

**BOARD OF TRUSTEES FOR THE
STATE RETIREMENT AND PENSION SYSTEM OF MARYLAND
MINUTES OF MEETING**

December 15, 2009

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.

The Trustees present included:

Nancy K. Kopp, Chairman	Peter Franchot, Vice-Chairman	David Blitzstein	William Brown
John Douglass	James Harkins	Sheila Hill	F. Patrick Hughes
Major Morris Krome	Theresa Lochte	Robert Schaefer	Harold Zirkin
Thurman Zollicoffer, Jr.	R. Dean Kenderdine, Secretary		

Agency Staff members attending included:

Anne Budowski	Margaret Bury	Steve Cichelli	Melody Countess	Robert Feinstein
Patricia Fitzhugh	Ira Greenstein	Dennis Krysiak	Mansco Perry, III	Howard Pleines
Kenneth Reott	Brian Rowe	Janet Sirkis	Patrice Sowah	

Assistant Attorneys General attending:

Deborah Bacharach	Rachel Cohen	Melissa Warren
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Also attended by:

John Kenney	Melissa Moye	Robert Palumbi
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Minutes 1. On a motion made by Mr. Brown and seconded by Ms. Lochte the Board approved the minutes of the November 17, 2009 open session meeting.

Administrative 2. Mr. James Harkins, Chairman of the Administrative Committee, reported on
Committee the regular meeting of the Administrative Committee held on December 1,
Report 2009.

Mr. Harkins reported that the Administrative Committee accepted the reports of the Administrative Expenses and Management Fees for the quarter ending September 30, 2009.

Mr. Harkins reported that the Administrative Committee accepted the report on MBE Performance for the quarter ending September 30, 2009. The Agency was tracking at 18.51% against a goal of 25% as of that date.

Mr. Harkins reported that Ms. Anne Budowski updated the Administrative Committee on the performance of the Member Services Unit through the month of October, noting that the Agency again succeeded in meeting its performance goals for both the abandonment rate and answering calls in August. She stated that the preliminary results for November indicate that the Agency met its goals for that month also; and, indicated that 829 Member Satisfaction surveys were issued by the Agency in October with about 25% returned. Ninety-four percent of the survey respondents indicated satisfaction with Agency services.

Mr. Harkins reported that MPAS Project Director, Steve Cichelli, remains confident that MPAS will go live July 2010, and that the project remains within its budget of \$24.4 million. Project staff has started regression testing. Regression testing is a quality assurance process in preparation for parallel testing that leads to operational Go-Live status. Mr. Cichelli noted that another positive sign of the progress of MPAS is that there is a significant improvement in the data processing time using the new production hardware

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environment. He stated that the second IV&V on MPAS has been completed. All issues raised by the IV&V review have been satisfactorily addressed. Since the Department of Information Technology (DoIT) does not release a report of IV&V findings, the Administrative Committee asked that DoIT provide a briefing for the Committee at its February meeting. Mr. Cichelli stated that the project remains at a critical juncture as Agency business staff will be needed to assist with the testing and other work that must be completed by the go-live date in July.

Mr. Kenderdine acknowledged the MPAS team for their commitment to the success of the project. He added that there will be significant Agency staff resources required through July 2010 and overtime will be incurred.

Mr. Harkins stated that Mr. Kenderdine reported, as a result of comments from Board members, the Agency invited a group of active and retired members to view the new Agency web site and solicited their comments before implementing the new site. He noted that we received valuable feedback from the group. Mr. Greenstein indicated that there were 25 to 30 suggestions for additional changes. Overall, the comments from the focus group were positive with such statements as "user friendly", "easy to navigate", "able to find needed information". The new web site should be on-line in January.

