

BOARD OF TRUSTEES  
FOR THE  
STATE RETIREMENT AND PENSION SYSTEM  
OF MARYLAND

MINUTES OF MEETING

March 20, 2001

The Board of Trustees for the State Retirement and Pension System of Maryland met in the Boardroom of the SunTrust Building, 120 East Baltimore Street, Baltimore, Maryland, at 9:30 a.m. There were present Richard N. Dixon, Chairman, William Donald Schaefer, Vice-Chairman, G. Bruce Harrison, Morris L. Krome, Carl D. Lancaster, Arthur N. Caple, Jr., William D. Brown, Debra Humphries, George Tydings (by phone), Trustees, and Peter Vaughn, Secretary. Agency staff members also attending were Margaret A. Bury, Retirement Administrator, Robert Feinstein, Jill Leiner, Carla Katzenberg and Rachel Cohen, Assistant Attorneys General, J. Howard Pleines, Director of Legislation, Rick Harrison, Chief Financial Officer, Carol Boykin, Chief Investment Officer, Sherlynn Matesky, Administrator, Thomas Gighotti, Chief Internal Auditor, Gwendolyn Mulkey, Executive Associate, and Shirley Hartnett, Administrative Officer.

Alouides Antoine, Carol Valcourt (interpreter), Maurice Brooks, and Charlene Boston were also present.

Minutes

1 On motion made by Mr. Caple and seconded by Mr. Brown, the Minutes of the regular meeting of the Board of Trustees for the State Retirement and Pension System of Maryland, held on January 16, 2001, were approved.

On motion made by Mr. Caple and seconded by Mr. Brown, the Minutes of the regular meeting of the Board of Trustees for the State Retirement and Pension System of Maryland, held on February 20, 2001, were approved.

On motion made by Mr. Caple and seconded by Mr. Brown, the Minutes of the special meeting of the Board of Trustees for the State Retirement and Pension System of Maryland, held on March 6, 2001, were approved.

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Investment  
Committee Report

2 Mr Arthur Caple, Jr, Chairman of the Investment Committee, reported on the Committee's meeting held on Friday, March 9, 2001

Mr Caple reported that the Asset Allocation Review required further analysis and would be discussed at a later date

Mr Caple also reported the Investment Operations Manual would need additional review at a later date

Major Krome made a motion to discuss the Maryland Venture Capital Trust in an open forum as opposed to Executive Session. There being no second, the motion failed

The Board accepted Mr Caple's report

Alourdes Antoine

3 The Board considered the report of Guy Avery, the Administrative Law Judge in connection with the claim of Alourdes Antoine, for accidental disability benefits. The report included a report by the Medical Board and related medical documentation. The Medical Board denied accidental disability retirement based on its finding that Ms Antoine's disability was not the natural and proximate result of the 1995 accident. Ms Antoine appealed.

Ms Antoine and her interpreter, Mr Carol Valcourt, appeared and asked that her case be considered by the Board of Trustees and requested the Board approve accidental disability benefits. Ms Carla Katzenberg, attorney for the Agency, addressed the Board and argued that the Board should accept the Administrative Law Judge's report. The Board deferred further consideration to executive session.

Maurice Brooks

4 The Board considered the report of Yvette Diamond, the Administrative Law Judge in connection with the claim of Maurice Brooks, for accidental disability benefits. The report included a report by the Medical Board and related medical documentation. The Medical Board denied Mr Brooks accidental disability retirement benefits. Mr Brooks appealed the Medical Board's decision.

Mr Brooks appeared and asked that his request be approved by the Board of Trustees for the Retirement Agency. Ms Carla Katzenberg, attorney for the Agency, addressed the Board and argued that the Board should accept the Administrative Law Judge's report. The Board deferred further consideration to executive session.

Charlene Boston

5 The Board considered the report of Marlene Miller, the Administrative Law Judge in connection with the claim of Charlene Boston, for accidental disability benefits. The report included a report by the Medical Board and related medical documentation. The Medical Board denied Ms Boston accidental disability retirement benefits based on her untimely filing. Ms Boston appealed the Medical Board's decision.

