

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

MINUTES OF MEETING

November 15, 2005

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, beginning at 9 00 a.m. There were present William Donald Schaefer, Chairman, Nancy Kopp, Vice-Chairman, William D. Brown, John W. Douglass, David B. Hamilton, James M. Harkins, Sheila Hill, Cecilia Januszkiewicz, Morris L. Krome, Carl D. Lancaster, Dr. Melissa Moye, Patrick O'Shea, Trustees, and, Thomas K. Lee, Secretary.

Agency Staff members attending were Deborah Bacharach, Monica Bias, Laura Burns, Margaret Bury, Robert Feinstein, Vanessa Garrett-Ingram, Thomas Gigliotti, Steve Huber, Carla Katzenberg, Dale Markle, Vincent Marsiglia, Howard Pleines, and Barbara Swain.

Also attending were Bill Anderson, Anne Gawthrop, Dean Kenderdine, Randy Mickens, and Robert Palumbi.

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| Minutes | 1 | On motion made by Comptroller Schaefer, and seconded by Treasurer Kopp, the Board approved the minutes of the October 18, 2005 regular meeting. |
| Investment
Committee
Recommendations and
Information Items | 2 | Treasurer Nancy Kopp, Vice-Chairman of the Investment Committee, reported on the meeting held November 10, 2005.

Treasurer Kopp reported on the following information items discussed at the Investment Committee meeting: <ul style="list-style-type: none">• Ennis Knupp made an educational presentation on the role of the custodian and securities lending, reviewing the System's reliance upon State Street affiliates for custody, securities lending, asset management and transition management. They indicated that this reliance upon State Street is similar to its peers, calling this a common model for large public pension plans.• The TUCS report was received for the quarter ending September 30, 2005, indicating that the System was in the 63rd percentile for the most recent quarter, and in the 59th percentile for the 12 month period ending September 30, 2005. For two, three and four year percentiles were 50th, 47th, and 60th respectively. |

Treasurer Kopp also noted the importance of discussions to occur at the Investment Committee in January concerning the use of active or passive management and a review of the managers in the System's domestic equity program. She recommended that all Trustees attend this important meeting.

The Board accepted Treasurer Kopp's report on items reported by the Investment Committee in open session.

Executive
Director's
Report

- 3 Mr. Lee stated that the Joint Committee on Pensions (JCP) reviewed the System's investment results for FY2005 on November 8, 2005. The JCP did not reach any decisions, holding off until later in the year when more information will be available on potential funding for retiree health care costs. He stated that the JCP wants to consider all major funding issues (health benefits, corridor funding and benefit enhancements) prior to making any decisions for 2006 legislation.

Mr. Lee noted that the legislative auditors were at the Retirement Agency to perform a compliance audit, which is performed every three years. The auditors are expected to be in the office for about four months.

Mr. Lee stated that Vincent Marsiglia and Melody Countess were in the process of finalizing the information for the 2005 Comprehensive Annual Financial Report. It would be available to the Trustees at the December meeting.

Medical Board
Reports

- 4 On motion made by Treasurer Kopp, and duly seconded, the Board accepted the reports of the Medical Board in connection with applications of members for ordinary, accidental and special disability retirement allowances. The Medical Board's conclusions were reached after its review of the documentation provided by the claimants.

Supplemental
Medical Board
Reports

- 5 On motion made and duly seconded, the Board accepted the supplemental reports of the Medical Board in connection with application of members for ordinary, accidental and special disability retirement allowances. The Medical Board's conclusions were reached after its review of the documentation provided by the claimants. **Exhibit A**

Before hearing disability appeals, Mr. Lancaster briefed the Board on the recent NEA meeting that he and Mr. Brown attended. He noted that Dr. Thomas Mackel, Federal Reserve Bank of Richmond, had talked on the role of trustees touching on many issues that were pertinent to Maryland. He suggested that Dr. Mackel would make an excellent presenter at the next Board educational retreat.

Teresa L. Spencer

- 6 The Board considered the report of the Medical Board and the proposed findings of the Administrative Law Judge in connection with the claim of Ms. Teresa L. Spencer for disability benefits. A report by the Medical Board, the Administrative Law Judge's report, and all related documents submitted by the parties were presented.

