

**ADMINISTRATIVE COMMITTEE MINUTES
BOARD OF TRUSTEES
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

June 2, 2020

The Administrative Committee meeting convened, via video/audio conference call, beginning at 9:35 a.m.

The Trustees present included:

Richard Norman, Chairman, Presiding	Nancy K. Kopp
Kenneth Haines, Vice Chairman	Marc Nicole
Sheila Hill	Douglas Prouty

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board Secretary

Melody Countess	Angie Jenkins	Chandra Puranam
Anne Gawthrop	Van Lewis	Ken Reott
Michael Golden	Kim O’Keeffe	David Rongione
Ira Greenstein	Andrew Palmer	Janet Sirkis
		Brad Taylor (live stream)

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

Minutes On a motion made by Mr. Haines and seconded by Mr. Prouty, the Administrative Committee approved the March 3, 2020 open session meeting minutes.

On a motion made by Mr. Prouty and seconded by Mr. Haines, the Administrative Committee voted to meet in a Closed Session, via video/audio conference call, beginning at 9:37 a.m. for the purposes of:

- (a) receiving the evaluation results of the Executive Director, 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; and
- (b) discussing the offset of an individual participant's retirement benefits under State Personnel and Pensions Art., § 21-113, 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.

CLOSED SESSION

The Trustees present included:

Richard Norman, Chairman, Presiding	Nancy K. Kopp
Kenneth Haines, Vice Chairman	Marc Nicole
Sheila Hill	Douglas Prouty

Other attendees present for item (a) only included: Cindy Kollner

Agency Staff members present for item (b) only included:

R. Dean Kenderdine, Executive Director/Board Secretary		
Melody Countess	Angie Jenkins	Chandra Puranam
Anne Gawthrop	Van Lewis	Ken Reott
Michael Golden	Kim O’Keeffe	David Rongione
Ira Greenstein	Andrew Palmer	Janet Sirkis

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Assistant Attorneys General present for item (b) only included: Rachel Cohen and Kathleen Wherthey

On a motion made by Treasurer Kopp and seconded by Mr. Prouty, the Administrative Committee returned to open session, via video/audio conference call, at 10:01 a.m.

OPEN SESSION

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

Correction of
Errors – Offset of
Retirement
Benefits

The Administrative Committee deferred this matter until Mr. Kenderdine has spoken with the Retiree concerning this matter.

FY21 Business
Plan

Mr. Kenderdine, with Ken Reott, Ira Greenstein, Chandra Puranam, Andrew Palmer, David Rongione, and Melody Countess, presented the Agency’s FY21 Business Plan, including the following new and on-going initiatives.

Project Number	Initiatives	Division	Completion Date	Status
14BA04	Review and Revision of Code of Maryland Regulations	Benefits Administration Division	Ongoing	<p>SRA continues to be engaged in the State “Regulatory Review & Evaluation” process in which every eight years, State agencies determine whether their regulations “are necessary for the public interest, continue to be supported by statutory authority and judicial opinion, or are appropriate for amendment or repeal.” Staff will be bringing recommendations for regulatory changes to the Board as updates are completed.</p> <p>Thus far, we have reviewed 16 COMAR chapters totaling approximately 80 individual regulations. Thirteen of those chapters have gone through the entire AELR/publishing process and those amended chapters, containing approximately 58 individual regulations are now in effect. Three chapters are still in the</p>

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				review and drafting process, and SRA continues to meet on a regular basis until all of the chapters and individual regulations have been completely reviewed.
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Treasurer Kopp asked to summarize the process for State Agency regulation review and revisions.

Ms. Wherthey responded that a group of Agency staff initially surveyed the entire Code of Maryland Regulations (“COMAR”) Title for the State Retirement and Pension System (“Title 22”) to identify chapters requiring revision. Staff now is in the process of reviewing each chapter of Title 22 as a group and drafting amendments to individual regulations as necessary. Those amendments are presented to the Administrative Committee for its review and recommendation to the Board of Trustees. If the amendments are approved by the Board of Trustees, the proposed amendments are then sent to the Administrative, Executive and Legislative Review (AELR) Committee and published in the Maryland Register for public comment. The published amendments are brought back to the Board of Trustees for final adoption.

