

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

June 7, 2022

The Administrative Committee meeting convened, via video/audio conference call, beginning at 9:31 a.m.

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	Jamaal Craddock
Richard Norman, Vice Chairman	Dereck Davis
Linda Allen	Marc Nicole
Thomas Brandt	

Agency Staff members attending included: Martin Noven, Executive Director/Board Secretary

Robert Burd	Michael Golden	Chandra Puranam
Greg Busch	Angie Jenkins	Ken Reott
Melody Countess	Megan Myers	David Rongione
Patricia Fitzhugh	Van Lewis	Janet Sirkis
Anne Gawthrop	Kim O'Keeffe	Chris Mannino (live stream)
	Andrew Palmer	

Assistant Attorneys General present included: Rachel Cohen, Emily Spiering and Kathleen Wherthey

Other attendees included: Rebecca Smith, Esq., Jason Dykes; and Elizabeth Stamas

Call Meeting to Order	Mr. Haines, Chairman of the Administrative Committee, having established that there was a quorum present, called the meeting to order.
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Prior to the motion being made to meet in closed session, Trustee Richard Norman, for the record, advised the Committee that as the representative for the members of the State Police Retirement System, he would be recusing himself from the appeal.

CLOSED SESSION

On a motion made by Mr. Norman and seconded by Mr. Brandt, the Administrative Committee voted to meet in a closed session, via video/audio conference call, beginning at 9:32 a.m., for the purposes of:

- a) Conducting an administrative appeal of an individual participant, pursuant to General Provisions Art., § 3-103(a)(1)(iii), a quasi-judicial function and 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.

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	Jamaal Craddock
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Agency Staff members attending included: Martin Noven, Executive Director/Board Secretary

Robert Burd	Michael Golden	Andrew Palmer
Greg Busch	Angie Jenkins	Chandra Puranam
Melody Countess	Megan Myers	Ken Reott
Patricia Fitzhugh	Van Lewis	David Rongione
Anne Gawthrop	Kim O'Keeffe	Janet Sirkis

Assistant Attorneys General present included: Rachel Cohen, Emily Spiering and Kathleen Wherthey

Other attendees included: Rebecca Smith, Esq., Jason Dykes; and Elizabeth Stamas

On a motion made by Mr. Brandt and seconded by Mr. Nicole, the Administrative Committee returned to open session, via video/audio conference call, beginning at 9:48 a.m.

OPEN SESSION

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	Jamaal Craddock
Richard Norman, Vice Chairman	Dereck Davis
Linda Allen	Marc Nicole
Thomas Brandt	

Agency Staff members attending included: Martin Noven, Executive Director/Board Secretary

Greg Busch	Michael Golden	Chandra Puranam
Melody Countess	Angie Jenkins	Ken Reott
Robert Diehl	Megan Myers	David Rongione
Patricia Fitzhugh	Van Lewis	Janet Sirkis
Anne Gawthrop	Kim O'Keeffe	Chris Mannino (live stream)
	Andrew Palmer	

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

Minutes On a motion made by Mr. Norman and seconded by Treasurer Davis, the Administrative Committee approved the April 5, 2022 open session meeting minutes.

FY23 Business Plan Mr. Noven provided a brief overview of the FY23 Business Plan, describing efforts to fill vacancies in the administration and finance units, the employee engagement survey provided to staff, and the return to office. Mr. Noven then asked Chandra Puranam to present the Agency's new initiatives.

Mr. Puranam provided the Committee with a brief status report on the MPAS+ project, indicating that a full update will be presented to the Board of Trustees, by Will Morrow, at the June 21, 2022 meeting. Mr. Puranam congratulated SRA staff for a job well-done and thanked the Board for their guidance with the project.

Mr. Brandt asked if there has been any cost savings with this project.

Mr. Puranam responded that the launch of the member portal had allowed staff to reduce the backlog of processing paperwork, such as retirement estimates. Since

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estimates can be done in real-time, using the member portal, there is no longer a backlog. The portal has also reduced the time spent on telephone calls and reduced the cost of mailing responses to member requests, as transactions can be done electronically through the portal.

Mr. Brandt asked what staff is doing to hire and train candidates that will provide member services.

Ms. Allen asked if staff is conducting exit interviews and if we are offering positions and being declined.

Mr. Reott responded that it depends on the position the agency is hiring for. For example, the Agency could interview fifteen candidates to find the perfect person, to later discover that the preferred candidate wants to work 100% remotely or expects a higher salary. Mr. Reott also responded that staff does conduct exit interviews, asking why the employee is leaving, where they are going and if there is anything the Agency can do to make them stay.

Ms. Allen asked where we advertise the positions we are hiring for.

Mr. Reott responded that we advertise on the Agency's website, the State's website, which is controlled by the Department of Budget and Management and Linked-In.

On a motion made by Mr. Brandt and seconded by Mr. Nicole, the Administrative Committee approved the FY23 Business Plan, including new Initiatives for recommendation to the Board of Trustees.