Ms Spencer's case was heard on the record. She did not appear before the Board to oppose the Agency's position and the Administrative Law Judge's recommendations. The Board deferred further consideration to Executive Session.

- Dorothy R Smith 7 The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Ms Dorothy R Smith for accidental disability benefits. The Administrative Law Judge's Proposed Decision, a report by the Medical Board, and all related documents submitted by the parties were presented.

Ms Smith addressed the Board via telephone to oppose the Agency's position and the Administrative Law Judge's recommendation. Ms Carla Katzenberg, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations. Following discussion, the Board deferred further consideration to Executive Session.

- Darlene Benedict-Samaras 8 The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Ms Darlene Benedict-Samaras for accidental disability benefits. The Administrative Law Judge's Proposed Decision, a report by the Medical Board, and all related documents submitted by the parties were presented.

Ms Benedict-Samaras appeared before the Board to oppose the Agency's position and the Administrative Law Judge's recommendations. Ms Carla Katzenberg, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's Proposed Decision. Following discussion, the Board deferred further consideration to Executive Session.

- Patricia Smith-Rice 9 The Board postponed the appeal of Ms Patricia Smith-Rice on recommendation of the Secretary for the Board who advised that Ms Smith-Rice just retained the services of an attorney. Her appeal is to be rescheduled for a future date.

- Angela P Yates 10 The Board considered the report of the Medical Board and the findings of the Administrative Law Judge in connection with the claim of Ms Angela P Yates for disability benefits. The Administrative Law Judge's report, a report by the Medical Board, and all related documents submitted by the parties were presented.

Ms Yates appeared before the Board to oppose the Agency's position and the Administrative Law Judge's Proposed Decision. Ms Laura Burns, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's Proposed Decision. Following discussion, the Board deferred further consideration to Executive Session.

On motion made and duly seconded, the Board voted unanimously to meet in Executive Session to deliberate disability appeals, pursuant to State Government Article, Section 10-503(a)(1)(iii) which authorizes the Board to meet in closed session to carry out a quasi-judicial function

EXECUTIVE SESSION

The Board met in Executive Session at 10 40 a m in the Boardroom of the SunTrust Building at 120 East Baltimore Street to consider disability appeals There were present William Donald Schaefer, Chairman, Nancy Kopp, Vice-Chairman, William D Brown, John W Douglass, David B Hamilton, James M Harkins, Sheila Hill, Morris L Krome, Carl D Lancaster, Dr A Melissa Moye, Patrick O'Shea, Trustees, and, Thomas K Lee, Secretary Agency Staff members attending were Deborah Bacharach, Monica Bias, Margaret Bury, Vincent Marsiglia, and, Howard Pleines

The Board ended its closed session at 10 52 a m and returned to regular session to complete the agenda

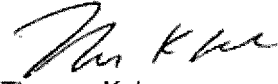
REGULAR SESSION

On motion made and duly seconded, the Board voted to ratify actions taken in Executive Session

- Minutes On motion made and duly seconded, the Board approved the minutes of the October 15, 2005 closed session meeting
- Teresa L Spencer The Board considered the appeal of Teresa L Spencer Following a discussion, on a motion made by Ms Hill, seconded by Mr Harkins, the Board voted to accept the report of the Medical Board and the Administrative Law Judge's Proposed Decision and deny Ms Spencer's request for disability benefits
- Dorothy R Smith The Board considered the appeal of Dorothy R Smith Following a discussion, on a motion made by Ms Hill, seconded by Mr O'Shea, the Board voted to adopt the Administrative Law Judge's Proposed Decision and deny Ms Smith's request for accidental disability benefits
- Darlene Benedict- Samaras The Board considered the appeal of Darlene Benedict-Samaras Following a discussion, on a motion made by Ms Hill, and seconded by Treasurer Kopp, the Board voted to adopt the Administrative Law Judge's Proposed Decision and deny Ms Benedict-Samaras' request for accidental disability benefits Dr Moye abstained
- Angela P Yates The Board considered the appeal of Angela P Yates Following a discussion, on a motion made by Ms Hill, and seconded by Dr Moye, the Board voted to accept the report of the Medical Board and the Administrative Law Judge's Proposed Decision and deny Ms Yates' request for disability benefits

There being no further business before the Board, the meeting adjourned at 10 57 a m

Respectfully submitted,



Thomas K Lee
Secretary to the Board

TKL/mcb