

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

September 6, 2022

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

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	David Brinkley
Richard Norman, Vice Chairman	Jamaal Craddock
Linda Allen	Dereck Davis
Thomas Brandt	Robert Sandlass

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

Melody Countess	Harris Kaplan	Chandra Puranam
Robert Diehl	Van Lewis	Ken Reott
Patricia Fitzhugh	Tom Montanye	Ben Robb
Anne Gawthrop	Megan Myers	David Rongione
Michael Golden	Kim O’Keeffe	Karen Simpson
Angie Jenkins	Andy Palmer	Janet Sirkis

Assistant Attorneys General present included: Rachel Cohen and Emily Spiering

Other attendees included: Jonathan Martin, Laura Atas, Val Kwiatkowski and Megan Schutz (Treasurer’s Office), Michael Rubenstein and Aatka Qadri

Call Meeting to Order Mr. Haines, Chairman of the Administrative Committee, having established that there was a quorum present, called the meeting to order. He asked the Committee if there were any changes to the agenda. Having heard no requests for changes by the Committee, the agenda was adopted, as presented.

Minutes On a motion made by Mr. Brandt and seconded by Mr. Norman, the Administrative Committee approved the August 2, 2022 open session meeting minutes.

2023 Administrative Committee Meeting Dates On a motion made by Mr. Norman and seconded by Mr. Brandt, the Administrative Committee approved the 2023 Administrative Committee Meeting dates, as follows:

Tuesday, February 7, 2023	Tuesday, March 7, 2023
Tuesday, April 4, 2023	Tuesday, June 6, 2023
Tuesday, August 1, 2023	Tuesday, September 5, 2023
Tuesday, October 3, 2023	Tuesday, December 5, 2023

FY24 Budget Proposal Mr. Noven, along with Van Lewis presented the Agency’s Budget Request for Fiscal Year (FY) 2024.

Mr. Noven reported that the Agency’s proposed budget also makes four “over the target” requests as follows:

- Replacement backup and recovery solution with technology resources to support improved member service. (\$347,000)
- Four (4) additional Benefits Administration regular positions. (\$311,967)
- One (1) additional Business Operations Office regular position. (\$99,710)
- Funding for software support plans from Workiva and Traverse. (\$127,500)

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Mr. Noven reported that he plans to seek Secretary Brinkley's approval to have the entry level positions in the Member Services unit posted on an open and continuous basis, in order to improve recruitment efforts.

On a motion made by Mr. Brandt and seconded by Ms. Allen, the Administrative Committee approved, for recommendation to the Board of Trustees, the FY24 Budget Proposal, as presented.

Mr. Sandlass asked if staff had previously requested to have those positions posted on an open and continuous basis and if so, had the request been denied.

Mr. Noven responded that Marc Nicole had helped the Agency fill the positions in the past through double-pinning. However, the double-pinning caused problems at DBM, requiring that the Agency explore alternative solutions.

Secretary Brinkley commented that a similar request, to have certain positions filled on an open and continuous basis, has been done with another agency and that he believes the State Retirement Agency's request would be favorably received.

Mr. Haines asked when can the Board go to the legislature to seek approval for a budget that is closer to the statutory cap and obtain the resources needed to deliver services to our members.

Treasurer Davis asked if staff have spoken to the General Assembly.

Ms. Gawthrop responded that staff has spoken to the legislature in the past, but not recently. For instance, staff spoke with the legislature prior to the start of the MPAS project to get an increase in the cap to begin the work on that system.

Treasurer Davis commented that staff should put in a bill this year to get the process started formally.

Finance
Reports
Quarter Ending
June 30, 2022

Mr. Lewis presented the Administrative Expenses report for the quarter ending June 30, 2022. Mr. Lewis reported that the Agency expended 99.53% of its available appropriation, with a year-end surplus of approximately \$130,420.

Mr. Lewis reported that DBM was instrumental in helping the Agency achieve this year-end surplus with the end-of-year assistance in covering the Agency's year-end deficit in healthcare costs (\$223k). The agency also absorbed approximately \$700k in non-budgeted lease expansion costs during FY22, and costs are continuing into FY23.

Mr. Lewis reported that the following items also contributed to the year-end surplus:

- Contractual P/R & Tech Support – \$212k
- Communications – \$170k
- Travel – \$49k

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Mr. Lewis presented the MBE Performance Report for the quarter ending June 30, 2023. Mr. Lewis reported that MBE performance was 27.37%, falling slightly short of the overall minimum MBE performance goal of 29.0%.

Mr. Lewis reported that the agency processed thirty-nine (39) qualifying purchase orders and three (3) blanket purchase orders totaling \$4,233,223 during FY2022. Twenty-eight (28) of these purchase orders were processed from statewide contracts managed by the Department of Information and Technology, yielding \$223,467 in MBE participation dollars. Three (3) other purchase orders and one (1) blanket purchase order, not related to statewide contracts, contributed an additional \$984,950 in MBE participation dollars, bringing the total to \$1,208,417 for the fiscal year. Mr. Lewis reported that \$816k of that amount is attributed to one multi-year internal auditing contract that was established at the end of fiscal year 2022. Qualifying non-MBE procurements increased at a greater rate than procurements with MBE participation during the fourth quarter, resulting in a dilution of the MBE participation rate reported during the third quarter. \$2,268 in MBE participation dollars were derived from credit card purchases during the fiscal year, and \$1,413 were derived from direct voucher transactions. Typically, neither credit card transactions, nor direct voucher transactions, contribute substantially to the Agency's MBE participation attainment.

Member
Services Update

Mr. Reott provided a Member Services update to the Committee. Mr. Reott indicated that he modified the report to remove non-quantitative information, such as survey results and add in information and statistics that the Committee has expressed interest in, such as staffing information.

Mr. Reott reported that with the modification of the report, the final report submitted to the Committee contained an error in the average call abandonment rate and the average call wait time for FY22. The FY22 average call abandonment rate through August should have been 10.04% not 15.36% with the FY23 average call abandonment rate through August of 15.41%. The FY22 average call wait time through August should have been 158 seconds not 384 seconds, with the FY23 average call wait time through August of 377 seconds.

Mr. Reott reported that the call summary section of the report reflects that the unit was offered 24,150 calls in the first two months of FY23. July retirements and the cost-of-living increase were hot topics which increased the number of calls into the unit. Mr. Reott reported that staff added a column to that section of the report, which now shows the average number of staff on the phones during those months. In July there was an average of 9.69 staff on the phones and in August an average of 10.6 staff on the phone at any given time.

Mr. Reott reported that the launch of two new systems within the MPAS reengineering project, one for direct deposit requests and the other for refund processing, should help with reducing the number of calls to the call center. However, with the implementation of the new W-4P federal tax withholding form from the IRS, which is more complicated than the current form, more calls could be generated after the new form goes into effect as of January 1, 2023.

Mr. Brandt commented that he is grateful for the information from both Mr. Reott and Mr. Noven.

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Mr. Sandlass asked what the average time of a call-back is and how long is the caller in the queue before being asked if they want to utilize the call back feature.

Mr. Reott responded that he did not know those timeframes but will check with staff regarding the call-back feature and what other information can be obtained from the phone system and will report back to the Committee.

Adjournment

There being no further business before the Committee, on a motion made by Mr. Brandt and seconded by Secretary Brinkley, the meeting adjourned at 10:22 a.m.

Respectfully submitted,



Martin Noven,
Secretary to the Board