Mr. Harkins requested that Ms. Deborah Bacharach provide a review of her presentation to the Administrative Committee in which she explained the reasoning behind certain administrative appeals. Ms. Bacharach referred to a memo she previously provided to each Board member on this subject. She reported that the Board can delegate its administrative authority to the Office of Administrative Hearings for those cases, but the Board has not chosen to do this. She discussed those appeals that come before the Board and the decision appears to be straightforward and predetermined by statute. She explained that the courts have recognized that pension benefits are protected property interests and, therefore, members are entitled to "due process" notice and an opportunity to be heard when requested benefits are denied. She noted that by following a Summary Decision process, both the Agency and the claimant may avoid the time and resource consuming administrative hearing process that likely cannot produce the result the claimant seeks. The Board can issue a Summary Decision that ends the claimant's administrative remedies, and thus proceed more quickly, if the claimant chooses, to a judicial decision in Circuit Court. The Administrative Committee members recommended a review and revision of communications with claimants to make it more clear that when the Board believes it has no option but to reject the claimant's appeal based on the statute, that the hearing before the Board is a required step in the appeals process before the claimant may seek a final resolution in the courts.

Mr. Blitzstein asked if the Board has the authority to interpret the law. Ms. Bacharach confirmed that the Board does have that authority and further advised that the Board may consider legislative intent and legal advice related to the issues involved in these cases. She also made clear that the Board can override the Executive Director's summary decision in these cases.

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Mr. Harkins reported that Ms. Rachel Cohen addressed the Administrative Committee concerning the request of Debora Phillips, widow of Dr. Phillip N. Phillips, to obtain additional military service credits for her husband's account as a result of his service in the Maryland Defense Force (MDF).

Mr. Harkins provided the following summary of the case.

- A written response to Mr. Kenderdine's Proposed Summary Decision was dated November 23, 2009 by Ms. Phillips' attorney, Roger N. Powell, and distributed to the Board.
- Dr. Phillips participated in the Employees' Pension System (EPS) from July 1, 1996, until his death on March 2, 2008, accumulating 13 years seven months of eligibility service, including 19 months of military service credits. He received 16 months of credit for his four years service in the Maryland National Guard and an additional three months of military credit for his 85 days of active duty while in the Guard from 1987 to 1994.
- At no time prior to his death did Dr. Phillips seek additional military service credits for service with the MDF. When Dr. Phillips died in 2008, his widow, Debora Phillips, was entitled to receive a lump sum death benefit. Mrs. Phillips is seeking additional military service credits in order to qualify for a monthly pension benefit and, therefore, be eligible for State subsidized health insurance.
- Ms. Cohen responded to Mr. Powell's various assertions from his November 23 letter that the MDF credit should be granted under the Uniformed Services Employment and Reemployment Rights Act (USERRA) noting that
 - 1) the purpose of this federal legislation is to protect employment rights of workers who are separated from their jobs while serving in the military (Dr. Phillips never left his job with the State Police);
 - 2) MDF service does not qualify as military service under USERRA; and,
 - 3) Maryland granted USERRA type rights in 2006 for MDF service only if the individual is called into active military duty. Dr. Phillips was not called into active military service as an MDF member.
- Ms. Cohen stated that the Agency believes that Ms. Phillips request must be denied for two reasons.
 - 1) Pension law requires that a member file for military service credits. Dr. Phillips did not file a claim for credit for his participation in the Maryland Defense Force prior to his death.
 - 2) Service in the MDF is not recognized in pension law for military service credits. Participation in the MDF is not included in the definition of military service found in Section 38-104 of the State Personnel and Pensions Article.

Ms. Harkins reported there is no authority to grant members of the System military service credits for such service. Committee member, Howard Freedlander stated that the MDF is a voluntary organization and not part of the Federal or State armed forces.

Debora Phillips and Roger N. Powell, her attorney, were notified and invited

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to attend the Administrative Committee meeting and the Board meeting. They did not attend either meeting.

On a motion made by Mr. Harkins and seconded by Major Krome the Board voted to adopt the recommended Proposed Summary Decision issued by Mr. Kenderdine, regarding the appeal of Ms. Debora Phillips, in accordance with the Administrative Procedures Act, State Government Article, Section 10-201, and COMAR 22.03.04.07D.

Mr. Harkins reported that Ms. Rachel Cohen addressed the Administrative Committee concerning the request of Dr. Edward Orlando's appeal to participate in the Teachers' Pension System (TPS), in lieu of continued participation in the Optional Retirement Program (ORP).

