr Vaughn next reported on the Agency's budget hearing He informed the Board that the requested 11 positions were cut to 8, that the travel budget had been cut, and that \$50,000 had been cut from the temporary staffing category

The Board reviewed and accepted the System's financial statements and investment performance comparisons for the period ending January 31, 2000 for the State Retirement and Pension System of Maryland

Mr Vaughn then announced that the next Board meeting on April 18, 2000 would be held at 9 00 a m in the Board Room at 120 East Baltimore Street in Baltimore

The Board accepted Mr Vaughn's report

request appropriations of up to 22% of all payroll to meet administrative expenses, passed but will sunset in 3 years

Following a discussion of House Bills 604 and 605 which provide enhanced benefits and extends the membership in LEOPS, Chairman Dixon asked staff to draft a letter to the State's two United States Senators to ask their assistance in expediting the IRS ruling

The Board accepted Mr Pleines' report

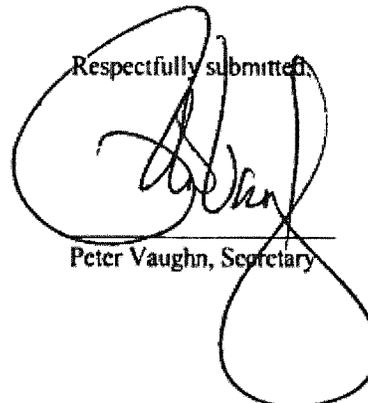
- | | | |
|------------------------------------|----|---|
| Medical Board Reports | 9 | The Board, on motion made by Mr Caple and duly seconded, accepted and approved the reports of the Medical Board in connection with applications of members for ordinary, accidental and special retirement allowances. The Medical Board's conclusions were reached after its review of the evidence provided by the claimants |
| Supplemental Medical Board Reports | 10 | The Board, on motion made by Mr Caple and seconded by Mr Brown, unanimously accepted and approved the supplemental reports of the Medical Board in connection with applications of members for ordinary and accidental and special retirement allowances. The Medical Board's conclusions were reached after its review of the evidence provided by the claimants. The Supplemental Report of the Medical Board is shown as Exhibit C |
| Other Business | 11 | |

On motion made and duly seconded, the Board recessed from 11 25 a m until 11 45 a m

EXECUTIVE SESSION

On motion made and duly seconded, the Board reconvened and voted unanimously to meet in Executive Session to perform an executive function, receiving a report from the Board's actuary regarding financing the State Retirement and Pension System. The Board adjourned the Executive Session at 12 40 p m and returned to the Regular Meeting, which was then adjourned

Respectfully submitted,



Peter Vaughn, Secretary

Amendment to the minutes of the regular meeting of the Board of Trustees for the State Retirement and Pension System held on February 15, 2000

On page 1264 of the minutes, Mr Harrison, not Mr Caple, made the motion to ask Comptroller Schaefer to contact the Internal Revenue Service to obtain the status of the IRS ruling on the State Police DROP plan

A motion was made by Mr Brown, and duly seconded, that the Board would support House Bill 136 which would repeal the 5-year limitation on filing for accidental disability Following a discussion, a majority of the Board voted to support House Bill 136

BOARD OF TRUSTEES
FOR THE
STATE RETIREMENT AND PENSION SYSTEM
OF MARYLAND

MINUTES OF MEETING

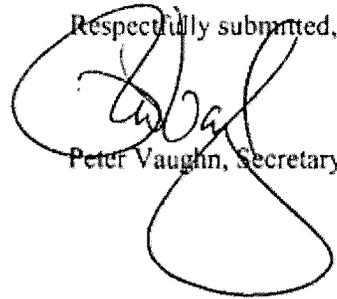
March 24, 2000

The Board met at 1:15 p.m. in the Assembly room of the Louis L. Goldstein Treasury Building. There present: Richard N. Dixon, Chairman, Arthur N. Caple, Jr., Frank Casula, Bruce Harrison, Debra B. Humphries, Carl D. Lancaster, George Tydings, Ali Alem, William D. Brown, Morris L. Krome, Trustees, and Peter Vaughn, Secretary. Agency staff members also attending were: Carol Boykin, Chief Investment Officer, Elaine Coulis, Robert Feinstein, John Greenberg, Arthur M. Lynch, Jr., Virginia Newburg, Patricia Wild, and Victoria Willard.

After discussion, on motion made by Mr. Tydings and seconded by Mr. Casula, the Board voted to ratify all the decisions and recommendations made by the Investment Committee at the meeting just adjourned. All members present voted for the motion with the exception of Mr. Lancaster who voted no with respects to the asset allocation recommendations.

On motion made by Mr. Casula and seconded by Mr. Caple, the Board adjourned the meeting at 1:40 p.m.

Respectfully submitted,



Peter Vaughn, Secretary

BOARD OF TRUSTEES
FOR THE
STATE RETIREMENT AND PENSION SYSTEM
OF MARYLAND

MINUTES OF MEETING

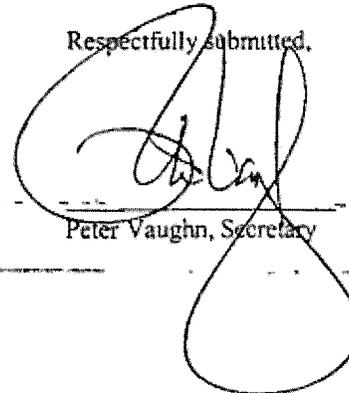
March 24, 2000

The Board of Trustees for the State Retirement and Pension System of Maryland met in the Louis L. Goldstein Treasury Building, Annapolis, at 1:20 p.m. There were present Richard N. Dixon, Chairman, Ali A. Alemi, Frank P. Casula, Morris L. Krome, Carl D. Lancaster, Arthur N. Caple, Jr., William D. Brown, Debra B. Humphries, George R. Tydings and G. Bruce Harrison, Trustees, and Peter Vaughn, Secretary. Agency staff members also attending were Margaret A. Bury, Retirement Administrator, Robert Feinstein, Assistant Attorney General, Carol Boykin, Chief Investment Officer,

EXECUTIVE SESSION

On motion made and duly seconded, the Board voted unanimously to meet in Executive Session to perform an executive function, to discuss the recommendations of the Investment Committee of the State Retirement and Pension System. At 1:50 p.m. the Board adjourned the Executive Session and ratified the decisions made in Executive Session. Following the ratification, the meeting was then adjourned.

Respectfully submitted,



Peter Vaughn, Secretary