Proposed
Amendments
to COMAR
22.03.01 –
Election of
Trustees

Ms. Myers presented the Committee with a memorandum, which provided background information outlining proposed amendments to COMAR 22.03.01 – Election of Trustees.

Ms. Myers reported that staff believes that the regulations providing for the election of Board trustees require changes. Due to the volume of changes, this regulation will be repealed and replaced, as presented in the memorandum.

On a motion made by Mr. Norman and seconded by Mr. Nicole, the Administrative Committee voted to propose for adoption the proposed amendments to COMAR 22.03.01 – Election of Trustees, by sending this amended chapter to the Administrative, Executive and Legislative Review Committee, and publishing it for comment in the Maryland Register.

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Trustee Election
Schedule

The Committee was presented with and reviewed the Board of Trustees election schedule for the retired member representatives of the Employees' System and the Teachers' System (as defined in COMAR 22.03.01.01B).

The terms of office for the successful candidates in the representative elections will be from August 1, 2023 through July 31, 2027.

September 1, 2022 through December 1, 2022	An eligible voter who seeks to become a candidate may obtain a nomination form from the Executive Director.
January 31, 2023	Completed nomination forms must be submitted to the Executive Director by an eligible voter who seeks to become a candidate by 4:30 p.m.
February 15, 2023 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 15, 2023 ²	Mailing of election materials to eligible voters, including candidate biographies and personal identification numbers for internet and IVR (telephone) access.
May 22, 2023 ²	IVR (telephone) and website (internet) open for voting.
June 22, 2023	Last date for voting. Deadline is 4:30 p.m.
July 18, 2023 ³	Executive Director announces election results at the July Board of Trustees meeting.
<p>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.</p> <p>² Date subject to change based on final arrangements reached with the vendor.</p> <p>³ Subject to the Board of Trustees' approval of the 2023 meeting dates.</p>	

On a motion made by Mr. Nicole and seconded by Mr. Brandt, the Administrative Committee approved the election schedule for the retired representatives of the Employees' System and Teachers' System for recommendation to the Board.

Gabriel Roeder
Smith &
Company (GRS)
Contract
Renewal

Ms. Countess informed the Administrative Committee that the contract for actuarial services provided by Gabriel Roeder Smith & Company (GRS), which began on July 1, 2018, will expire on December 31, 2022. Ms. Countess reported that it is staff's recommendation that the Administrative Committee recommend to the Board of Trustees that it exercise the System's first of four one-year extension option at the cost of \$423,000. The recommendation is based on the firm's performance to date under the contract, as well as, the importance of continuity for the effective completion of current work assignments. This would extend the contract until

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December 31, 2023.

On a motion made by Mr. Norman and duly seconded, the Administrative Committee approved for recommendation to the Board of Trustees that it exercise the System's first one-year extension option of the contract with GRS.

Participation in
the Employer
Pick-Up
Program

Ms. Fitzhugh provided the Committee with written requests and resolutions from the Town of Denton and the Kent County Commissioners requesting that the Board approve their participation in the employer pick-up program.

Mr. Brandt asked if staff is overseeing compliance with these participating governmental units ("PGUs).

Ms. Fitzhugh responded that she is the liaison between the Agency and the employer and explains to the PGUs the compliance rules. Ms. Fitzhugh explained that the PGUs are bound by the terms of the participation agreement. She indicated that there is a steering committee compiled of staff from the Legal office, Legislative Services, and Finance that discusses thoroughly those PGUs who have requested participation.

Ms. Cohen further responded that the employer pick-up program is for the benefit of the employees, as it provides that contributions are on a pre-tax basis. Participation agreement terms are required based on statutes within Title 31 of the State Personnel and Pensions Article of the Maryland Code.

On a motion made by Mr. Brandt and seconded by Mr. Norman, the Administrative Committee approved the Town of Denton and Kent County Commissioners' requests to participate in the employer pick-up program for recommendation to the Board.

Transfer of
Eligible
Members from
One State
System to
Another State
System

Ms. Fitzhugh reported, for informational purposes, that Kent County (Detention Center Officers), Town of Denton (Police Officers), Queen Anne's County (Paramedics) and Talbot County (Paramedics) submitted to the Board, by resolution, their intentions to withdraw eligible members from the Employees' Pension System and transfer them to the Correctional Officers' Retirement System and Law Enforcement Officers' Pension System, respectively.

A copy of the signed resolutions were provided to the Committee in the meeting book.

Finance
Reports –
Quarter Ending
March 31,
2022

Ms. Countess and Mr. Lewis presented the Administrative Expense report dashboard, which provided an overview of how the Agency expended or encumbered 67.05% of its FY2022 appropriation through the third quarter.

