

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

April 17, 2012

The Board of Trustees for the Maryland State Retirement and Pension System met in the Boardroom of the SunTrust Building, 120 East Baltimore Street, Baltimore, Maryland, beginning at 9:07 a.m.

The Trustees present included:

Nancy K. Kopp, Chairman	James Harkins
Peter Franchot, Vice-Chairman	Sheila Hill
David Blitzstein	F. Patrick Hughes (via telephone)
John Douglass	Major Morris Krome
T. Eloise Foster	Theresa Lochte
Robert Hagans, Jr.	Harold Zirkin
Kenneth Haines	Thurman Zollicoffer, Jr. (via telephone)

Agency Staff members attending included: R. Dean Kenderdine, Executive Director\ Board Secretary

Anne Budowski	Anne Gawthrop	Janet Sirkis
Robert Burd	Michael Golden	Patrice Sowah
Margaret Bury	Ira Greenstein	Toni Voglino
Melody Countess	A. Melissa Moye	
Patricia Fitzhugh	Kenneth Reott	

Assistant Attorneys General present included: Deborah Bacharach, Rachel Cohen and Melissa Warren. Also attended by: John Kenney, John Jones (MRSPA), and Randy Mickens (MSTA).

- Consent Agenda 1. On a motion made by Mr. Harkins and seconded by Mr. Zirkin, the Board approved the consent agenda which included the:
- March 20, 2012 Open Meeting Board Minutes
  - April 3, 2012 Administrative Committee Report
  - Disability Reports from the Medical Board

Mr. Franchot suggested that the start time of the Board meeting be changed to 10 a.m. The Board agreed (no vote was taken). The June 19, 2012 Board meeting will be the first meeting to begin at 10 a.m.

- 2012 Legislation 2. Ms. Anne Gawthrop provided an overview of the passed and failed 2012 pension related legislation.

- FY2010 Experience Study 3. Mr. Brian Murphy, from Gabriel, Roeder, Smith and Company (GRS), the System's actuary presented a review of the MSRPS Experience Study July 1, 2006 – June 30, 2010 that was originally presented on March 15, 2011.

Mr. Murphy stated that the purpose of the experience study is to determine continued appropriateness of existing assumptions, by comparing experience. These assumptions are essential factor in performing annual system valuations that:

- Measure the financial condition of the Systems.
- Determine employer contribution rates that will appropriately fund the Systems over time and afford better stability.

Mr. Murphy explained the assumptions currently in use by the System and those which the actuary is recommending:

	Present (Current)	Alternate
Price Inflation	3.00%	2.75%

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**BOARD OF TRUSTEES FOR THE  
MARYLAND STATE RETIREMENT AND PENSION SYSTEM  
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April 17, 2012

<b>COLA</b>	3.00%/2.95%/2.75%	2.75%/2.74%/2.50%
<b>Wage Inflation</b>	3.50%	3.25%
<b>Investment Return</b>	7.75%	7.50%

CIO Report      4. Dr. Moye presented an investment performance update as of March 31, 2012. She reported that the total fund returned 0.42% for the month, compared to the policy benchmark of 0.24%. Fiscal year to date as of March 31, 2012, the total fund was up 1.92%, outperforming the policy benchmark by 8 basis points.

Executive Director's Report      5. Mr. R. Dean Kenderdine reported on recent Agency developments.  
  
Mr. Kenderdine reported that the Agency is in the process of redesigning the Board's Portal, and asked for volunteers to test the new site. Trustees Haines and Krome volunteered.

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Mr. Kenderdine reported that personal disclosure forms were due in to the State Ethics Commission by April 30<sup>th</sup>.

**CLOSED SESSION**

The Board met in a Closed Session (10:20 a.m.) in the Board Room of the SunTrust Building at 120 East Baltimore Street for the purpose of:

1. to approve the closed session minutes, pursuant to State Government Article §10-503(a)(1)(i), the exercise of an administrative function;
2. to discuss a tax issue, pursuant to State Government Article § 10-508(a)(7), receiving advice of counsel.

The Trustees present included:

Nancy K. Kopp, Chairman	James Harkins
Peter Franchot, Vice-Chairman	Sheila Hill
David Blitzstein	F. Patrick Hughes (via telephone)
John Douglass	Major Morris Krome
T. Eloise Foster	Theresa Lochte
Robert Hagans, Jr.	Harold Zirkin
Kenneth Haines	Thurman Zollicoffer, Jr. (via telephone)

Agency Staff members attending included: R. Dean Kenderdine, Executive Director\ Board Secretary

Anne Budowski	Anne Gawthrop	Janet Sirkis
Margaret Bury	Michael Golden	Patrice Sowah
Melody Countess	A. Melissa Moye	Toni Voglino
Patricia Fitzhugh	Kenneth Reott	

Assistant Attorney General present included: Deborah Bacharach, Rachel Cohen, Carla Katzenberg, and Jill Leiner.

**REGULAR SESSION – APPEALS AND HEARINGS**

David L. Flowers      6. The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Mr. David Flowers 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

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

April 17, 2012

presented.

Mr. David Flowers 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.