Ms Boston appeared and asked that her request be approved by the Board of Trustees. Ms Jill Leiner, Attorney for the Agency, addressed the Board and argued that the Board should accept the Administrative Law Judge's report. The Board deferred further consideration to executive session.

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Russell Poole

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The Board considered the report of Neile S Friedman, the Administrative Law Judge in connection with the claim of Russell Poole, for accidental disability benefits. The report included a report by the Medical Board and related medical documentation. The Medical Board denied Mr Poole accidental disability retirement benefits. Mr Poole appealed the Medical Board's decision.

The Claimant and his Attorney were unable to attend the Board Meeting and asked that Mr. Poole's case be considered on the record. Ms Jill Lerner, Attorney for the Agency, addressed the Board and argued that the Board should accept the Administrative Law Judge's report. The Board deferred further consideration to executive session.

On motion made by Brown and seconded by Caple, the Board unanimously voted to meet in Executive Session to consider the appeals of Alourdes Antoine, Maurice Brooks, Charlene Boston and Russell Poole. And receive an update report on MD Venture Capital Trust State Government Article Section 10-502(i) authorizes the Board to meet in closed session to exercise a quasi-judicial function. The Board also met to discuss the Maryland Venture Capital Trust Update. State Government Article Section 10-508(5) authorizes the Board to meet in closed session to consider the investment of public trust funds.

#### EXECUTIVE SESSION

The Board met in Executive Session at 11:15 a.m. in the Boardroom of the SunTrust Building at 120 East Baltimore to consider the appeals of Alourdes Antoine, Maurice Brooks, Charlene Boston and Russell Poole. All of the persons present at the beginning of the meeting were present in Executive Session except the following: Carla Katzenberg, Jill Lerner, Alourdes Antoine, Carol Valcourt, Maurice Brooks, and Charlene Boston. The Board adjourned its Executive Session at 12:42 p.m. and returned to regular session to complete the agenda.

#### REGULAR SESSION

- Alourdes Antoine On motion made by Mr. Harrison and seconded by Mr. Brown, the Board voted unanimously to reject the Administrative Law Judge's Proposed Findings of Fact and Conclusions of Law and grant Ms. Antoine's request for accidental disability retirement benefits.
- Maurice Brooks On motion made by Mr. Brown and seconded by Mr. Harrison, the Board voted unanimously to adopt the Administrative Law Judge's Proposed Findings of Fact and Conclusions of Law and denied Mr. Brook's request for accidental disability retirement benefits.
- Charlene Boston On motion made by Mr. Brown and seconded by Ms. Humphries, the Board voted unanimously to adopt the Administrative Law Judges Proposed Findings of Fact and Conclusions of Law and denied Ms. Boston's request for accidental disability retirement benefits.

(3)

Russell Poole

On motion made by Mr Caple and seconded by Mr Harrison, the Board voted unanimously to adopt the Administrative Law Judges Proposed Findings of Fact and Conclusions of Law and denied Mr Poole's request for accidental disability retirement benefits

Mr Caple stated the requirements for disability should be in a special article in the Newsletter Ms Bury reported that disability articles are done on an annual basis Mr Caple requested that the disability articles be put in bold headline

Mr Lancaster request that the Executive Committee, on the next budget submission, revisit this issue for postage for mailing the active employees' newsletter directly to their homes, not to agency retirement coordinators

Maryland Venture  
Capital Trust

Mr Brown motioned seconded by Mr Schaefer that the Board Minutes reflect that a lengthy discussion concerning the Maryland Venture Capital Trust and the Department of Business and Economic Development was held in Executive session The Board has urgent concerns with this matter and is referring it back to the Investment Committee for further study The Committee will report back to the Board as soon as possible The motion passed Chairman Dixon and Major Krome registered nay votes

Executive Director's  
Report

7 Mr Vaughn reported on the Trustee election nominations to date For the Teachers representative, no election is required Mr Brown is the only candidate who submitted the required 500 signatures, therefore Mr Brown is the Teachers' representative for the next four years The State Police Retirement System has two nominees Mr Bruce Harrison and Mr Jeff Wobbleton There are also two nominees for Employee Representative Mr Arthur Caple and Mr Steven Berger The ballots will be mailed April 30, and must be received at the Agency on June 1<sup>st</sup>, 2001 The results will be presented to the Board at the meeting on June 19, 2001