21BA/BO/ EA01	Eliminate Print Version of <i>Retiree News & Notes Newsletter;</i> Transition to Exclusive Email Distribution	Business Administration Division, Business Operations Office, and External Affairs Division	Jun-22	To be initiated.
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Mr. Golden reported that the elimination of the print version will save the System thousands of dollars in printing and postal costs and will allow the Agency to have more flexibility with communicating with its members.

Treasurer Kopp asked if there will be other means in place to communicate with members who do not have an email address.

Mr. Golden responded that there will be, which is why the roll-out is scheduled for June 2022.

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19BA/BO/ FD/IS01	MPAS+ Business Process Re- engineering Subproject 3B – Portal Rollout Subproject 4 – Improvement (Business Process Re- engineering)	Benefits Administration Division, Business Operations Office, Finance Division, and Information Systems	Rollout completion delayed due to COVID- 19 Jun-22	The Agency rolled out the Member Self-service Portal (<i>mySRPS</i>) to the participants in Feb-2020 In FY 2020 and extending into FY 2021 the Agency procured the identified technologies and will procure any additional technologies that are necessary to support the project to achieve increased functionality, and improved communications and greater member/retiree and employer access to their data. Also, we started the actual re-engineering of current business processes using an agile development methodology starting in January 2020.
21FD01	Office Space Expansion and Lease Renewal	Finance Division	Mar-21	Staff completed and submitted the necessary forms to DGS and received approval to proceed with this project. Negotiations over the terms of the lease are currently underway with the goal of presenting a final negotiated lease to BPW in September 2020. Investments and Information Systems to be in new space by end of calendar 2020.

Mr. Norman asked when the Agency will expect to renegotiate its lease with building management.

Mr. Kenderdine responded that a new negotiated lease should be presented to the Board of Public Works in September.

Mr. Palmer commented that the trend in office space planning for in-house asset management is moving away from “densification” of open spaces, in favor of individual offices, thus one reason for the space envisioned for the Investment Division.

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21FD02	Automation of Agency Procurement Requisitioning Process	Finance Division	Dec-20	To be initiated.
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Treasurer Kopp asked if the automation of the Agency's procurement and requisitioning process is related to recent reforms of the State procurement process.

Ms. Countess responded that the Agency's automation of those process is outside of the State's procurement process and is for internal purposes.

21IA01	External Peer Review	Internal Audit Division	Jun-21	To be initiated.
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Mr. Norman asked if the Agency has been tapped by a peer organization to serve as a peer reviewer for other States.

Mr. Rongione responded that the Agency volunteers with the Association of Public Pension Fund Auditors, Inc. (APPFA) and that he, himself, is on the list of qualified auditors to do a peer review for other States.

20ID01	Implement Internal Management Capability	Investment Division	Ongoing project over 10 years	On July 1, 2019, the Investments staff began managing the initial internal mandate. On March 1, 2020, the second internal strategy was added. For fiscal year 2021, the Investment Division expects to expand the internal mandates to other asset classes and strategies. As a tool to assist in this growth, staff expects to finalize the implementation of a trade order management system in fiscal 2021.
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On a motion made by Mr. Prouty and seconded by Treasurer Kopp, the Administrative Committee approved the FY21 Business Plan, including new Initiatives for recommendation to the Board of Trustees.

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Trustee Election
Schedule –
Active
Employees’
System and
Active Teachers’
System
Representatives

The Committee reviewed the Board of Trustees election schedule.

The term of office for the successful candidate in the Active Employees’ System and Active Teachers’ System Representatives election will be from August 1, 2021 through July 31, 2025.

September 4, 2020 through December 4, 2020	An eligible voter who seeks to become a candidate may obtain a nomination form from the Executive Director.
January 29, 2021	Completed nomination forms must be submitted to the Executive Director by an eligible voter who seeks to be a candidate by 4:30 p.m.
February 15, 2021 ¹	Executive Director certifies that an eligible voter satisfies the conditions set forth in 22.03.01.06 of the Board of Trustees’ Regulations
May 14, 2021 ²	Mailing of election materials to eligible voters, including candidate biographies and personal identification numbers for internet and IVR (telephone) access.
May 20, 2021 ²	IVR (telephone) and website (internet) open for voting.
June 21, 2021	Last date for voting. Deadline is 4:30 p.m.
July 20, 2021 ^{2,3}	Executive Director announces election results at the July Board of Trustees meeting.