- George T. Elliott 7. The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Mr. George T. Elliott 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. George T. Elliott participated 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 Closed Session.

- Shokrollah Momen 8. The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Mr. Shokrollah Momen 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. Shokrollah Momen appeared before the Board to oppose the Agency's position and the Administrative Law Judge's recommendation. Ms. Jill Leiner, attorney for the Agency, briefly addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations.

**CLOSED SESSION – APPEALS AND HEARINGS**

The Board met in a Closed Session (11:15 a.m.) in the Board Room 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.

The Trustees present included:

Nancy K. Kopp, Chairman  
David Blitzstein  
Robert Hagans, Jr.  
Kenneth Haines

James Harkins  
Sheila Hill  
Major Morris Krome  
Theresa Lochte

Agency Staff members attending included: R. Dean Kenderdine, Executive Director\ Board Secretary  
Margaret Bury Janet Sirkis Patrice Sowah

Assistant Attorney General present included: Deborah Bacharach and Rachel Cohen.

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

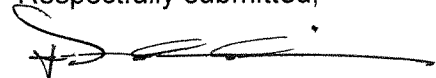
April 17, 2012

**REGULAR SESSION**

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

- David L. Flowers 10. The Board voted to **ADOPT** the Administrative Law Judge's Proposed Decision and **DENY** David L. Flowers' request for disability benefits.
- George T. Elliott 11. The Board voted to **ADOPT** the Administrative Law Judge's Proposed Decision and **DENY** George T. Elliott's request for accidental disability benefits.
- Shokrollah Momen 12. The Board voted to **ADOPT** the Administrative Law Judge's Proposed Decision and **DENY** Shokrollah Momen's request for accidental disability benefits.
- Adjournment 14. There being no further business before the Board, the meeting adjourned at 12:18 p.m.

Respectfully submitted,



R. Dean Kenderdine  
Secretary to the Board

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

April 17, 2012

***ADMINISTRATIVE COMMITTEE REPORT  
OF THE APRIL 3, 2012 MEETING***

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| Minutes                                 | A. On a motion made by Ms. Sheila Hill and seconded by Major Krome, the Administrative Committee approved the minutes of its March 6, 2012 open session meeting.  |
| 2012 Legislative Bill Review            | B. Ms. Anne Gawthrop updated the Committee on 2012 pension related legislation.   |
| Disability Claimant Option Notification | C. At the request of Major Krome, the Committee discussed the Agency's method for keeping disability claimant's employers informed of the status of pending cases. He reported his discussion of this matter with Ms. Bury and her staff and his recommendation that employers receive notification when certain significant events in the claim process occur. |

Ms. Bury reported that the following notifications will be sent to an employer's retirement coordinator during the disability review process:

1. When the disability claim file has been determined by staff to be complete and has been submitted to the Medical Board for its review. It is important to remember that the Medical Board can request additional information before reaching its decision;
2. when the disability claim file has been closed because insufficient information has been provided by the claimant and staff cannot submit the file to the Medical Board; and
3. when the Board of Trustees has approved the recommendation of the Medical Board.

Additionally, Ms. Bury noted that for the purposes of sick leave bank notification and compliance with COMAR, the Agency already sends notification to the Department of Budget and Management after the Board of Trustees has approved the recommendation of the Medical Board to grant a disability retirement to a State employee.

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| Pension Reform Implementation Update | D. Mr. Ira Greenstein and Mr. Dean Kenderdine provided the Committee with a status update on the system automation of pension reform changes and its implementation. <ul style="list-style-type: none"><li>▸ Mr. Kenderdine noted that the Agency has encountered certain problems with elements of the pension reform implementation which is now placing pressure on the project timeline. He stressed the opinion of himself and the implementation team that these issues are, and will continue to be addressed and that the deadline for reform implementation will be met.</li><li>▸ Mr. Greenstein reported that the project leadership team had met on March 15<sup>th</sup> to assess the project's status against the completion deadline and determined that successful completion remains achievable. The project team is holding weekly project tracking meetings.</li><li>▸ Mr. Greenstein pointed out that the biggest challenge for the project is the number of available Agency staff who can test the code being</li></ul> |
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**BOARD OF TRUSTEES FOR THE  
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April 17, 2012

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produced by the contractor. He noted that the Agency has diverted resources from other agency operations to accomplish testing. The contractor is having no difficulty in developing the code in a timely manner. Before the end of March they are scheduled to finish testing of phase three of the software which supports end-of-year close out and other administrative functionality.

- › Mr. Greenstein further noted that the project team successfully ran the March payroll using the new software.
- › Mr. Greenstein stated that they expect to complete the project on time and within contract dollars.

Member Service  
Update

- E. Ms. Anne Budowski updated the Committee on the performance of the Member Services Unit.

The abandonment percentage for February 2012 was up at 5.33%, but still with the goal 6% limit. The average speed of answer was 89 seconds.

Ms. Budowski concluded her report by summarizing customer service survey remarks. Satisfaction ratings for the month of February were 99.38%.

MSRPS Video

- F. Mr. Michael Golden presented the recently completed video "Retirement Security Benefits Everyone". The video will be posted to the SRA website.

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