- › Dr. Orlando joined the faculty at St. Mary's College in August 2000, electing to participate in the ORP. He remained at St. Mary's College until July 2005.
- › In August 2008, Dr. Orlando returned to Maryland and became a faculty member at the University of Maryland and attempted to enroll in the TPS.
- › His request was denied by the Retirement Agency based on pension law's one-time election of membership in the ORP or TPS.
- › Dr. Orlando argues that Section 30-302(b) which provides that the ORP election is "a one-time irrevocable election" was not in effect when he began at St. Mary's College in 2000 and, therefore, should not apply to his request to participate in the TPS.
- › He also contends that pension law does not directly address his situation - individuals who worked for one Maryland educational institution eligible for the ORP and then return years later to work for a different eligible institution.
- › Ms. Rachel Cohen indicated that since 1975, pension law has provided that any eligible employee who elected the ORP over the teachers' systems is ineligible for membership in a teachers' system as long as employed in any institution and position that is ORP eligible.
- › Furthermore, the form he executed in 2000 – Election Not to Participate in the Teacher's System by Faculty or Administrative Officers of Institutions of Higher Learning – states that the option to participate in the ORP is "final, binding, and irrevocable as long as the individual is an employee of an institution of higher learning which permits such option."

Dr. Edward Orlando was notified and invited to attend Administrative Committee meeting and the Board meeting. He did not attend either meeting.

On a motion made by Mr. Harkins and seconded by Mr. Hughes the Board voted to adopt the recommended Proposed Summary Decision issued by Mr. Kenderdine, regarding the appeal for Dr. Edward Orlando, in accordance with the Administrative Procedures Act, State Government Article, Section 10-201, and COMAR 22.03.04.07D.

Mr. Harkins reported that Mr. Howard Pleines reported on legislation enacted

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by the Maryland General Assembly that established the Board of Trustees' right to promulgate regulations to impose a penalty of \$100 per employee on participating employers that fail to enroll their employees within a specified time frame.

Mr. Harkins reported that the intent of the legislation was to apply a penalty if an employee is hired prior to April 1, but not enrolled by the end of that fiscal year, June 30. The present regulation reads, in part, that the penalty applies to those who began employment "on or before April 1 of the same fiscal year".

Mr. Harkins reported that the Agency has found that this language presents a problem in the logic of our enrollment programs within both the current Legacy System as well as the MPAS. If an employer hires an employee and submits the first payroll report for contributions for any pay period ending in April, the enrollment program records an entry date of April 1 and, therefore, if the enrollment process is not completed by June 30, the account will be subject to the \$100 penalty.

Mr. Harkins reported that to correct this problem, the Retirement Agency proposes amending COMAR 21.01.12.03 to apply the penalty to employment that begins before April 1.

On a motion made by Mr. Harkins and seconded by Major Krome the Board approved the amendment to COMAR 22.01.12.03 – Imposition of Penalty Procedure – to clarify that the annual \$100 penalty is to be applied only to those employed prior to April 1 who are not enrolled by June 30 of that same fiscal year.

Mr. Harkins reported that Mr. Kenderdine affirmed the plan to establish an Office of Division of External Affairs that will include a position of Assistant Director. The person selected for this position must demonstrate similar skills, knowledge and abilities as the Director, which is a special appointment position. It is recommended that the Assistant Director's position also be designated as a special appointment.

On a motion made by Mr. Harkins and seconded by Major Krome the Board approved that PIN 0063213, Assistant Director for External Affairs, be designated as a special appointment.

Mr. Harkins reported that Mr. F. Patrick Hughes had recommended on behalf of the Audit Committee, the following changes to the Audit Committee charter.

- › Eliminate the requirement that an ex-officio member of the Board serve on the Audit Committee.
- › Audit Committee members will perform a self evaluation every two years.
- › Audit Committee will perform an evaluation of the Internal Audit Function at least every two years.
- › The Audit Committee will perform the annual performance evaluation of the Internal Auditor, with input from the Executive Director.

On a motion made by Mr. Harkins and seconded by Mr. Schaefer the Board

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approved the preceding four changes to the Audit Committee Charter.