APPROPRIATION EXPENDED/ENCUMBERED	67.05%
REGULAR SALARIES	75.38%
CONTRACTUAL PAYROLL AND TECHNICAL SUPPORT	47.42%
COMMUNICATIONS (INCLUDES POSTAGE)	55.40%
TRAVEL	11.28%
VEHICLE COSTS	81.67%

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CONTRACTUAL SERVICES (including equipment leasing & building maintenance)	41.54%
SUPPLIES	79.06%
EQUIPMENT PURCHASES	80.68%
RENT AND INSURANCE	77.07%
DUES, SUBSCRIPTIONS AND LICENSES	94.78%

Mr. Lewis reported that the current report contained an error in the data processing line item, reflecting an amount that is off by \$4,300. A corrected version of the Administrative Expense Schedule was submitted after the Administrative Committee meeting. The corrected report projects a year-end deficit approximating \$72,000; however, Staff is waiting for budget amendments relating to salaries to post, which should translate this year-end deficit into a year-end surplus approximating \$479,000. This surplus will be available to subsidize the non-budgeted costs related to the Agency's lease expansion.

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Mr. Lewis presented the MBE Performance Report for the quarter ending March 31, 2022. The report showed that the Agency's MBE performance was 39.46%, with most of its awards to female and disabled operated businesses. Mr. Lewis reported that the auditing services contract, which is currently before the Board of Public Works for approval at its June 22, 2022 meeting, would enhance participation numbers substantially.

Mr. Lewis reported that the Agency processed thirty-five (35) purchase orders and two (2) blanket purchases totaling \$796,451 through the third quarter. Twenty-six (26) of these purchase orders were processed under statewide contracts managed by the Department of Information and Technology (DoIT), yielding \$193,346 in MBE participation dollars. Three other purchase orders, not related to statewide contracts, contributed an additional \$168,950 in MBE participation dollars, bringing the total to \$362,296 for the third quarter. MBE transactions totaling \$1,818, were derived from credit card purchases and other MBE transactions totaling \$1,413, were derived from direct voucher transactions.

Mr. Brandt asked if the numbers reported included investments.

Mr. Palmer responded that the Investment Division's MBE participation report is presented to the Board, separately, through the GOMA report and is not part of the Agency's MBE report. Mr. Palmer further responded that at the time of his on boarding the participation rate was 11%, in 2019 the participation rates increased to 22% and since the division began in-house managing the MBE participation rate is approximately 17%.

Member
Services Update

Mr. Reott provided a Member Services update, reporting that the April call volumes were up slightly from FY21 and the unit continues to fall short of their performance goal. However, the performance rates compare favorably to last fiscal year with an abandonment rate of 14.74% in FY22 as compared to 16.43% for FY21, and average call wait time of 339 seconds in FY22 as compared to 369 seconds for FY21. He indicated that the unit received 108,677 calls year-to-date, which is a decrease of about 6,600 calls from last year.

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Mr. Reott reported that the number one issue that the team is facing is staffing. He reported that in addition to recently hiring four new specialists who graduated from training in May, the unit has also filled the counseling manager role, three supervisor roles and re-hired, on a contractual basis, a retired, former agency employee to handle paperwork. The recruitment focus over the next several weeks will be on filling two specialist advanced positions and then back filling the vacancies created by these internal promotions with additional new specialists to start a new training class, and looking to bring on another contractual employee to help with administrative duties so that a specialist does not need to be taken off the phones to perform these duties. He further reported that the second issue the unit is focusing on is employee performance, which is specific to the job.

CLOSED SESSION

On a motion made by Mr. Brandt and seconded by Mr. Nicole, the Administrative Committee voted to meet in a closed session, via video/audio conference call, beginning at 11:38 a.m., for the purposes of:

- a) reviewing the closed session Administrative Committee meeting 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 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) providing that minutes of a closed session be sealed and not be open for public inspection; and
- b) discussing the administrative appeal of an individual participant, pursuant to General Provisions Art., § 3-103(a)(1)(iii), a quasi-judicial function.

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	Jamaal Craddock
Richard Norman, Vice Chairman	Dereck Davis
Linda Allen	Marc Nicole
Thomas Brandt	

Agency Staff members attending included: Martin Noven, Executive Director/Board Secretary

Greg Busch	Michael Golden	Andrew Palmer
Melody Countess	Angie Jenkins	Chandra Puranam
Robert Diehl	Megan Myers	Ken Reott
Patricia Fitzhugh	Van Lewis	David Rongione
Anne Gawthrop	Kim O'Keeffe	Janet Sirkis

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

On a motion made by Mr. Norman and seconded by Treasurer Davis, the Administrative Committee returned to open session, via video/audio conference call, beginning at 11:40 a.m.

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OPEN SESSION

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Agency Staff members attending included: Martin Noven, Executive Director/Board Secretary

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Patricia Fitzhugh	Kim O’Keeffe	Janet Sirkis
Anne Gawthrop	Andrew Palmer	Chris Mannino (live stream)
Michael Golden		

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

The Administrative Committee, during the closed session, acted upon the following items:

Minutes	The Committee reviewed and approved the April 5, 2022 closed session Administrative Committee meeting minutes.
Administrative Appeal of J. Dykes	The Committee reviewed and adopted the recommendation for summary decision for recommendation to the Board of Trustees.
Adjournment	There being no further business before the Committee, on a motion made by Mr. Brandt and seconded by Treasurer Davis, the meeting adjourned at 11:40 a.m.

Respectfully submitted,



Martin Noven,
Secretary to the Board