

**ADMINISTRATIVE COMMITTEE FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

September 3, 2024

The Administrative Committee for the Maryland State Retirement and Pension System convened via a Webex video/audio conference call at 9:30 a.m.

The Administrative Committee present included:

Richard Norman, Chair

Robert Sandlass, Vice Chair

Jamaal Craddock

Treasurer Dereck Davis

Ayana English-Brown

Marc Nicole (designee for Secretary Helene Grady)

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

Melody Countess

Courtney Key

Cheryl Davis-Shaw

Van Lewis

Linda Daley

Megan Myers

Robert Diehl

Kim O'Keeffe

Anne Gawthrop

Ben Robb

Lisa Jordan

David Rongione

Assistant Attorneys General present included: Rachel Cohen and Emily Spiering

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

Open Session Meeting Minutes:

On a motion made by Mr. Sandlass and seconded by Ms. English-Brown, the Committee approved the open session meeting minutes for August 6, 2024.

Legislative Proposals for 2025 (part 1):

Anne Gawthrop, Legislative Affairs Director, presented the following six legislative proposals for the 2025 legislative session to the Administrative Committee for their review:

- Pre-2011 Deferred Vested Members Returning to Service
- State Police DROP Participation Clarification
- Disability Earnings Limitation
- CORS Security Attendant Supervisors or Managers
- Title 37 Work Group
- General Assembly Reports Due Dates

On a motion made by Mr. Sandlass and seconded by Ms. English-Brown, the Committee voted to recommend that the Board submit the six legislative proposals to the Joint Committee on Pensions for 2025, as presented.

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2025 Proposed Meeting Schedule of the Administrative Committee:

On a motion made by Robert Sandlass and seconded by Ms. English-Brown, the Committee adopted the proposed meeting schedule for 2025, as follows:

Tuesday, February 4, 2025
Tuesday, March 4, 2025
Tuesday, April 1, 2025
Tuesday, June 3, 2025

Tuesday, August 5, 2025
Tuesday, September 2, 2025
Tuesday, October 7, 2025
Tuesday, December 2, 2025

FY25 Business Plan:

Martin Noven presented the FY2025 business plan, highlighting the Agency's efforts and goals for next year. He talked about major restructuring efforts that the Agency has planned for next year including the hiring of a new head of Member Services, a new Chief of Finance, and the development of an Employer Services Unit. He also highlighted other initiatives slated for the 2025 fiscal year, including creating centralized bill payment system, upgrading the multi-factor authentication, and the expansion of the Terra Maria Program.

Ms. English Brown and seconded by Mr. Sandlass, the Committee voted to recommend that the Board of Trustees approve the business plan for the 2025 Fiscal year.

FY26 Operating Budget Proposal:

Van Lewis, Director of Budget, Procurement, and Contracts, presented the Operating Budget Proposal for the 2026 fiscal year, noting that the budget target set by the Department of Budget and Management is \$36.3 million. The proposed budget also includes the following seven over-the-target requests for consideration:

- Two Human Resource Professionals (\$0)
- Additional resources to sustain current systems engineering services (\$600,000)
- Investment Attorney Position (\$142,606)
- Three Data Entry Positions (\$0)
- Benefit Administration Contractual Conversion Request (\$76,327)
- Business Operations Office Contractual Conversion Request (\$23,787)
- Replace high-volume copiers (\$50,000)

On a motion made Mr. Sandlass and seconded by Mr. Craddock, the Committee voted to recommend that the Board of Trustees approve the budget proposal for FY2026, as presented. Mr. Nicole abstained from voting.

Finance Reports- Quarter Ending June 30, 2024:

Mr. Lewis presented the Committee with the Administrative Expense Report dashboard which provided an overview of how the Agency expended or encumbered 99.16% of its FY2024 appropriation through the fourth quarter.

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	<u>06/30/24</u>	<u>06/30/23</u>
APPROPRIATION EXPENDED/ENCUMBERED	99.16%	98.89%
REGULAR SALARIES	98.95%	98.66%
CONTRACTUAL PAYROLL AND TECHNICAL SUPPORT	85.64%	78.78%
COMMUNICATIONS (INCLUDES POSTAGE)	92.79%	106.85%
TRAVEL	62.87%	78.17%
VEHICLE COSTS	106.30%	104.21%
CONTRACTUAL SERVICES (INCLUDES EQUIPMENT LEASING AND BLDG. MAINTENANCE)	108.98%	99.78%
SUPPLIES	147.40%	111.52%
EQUIPMENT PURCHASES	26.21%	90.57%
RENT AND INSURANCE	96.49%	102.32%
DUES, SUBSCRIPTIONS AND LICENSES	83.84%	120.19%

*Amounts are rounded to the nearest hundredth

Mr. Lewis also reported an end-of-year surplus for FY2024 of \$276,939, that is attributed to the submission of a year-end closing amendment of \$600k to satisfy increased salary costs for COLA, increments, ASRS, deferred compensation, and salary increases. He also noted that, before the amendment, a deficit of \$576,000 for regular salaries was anticipated. Apart from the regular salary costs, the Agency “broke even” with respects to an analysis of the year-end surplus/deficit balances in each cost category.

Mr. Lewis also presented the Minority Business Enterprise report for the fourth quarter. Mr. Lewis reported that out of \$3,000,000, approximately \$882K were MBE awarded. He noted that IT services and equipment were the largest cost out of the qualifying expenditures and female-owned businesses were the largest recipients of the Agency’s MBE awards during the 2024 fiscal year. The report showed that the Agency’s MBE participation rate was 29.88%, exceeding the Statewide goal of 29% by almost one percentage point.

Benefits Administration Update:

Kim O’Keeffe, Retirement Administrator, presented statistics for Benefits Administration through June 2024. She also noted reconciliation and closing processes for 2024 were successfully completed.

On a motion made by Ms. English-Brown and seconded by Mr. Sandlass, the Committee voted to meet in closed session at 9:39 a.m. for the purposes of:

- (a) reviewing the closed session committee minutes, pursuant to General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function and General Provisions Art., § 3-305(b)(13), to comply with a specific statutory requirement that prevents public disclosure, 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.

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Closed Session

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Treasurer Dereck Davis
Ayana English-Brown
Marc Nicole (designee for Secretary Helene Grady)

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

Melody Countess	Courtney Key
Cheryl Davis-Shaw	Van Lewis
Linda Daley	Megan Myers
Anne Gawthrop	Kim O'Keeffe
Lisa Jordan	David Rongione

Assistant Attorneys General present included: Rachel Cohen and Emily Spiering

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

On a motion made by Ms. English-Brown and seconded by Mr. Sandlass, the Committee returned to open session at 10:41 a.m.

Open Session

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

During closed session the Administrative Committee discussed and acted on the following matters:

Closed Session Meeting Minutes:

The Committee approved the closed session meeting minutes for the meeting held on August 6, 2024

Adjournment:

There being no further business before the committee, on a motion made by Ms. English-Brown and seconded by Mr. Craddock the meeting adjourned at 10:42 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin Noven". The signature is fluid and cursive, with a long horizontal stroke at the end.

Martin Noven
Secretary of the Board