Mr. Harkins reported that Mr. Kenderdine advised the Committee that it is required annually to review the criteria for the Executive Director's performance evaluation by the Board.

On a motion made by Mr. Harkins and seconded by Mr. Zollicoffer the Board approved the continued use of the existing criteria for evaluating the performance of the Executive Director.

Corporate
Governance
Committee
Report

3. Ms. Sheila Hill, Chairman of the Corporate Governance Committee, reported on the regular meeting of the Corporate Governance Committee held on November 17, 2009.

Ms. Hill reported that the Corporate Governance Committee received an update regarding divestment of Royal Dutch Shell. Staff noted that the divestment was completed and had resulted in the sale of over one million common shares and 3.5 million dollars in bonds. Staff also noted that it was in the process of collecting data from the System's investment managers on the impact of divestment from the Royal Dutch Shell.

Ms. Hill reported that the Corporate Governance Committee was informed of next steps that staff would undertake with respect to the Royal Dutch Shell divestment:

1. Send a letter to the company to explain the reasoning for the System's divestment;
2. Send an updated report to the Legislature informing them of the System's divestment of the company;
3. Issue a press release notifying the public of the System's divestment from Royal Dutch Shell and respond to press inquiries regarding the System's compliance with the divestment law.

Ms. Hill reported that the Corporate Governance Committee heard recommendations from staff regarding further implementation of the Iran/Sudan Divestiture Act as related to its provisions concerning new investments in prohibited companies:

- Ennis Knupp will be directed to complete an analysis of the remaining 69 companies listed on the Risk Metrics Restricted List to determine the impact that non-investment decisions would have on the System as a whole.
- Staff will distribute the revised Iran/Sudan Divestment list to the System's managers after Ennis Knupp's evaluation.
- Staff will develop a comprehensive policy that outlines procedures for handling investment prohibition matters and submit it for the Committee's approval. This policy would be in response to the portion of the Iran/Sudan Divestiture Act that requires continued monitoring and reporting by the System.

Ms. Hill reported that Mr. Perry also noted that Staff may need to have a future discussion with the Corporate Governance Committee regarding the need for Iran and Sudan-free benchmarks for accounts subject to the divestment law.

Corporate

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Committee
Report

Ms. Hill reported that Treasurer Kopp announced that she had joined in two initiatives with INCR in her role as Maryland State Treasurer. The first initiative concerned CAFÉ standards, while the second was an updated petition to improve disclosure on climate risk.

Ms. Hill reported that in conjunction with the Board's decision to make the Corporate Governance Committee a standing committee of the Board, the Corporate Governance Committee's charter will be reviewed. The Corporate Governance Committee agreed that procedures addressing the process for 'signing on' to investor letters, petitions and similar matters should be developed as part of revisions to the Corporate Governance Committee's charter.

Audit
Committee
Report

4. Mr. F. Patrick Hughes, Chairman of the Audit Committee, reported on the regular meeting of the Audit Committee held on November 17, 2009.

Mr. Hughes' report included an update from the System's external auditor on the results of the audit of the System's financial statements.

- › The audit of the Systems' financial statements for FY 2009 has been completed, and offers an unqualified opinion.
- › The auditor described how they performed testing for investments, including alternative investments.
 - 85% of investments, which are marked to market daily, are independently confirmed with the custodian and custodial records are reconciled to the Agency's General Ledger.
 - For private equity and real estate investments, where June 30th results are not available, the audited December 31st, or March 31st values are rolled forward to June 30th values but are adjusted based on certain trends, benchmarks, and other predictive testing.
- › The System wrote down some of the December 30th valuations for alternative investments that were reported by managers, in order to reflect the values to be reported as of June 30, 2009:
 - Reported real estate values were reduced by approximately \$60 million.
 - There were additional declines in real estate, but these were offset by increases in private equity, so no further adjustment was made.
- › This year, the auditors took a harder look at the due diligence performed by the Agency for alternative investments, both prior to making new investments, and in the subsequent monitoring of existing investments. They were "fully satisfied".
- › The Audit Committee was advised that there are instances where securities lending activities could potentially cause a temporary impairment to the System's portfolio. Although there were no resulting losses to the System, there is some risk associated with securities lending.