Mr Vaughn stated that the Agency mailed out the Financial Disclosure forms to the Trustees on Feb 7<sup>th</sup> with their agendas Mr Vaughn then reminded the Trustees that forms had to be completed and returned to the Ethics Commission by April 30, 2001

Mr Vaughn informs the Board that due to her illness, Harnet Granet, Principal Counsel to the Board, resigned as of March 16, 2001 Mr Vaughn informed the Board of his intent to present to Ms Granet a letter signed by Mr Dixon expressing the Board's appreciation for her service as general counsel Mr Vaughn advised the Board of the process to replace Ms Granet He also informed the Board that he has spoken with Donna Hill-Staton of the Attorney General's office about assisting with the search for the new Assistant Attorney General The AG's office will give the Agency 3 - 4 candidates to review The Agency will make a recommendation, but the AG's office will make the final decision

Mr Vaughn reported that the Agency has selected 2 finalists for the position of Chief Information Officer, the Agency will make an offer to the 1<sup>st</sup> finalist, and if he declines, the offer will then be made to the second finalist whose qualifications are comparable

The Board accepted Mr Vaughn's report

(4)

Executive Committee 8  
Report

Mr William D. Brown, Chairman of the Executive Committee, reported on the Committee's meeting held on March 6, 2001 (Exhibit A)

Mr Brown reported that Mr Vaughn vacated the Default Order for Carolyn Rochell because she cannot travel in bad weather Mr Vaughn has requested the Administrative Law Judge to reschedule Ms Rochelle's hearing for late spring

Mr Brown also advised the Board on the status of the request for waiver of leave of absence for Herbert Colclough Mr Vaughn recommended that the requirement be waived and that a leave of absence form be filed on behalf of Mr Colclough The Prince George's Board of Education has admitted that they were unable to provide Mr Colclough with the proper information Unfortunately, Mr Colclough has since died Mr Brown moved that the Board ratify Mr Vaughn's decision to waive the filing requirement for a leave of absence for Mr Colclough The Motion was seconded by Mr Krome The motion was approved unanimously

Mr Brown asked Marge Bury to give a strategic system update Ms Bury reported that some deliverables are six to eight weeks late Ms Bury also reported that despite slippage the deadline dates for September, October and November will still be met Ms Bury discussed possible errors that may still exist and show up on the statement of benefits and the person's record until they are ready to retire or ask for an estimate She is more apprehensive than before the last three or four months, but Ms Bury still believes that the agency can meet the October 1, 2001 date

Mr Lancaster asked how long the Agency will run dual systems Mr Vaughn answered until everything is tested or reconciled between the two systems September for active members and October for retired members

Mr Brown stated that the Joint Committee on Pensions should be apprised of what is happening

The Board accepted Mr Brown's report

Legislative  
Update

9

Mr Howard Pleines reported on proposed Legislation currently before the General Assembly Mr Pleines reported that SB 275 (State Police Retirement System -Special Death Benefits) will possibly pass, and Senate Bill 329 (Task force on Health Retiree Benefits) should pass He also noted that most re-employment bills are expected to fail, but SB 88 received a favorable recommendation, with amendments from the Joint Pension Subcommittee (Exhibit B)

The Board accepted Mr Pleines' report

Medical Board  
Reports

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The Board, on motion made by Major Krome and seconded by Mr Brown, unanimously accepted and approved the reports of the Medical Board in connection with applications of members for ordinary, accidental and special retirement allowances The Medical Board's conclusions were reached after its review of the evidence provided by the claimants

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Supplemental  
Medical Board  
Reports

- 11 The Board, on motion made by Mr Caple and duly seconded, voted unanimously to approved the supplemental reports with the exception of Jesse Graybill who is to be deferred until the next meeting Major Krome asked Legal to review the case of Jesse Graybill regarding the amount and type of benefit (Exhibit C)

There being no further business before the Board, the meeting adjourned at 12 50 p m

Respectfully submitted,

*Peter Vaughn / gm*

Peter Vaughn, Secretary

gm

6