¹ If the Executive Director determines that only one eligible voter may be placed on the ballot as a candidate, in accordance with COMAR 22.03.01.06B, the eligible voter shall be considered nominated to serve as Trustee. The Executive Director shall discontinue the election process and report the results to the Board of Trustees, which shall certify and publish the results of the election and direct the Executive Director to notify the candidate.

² Date subject to change based on final arrangements reached with the vendor.

³ Subject to the Board of Trustees’ approval of the 2021 meeting dates.

On a motion made by Mr. Haines and seconded by Mr. Prouty, the Administrative Committee approved the Active Employees’ System and Active Teachers’ System Representatives Board of Trustees election schedule for recommendation to the Board.

Finance Reports
– Quarter Ending
March 31, 2020

Ms. Melody Countess and Mr. Van Lewis presented the Administrative Expenses Report and Dashboard for the quarter ending March 31, 2020. Ms. Countess reported that the Agency has spent, to date, 63.50% of the FY2020 Appropriation amount.

Me. Lewis commented that the Agency is expected to have a projected end-of-fiscal year surplus of approximately \$191,000.

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Mr. Norman asked what caused the accrued leave payments that are included in this year's personnel expenses.

Mr. Lewis responded that these are payments paid to employees for any unused leave when they retire or leave State service. Mr. Lewis commented that several employees of the Agency, including the Retirement Administrator, left State service in December 2019, resulting in those payments being made.

Mr. Lewis presented the MBE Performance Report for the quarter ending March 31, 2020. Mr. Lewis reported that the Agency attained a 14.94% MBE Performance rate through the third quarter, a decrease of approximately 8% from the second quarter, which is also below the Administrative MBE performance goal of 29.0%. The drop in MBE performance was largely due to \$745k in contracts being awarded to a vendor who did not have MBE status, even though the purchase orders results from competitive procurements.

Treasurer Kopp asked what staff was doing about that issue.

Mr. Lewis responded that the Agency has discretion over procurements under \$5,000 threshold and that any procurement above \$5,000 has to be competitive. Unfortunately, the vendors who won the contracts were not MBEs.

Treasurer Kopp commented that the situation is disappointing and asked that she and staff talk to come up with suggestions to facilitate improvement.

Member Services
Update

Mr. Reott reported that the Member Services unit was able to meet its goals for the call abandonment rate and average call wait time for the month of April 2020. The unit's call abandonment rate was 6.46% and the average speed of answer was 89 seconds for the month of April.

Mr. Norman asked how much longer the five new counselors in training will remain in training.

Mr. Reott responded that training is for six months and that those counselors are almost at the end of training.

Mr. Norman asked about the one vacancy and whether we move someone automatically into that position from a double-pinned position.

Mr. Reott responded that the Agency's Human Resources staff at the Department of Budget and Management is looking into that.

Treasurer Kopp asked if rates could be improving because the System's employees are largely teleworking and there is less interaction amongst staff.

Mr. Reott responded that could be a factor, but that he felt that it was not likely as the supervisors in that unit are very hands-on and are able to easily measure performance and productivity. Mr. Reott further responded that what seemingly had contributed to the unit meeting its goals were the decreased call volume and the new

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process for wrapping up of a call, in which a counselor, at the end of a call, is able to forward an email to another staff member to follow-up on requests such as sending out a specific form.

Mr. Reott acknowledged the excellent assistance from Ira Greenstein and his staff with obtaining laptops and equipment necessary for the member services staff to be able to telework. Mr. Reott also acknowledged the hard work of Robin McClelland, Charelle Saunders and Gwen Mulcahy.

Adjournment

There being no further business before the Committee, on a motion made by Treasurer Kopp and seconded by Mr. Haines, the meeting adjourned at 10:56 a.m.

Respectfully submitted,



R. Dean Kenderdine,
Secretary to the Board