Mr. Hughes' report included an update on the status of audits of local government employers.

- › The overall objective of the audits is to ensure that employers comply with the System's enrollment and reporting requirements.

Audit

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- › All 147 local government employers will be audited over a three-year period by Clifton Gunderson.
- › Clifton Gunderson has completed fieldwork for 44 audits scheduled for this year.
- › Notably, the audits have identified the enrollment of ineligible liquor board employees by one county participating in the System. This may be an issue at other counties as well.
 - This issue was referred to the Administrative Committee for further review.

Mr. Hughes' report included an update on the status of audits of Local Education Agencies (Boards of Education, Community Colleges, and Public Libraries).

- › Local education agencies are required to reimburse the State for employer retirement contributions paid by the State for members of Teachers' Systems whose salaries are paid from federal funds.
- › The Agency has the statutory authority to conduct audits to ensure that the State is properly reimbursed for these funds.
- › The funds revert to the State and not to the pension trust fund.
- › Audit fees are to be paid from the audit recoveries. However, the last time the audits were performed, audit fees exceeded recoveries, and the excess fees were paid from the pension trust fund. It is not clear whether such payments are permissible.
- › The Audit Committee believes that it would be more cost effective to include these audits as part of the local governments "Single Audit".
- › Internal Audit recently met with representatives of the Maryland State Department of Education to propose this audit approach. The idea seemed to be well received but a final decision has not yet been made on whether to include these audits in the "Single Audits".

Chairman Kopp questioned the payments when audit fees exceed recoveries and asked the Audit Committee to research this issue and report back to the Board.

Mr. Hughes' report included the suggested revisions to the Audit Committee Charter, which were previously reported by the Administrative Committee Chairman.

Mr. Hughes' report included an update regarding the Audit Committee's receipt of the forms for conducting a self-evaluation and for completing an evaluation of the internal audit function.

Mr. Hughes' report included an update on the Internal Audit Division's plan for obtaining audit training for investments.

- › A previously-issued RFP for obtaining the services of a consultant to train staff and perform audits of investments was cancelled.
 - Two proposals were received, neither of which proposed the services that are needed.
- › Internal Audit plans to issue a new RFP that would be limited to performing a risk assessment of investments in a co-sourcing arrangement.
 - The risk assessment would serve as the basis for future

Audit

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Committee
Report

audits of investments.

- Mr. Hughes' report included an update on an earlier Cash Receipts Audit.
- › The audit found that, occasionally, checks received by the Agency are not immediately deposited because they require further investigation.
 - › Based on advice from legal counsel, checks may be deposited into a separate suspense account for further investigation and refunded to the payor without triggering a taxable event to the member.

Mr. Hughes' report included an update on Internal Audit's recommendation to develop an internet-based webpage for reporting fraud, waste, and abuse. The Audit Committee asked Internal Audit to develop a "whistleblower" policy to help govern such a program.

- Mr. Hughes' reported the completion of the following audits.
- › Death Match Procedures Audit
 - › Audit of DROP Payments
 - › Neither audit disclosed any significant deficiencies

- Mr. Hughes' report included an update on audits in progress.
- › Benefit Adjustments
 - › Members' Contributions
 - › Transfer of Data to Actuary
 - › Travel Expenses
 - › ACL Project – Cost of Living Adjustments
 - › ACL Project – Social Security Integration Level Review
 - › ACL Project – Eligibility Service Verification
 - › Continuous Audit – Required Distributions at Age 70 1/2

- Mr. Hughes' report included an update on policy on placement agent disclosures.
- › The Committee discussed the need for a policy on placement agent disclosures.
 - › The Committee was advised that such a project was started but was later tabled pending SEC action.
 - › The Committee requested a copy of the earlier draft policy developed by the Agency.
 - › The Board should reconsider its earlier decision to table the policy in view of recent reports.

System Funding
Policy Committee

5. On a motion made by Chairman Kopp and duly seconded the Board approved the establishment of the System Funding Policy Committee, an ad hoc committee. The Committee includes the following Trustees:
- › William D. Brown
 - › Sec. T. Eloise Foster
 - › Sheila Hill
 - › Treasurer Nancy K. Kopp
 - › Major Morris L. Krome
 - › Robert W. Schaefer

CAFR 6. Ms. Melody Countess, Chief Operating Officer, presented an overview of

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the System's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2009.

