



MARYLAND
STATE RETIREMENT
and PENSION SYSTEM

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

June 18, 2024

The Board of Trustees for the Maryland State Retirement and Pension System convened, via video/audio conference call at 120 E. Baltimore Street, 16th Floor, Baltimore, Maryland, beginning at 9:37 a.m.

The Trustees present included:

Dereck Davis, Chair

Brooke Lierman, Vice Chair

Jamaal Craddock

James Daly

Ayana English-Brown

Helene Grady

Sheila Hill

Richard Norman

Douglas Prouty

Michelle RhodesBrown

Tarrus Richardson

Robert Sandlass

Agency Staff members present included: Martin Noven, Executive Director/Secretary of the Board

Robert Burd

Melody Countess

Cheryl Davis-Shaw

Robert Diehl

Anne Gawthrop

Derrick Johnson

Courtney Key

Katherine Morris

Kim O'Keeffe

Andy Palmer

Ben Robb

David Rongione

Toni Voglino

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis, and Emily Spiering

Other attendees included: Jon Martin and Megan Schutz (Treasurer's office); Devaughn Blackburn and Dani DiPietro (Comptroller's office); Tyler Babich (DLS); Sandi Henderson (DBM); Brad Armstrong, Brian Murphy, and Jeff Tebeau (GRS); Maguette Diop (SEIU); Cyril Espanol (With Intelligence);

Call Meeting to Order:

Having established a quorum was present, Comptroller Lierman called the meeting to order at 9:37 a.m.

Consent Agenda:

On a motion made by Ms. English-Brown and seconded by Mr. Prouty, the Board approved the open session minutes for the meeting held on May 21, 2024.

GRS Experience Study Presentation:

Gabriel Roeder Smith & Company presented the results of its experience study for the period of July 1, 2018, through June 30, 2023. GRS discussed its recommendations outlined in a PowerPoint presentation regarding the economic and demographic assumptions to be used in connection with the actuarial valuations beginning as of June 30, 2024.

Several trustees raised questions about the assumptions proposed for wage growth and inflation. The Board deferred action on the recommendations to allow further discussion and to allow GRS to answer trustee questions.

General Assembly Reports:

The Executive Director provided the Board with a list of reports submitted to the General Assembly on behalf of the Board, including staff's tiered rankings outlining the proposed process and level of Board review for each report.

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Following a motion by Mr. Daly and seconded by Mr. Sandlass, the Board approved the rankings of the reports as proposed with one modification, that Report 12264 concerning Investment Division management fees and carried interest expenses shall be reclassified to Tier 2.

Chief Investment Officer's Report:

Andy Palmer provided an update on the fund's performance, highlighting a slight decline in April with the fund value at \$66 billion, though it outperformed the policy benchmark. Fiscal year-to-date growth stood at 3.75%, mainly impacted by downturns in equities and bonds. May showed improvement, putting the 6.8% actuarial target within reach by year-end, lifted by public market upswings and offsetting marks from private equity and real estate. He noted alignment with long-term asset growth projections since 2016 and emphasized the importance of balancing contribution rates for sustainable pension funding. Looking ahead, discussions with Maketa on asset allocation will focus on risk management and strategic allocation decisions, intended to achieve sustainable returns during market fluctuations and minimize their budgetary impacts.

Executive Director's Report:

The Board received a copy of the mid-year attendance report from January through June 2024. Mr. Noven requested that he be contacted if any corrections need to be made.

On a motion made by Ms. English-Brown and seconded by Mr. Prouty, the Board voted to meet in a Closed Session, beginning at 11:12 a.m. for the purposes of:

(a) reviewing the closed session Board Minutes, pursuant to General Provisions Art., § 3-103(a)(1), the exercise of an administrative function; and General Provisions Art., § 3-305(b)(13), to comply with a specific statutory constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter namely, General Provisions Art., § 3-306(c)(3)(ii), requiring that the minutes of a closed session be sealed and not be open to public inspection;

(b) reviewing the Medical Board Reports regarding individual participants' claims for disability retirement benefits, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific statutory constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter namely, General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-329 regarding the prohibition on disclosing medical and psychological information;

(c) reviewing the Earnings Limitation Recovery Report, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter, namely, General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-331 regarding the prohibition on disclosing information about public employees;

(d) reviewing the Disability Offset Report, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter, namely, General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-331 regarding the

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prohibition on disclosing information about public employees;

(e) conducting Elections for Board Officers, pursuant to General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function and pursuant to General Provisions Art., § 3-305(b)(1)(i), to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom it has jurisdiction;

Closed Session

The Trustees present included:

Dereck Davis, Chair

Brooke Lierman, Vice Chair

Jamaal Craddock

James Daly

Ayana English-Brown

Helene Grady

Sheila Hill

Richard Norman

Douglas Prouty

Michelle RhodesBrown

Tarrus Richardson

Robert Sandlass

Agency Staff members present included: Martin Noven, Executive Director/ Secretary to the Board

Melody Countess

Cheryl Davis-Shaw

Anne Gawthrop

Derrick Johnson

Courtney Key

Kim O'Keeffe

Andy Palmer

David Rongione

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis, and Emily Spiering

Other attendees included: Jon Martin (Treasurer's Office)

On a motion made by Ms. English-Brown and seconded by Mr. Prouty, the Board returned to open session beginning at 11:21 a.m., via video/audio conference call.

Open Session

The Trustees present included:

Dereck Davis

Brooke Lierman

Jamaal Craddock

James Daly

Ayana English-Brown

Helene Grady

Sheila Hill

Richard Norman

Douglas Prouty

Michelle RhodesBrown

Tarrus Richardson

Robert Sandlass

Agency Staff members present included: Martin Noven, Executive Director/ Secretary of the Board

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Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis, and Emily Spiering

Other attendees included: Jon Martin and Megan Schutz (Treasurer's office); Devaughn Blackburn and Dani DiPietro (Comptroller's office); Tyler Babich (DLS); Sandi Henderson (DBM); Brad Armstrong, Brian Murphy, and Jeff Tebeau (GRS); Maguette Diop (SEIU); Cyril Espanol (With Intelligence);

Call for Agenda Items:

Mr. Daly requested a review of the progress of the in-house investment management initiative, including the mandates, staff performance, budget, and expenses.

Mr. Sandlass requested an education session regarding the actuarial process.

During closed session, the Board of Trustees discussed the matters identified in the motion to meet in closed session, and acted on the following matters:

Closed Session Minutes:

The Board approved the closed session minutes for the meeting held on May 21, 2024.

Medical Board Reports:

The Board adopted the medical board reports for the following dates:

- May 22, 2024
- May 30, 2024
- June 13, 2024

Earnings Limitation Recovery Report:

The Board approved the earnings limitation recovery report as presented.

Disability Offset Report:

The Board approved the disability offset report as presented.

Election of the Board Chair:

The Board voted to elect Treasurer Dereck Davis as the Chair of the Board of Trustees.

Election of the Board Vice Chair:

The Board voted to elect Comptroller Brooke Lierman as Vice Chair of the Board of Trustees.

Election of the Board Secretary:

The Board voted to elect Martin Noven as Secretary to the Board of Trustees.

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Adjournment:

There being no further business before the Board, on a motion made by Ms. English-Brown and seconded by Mr. Craddock, the meeting adjourned at 11:25 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin Noven", written in a cursive style.

Martin Noven
Secretary of the Board