Executive
Director's
Report

7. Mr. R. Dean Kenderdine's reported on recent Agency developments.

Mr. Kenderdine provided copies of the 2009 Board of Trustees Attendance Report and the 2009 Board of Trustees Training Log in advance of their submission to the Governor's Office and the Department of Legislative Services (DLS) Library for archiving as required by law. Mr. Kenderdine also shared a suggestion by Trustee Blitzstein that committee attendance records for each Trustee be submitted as well. Without objection from the Board, Mr. Kenderdine agreed to include committee attendance reports as a part of the submission to DLS.

Mr. Kenderdine reported that the Joint Committee on Pensions (JCP) met on December 8, 2009 and issued the following decisions on the Board's legislative proposals for the 2010 session

SALARY SETTING AUTHORITY

Proposal: Grant the Board of Trustees salary setting authority for professional positions within the Investment Division of the State Retirement Agency

Decision: The Department of Legislative Services is to study this issue during the 2010 Interim and report their findings and recommendations to the JCP.

SCHOOL FOR THE DEAF – AMENDING BENEFITS

Proposal: For the retirees of the Maryland School for the Deaf, adjust benefits to correct amount as of April 1, 2010 and require no recovery of overpayments made prior to April 1.

Decision: The JCP agreed to freeze the benefits for the 46 School for the Deaf retirees at the present level and not pay future cost-of-living adjustments until such time that the correct benefit plus cost of living adjustments exceeds the retirees current benefit amount.

STATE POLICE – SURVIVOR BENEFIT

Proposal: Clarify that a survivor benefit is payable at the death of a former member who was in receipt of a deferred retirement benefit at the time of death – corrects oversight in current pension law.

Decision: The JCP to sponsor the Board's proposal.

LAW ENFORCEMENT OFFICERS - DROP PARTICIPATION

Proposal: Clarify that unused sick leave credits are excluded when determining the length of the time that a retired Law Enforcement Officer may participate in DROP.

Decision: The JCP agreed to sponsor the Board's proposal.

Executive

BALTIMORE CITY SHERIFF'S OFFICE – PAYMENT OF EMPLOYER

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Director's
Report

CONTRIBUTIONS

Proposal: Require Baltimore City to pay the State employer contribution for the employees of the Baltimore City Sheriff's Office who are members of the Employees' Pension System.

Decision: The JCP agreed to sponsor the Board's proposal to correct an oversight from the 2009 Budget Reconciliation & Financing Act (BRFA) that intended to require Baltimore City to pay the State employer contribution for all employees of the Baltimore City Sheriff's Department.

PROVIDING BENEFIT AFTER WITHDRAWAL OF MEMBER CONTRIBUTIONS - REPEAL

Proposal: Repeal §29-303(h) that permits members of the Non-Contributory Pension System to withdraw accumulated contributions (member contributions plus interest) and receive a pension benefit based solely on employer contributions.

Decision: The JCP agreed to sponsor the Board's proposal.

REVISIONS TITLE 31 – PARTICIPATING GOVERNMENTAL UNITS

Proposal: Revise Title 31 to eliminate obsolete provisions, and add clarifying language as needed; discontinue enrollment process if employer fails to provide required membership data.

Decision: The JCP agreed to sponsor the Board's proposal to revise Title 31 of the State Personnel and Pensions Article.

AMENDING REEMPLOYMENT EXCEPTION

Proposal: Amend the exemption from the earnings limitation in the Employees' and Teachers Systems to apply to retirees who retire with an average final compensation of less than \$25,000 and who are reemployed in a permanent, contractual or temporary position.

Decision: The JCP agreed to sponsor the Board's proposal.

CIO Report

8. Mr. Mansco Perry, III commented on the portfolio's performance.

Mr. Perry reported that fiscal year-to-date earnings were 14.6% as of the end of November. The fund earned 24.3% year over year and the market value is currently \$32.3 billion.

Medical Board
And
Supplemental
Medical Board
Reports

9. On a motion made by Mr. Hughes and seconded by Mr. Hill, the Board of Trustees accepted all 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 in the file.

CLOSED SESSION

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The Board met in a Closed Session (10:54 p.m.) in the Boardroom of the SunTrust Building at 120 East Baltimore Street for the purpose of:

1. to approve the closed session minutes, State Government Article §10-503(a)(1)(i), the exercise of an administrative function;
2. to discuss the procurement of specialty investment consultants pursuant to State Government Section 10-508(a)(14), with respect to the award of a contract, discussing a matter directly related to a negotiating strategy or the contents of a bid or proposal.

The Trustees present included:

Nancy K. Kopp, Chairman	Peter Franchot, Vice-Chairman	David Blitzstein	William Brown
John Douglass	James Harkins	Sheila Hill	F. Patrick Hughes
Major Morris Krome	Theresa Lochte	Robert Schaefer	Harold Zirkin
Thurman Zollicoffer, Jr.	R. Dean Kenderdine, Secretary		

Agency Staff members attending included:

Anne Budowski	Margaret Bury	Melody Countess	Robert Feinstein	Dennis Krysiak
Mansco Perry, III	Howard Pleines	Kenneth Reott	Brian Rowe	Janet Sirkis
Patrice Sowah				

Assistant Attorneys General attending:

Deborah Bacharach Rachel Cohen Melissa Warren

Also in attendance: John Kenney and Melissa Moye.

The Board ended its closed session at 11:30 a.m. and returned to regular session to complete the agenda.

REGULAR SESSION – APPEALS AND HEARINGS

The Board reported that during the closed session the Board approved the closed session minutes.

- Luc A. Guinand 10. The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Mr. Luc A. Guinand for ACCIDENTAL DISABILITY retirement benefits. The Administrative Law Judge's report, a report by the Medical Board, and all related documents submitted by the parties were presented.

Mr. Michael D. Steinhardt, Mr. Luc A. Guinand's attorney appeared before the Board 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 Closed Session.

- Donna M. Minor-Williams 11. The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Ms. Donna M. Minor-Williams for ACCIDENTAL DISABILITY retirement benefits. The Administrative Law Judge's report, a report by the Medical Board, and all related documents submitted by the parties were presented.

Ms Donna M. Minor-Williams did not attend the Board meeting. Ms. Jill Leiner, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations.

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Following discussion, the Board deferred further consideration to Closed Session.

CLOSED SESSION – APPEALS AND HEARINGS

The Board met in a Closed Session (11:50 a.m.) in the Boardroom of the SunTrust Building at 120 East Baltimore Street for the purpose of:

1. to discuss the disability appeals pursuant to State Government Section 10-503(a)(1)(iii), the exercise of a quasi-judicial function, and.

The Trustees present included:

Peter Franchot, Vice-Chairman	David Blitzstein	William Brown	James Harkins
Sheila Hill	Major Morris Krome	Theresa Lochte	Harold Zirkin
Thurman Zollicoffer, Jr.			

Agency Staff members attending included:

Margaret Bury	Patrice Sowah	Janet Sirkis	R. Dean Kenderdine
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Assistant Attorneys General attending:

Deborah Bacharach	Rachel Cohen
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John Kenney was also in attendance.

The Board ended its closed session at 11:55 a.m. and returned to regular session to complete the agenda.

REGULAR SESSION

The Board reported that during the closed session the Board reviewed and decided on the following disability appeals:

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| Luc A. Guinand | 12. | The Board voted to <u>ADOPT</u> the Administrative Law Judge's Proposed Decision and <u>DENY</u> Luc A. Guinand's request for accidental disability benefits. |
| Donna M. Minor-Williams | 13. | The Board voted to <u>ADOPT</u> the Administrative Law Judge's Proposed Decision and <u>DENY</u> Donna M. Minor-Williams's request for accidental disability benefits. |
| Adjournment | 14. | There being no further business before the Board, the meeting adjourned at 11:55 a.m. |

Respectfully submitted,



R. Dean Kenderdine
Secretary to the Board

RDK/pws