

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

August 20, 2013

The Board of Trustees for the Maryland State Retirement and Pension System met in the Board Room of the SunTrust Building, 120 East Baltimore Street, Baltimore, Maryland beginning at 10:05 a.m.

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding
Peter Franchot, Vice Chairman
David Blitzstein
James Bush, Jr.
John Douglass
T. Eloise Foster
Robert Hagans
Kenneth Haines (via telephone)

James Harkins
Linda Herman
F. Patrick Hughes
Major Morris Krome
Theresa Lochte
Harold Zirkin (via telephone)
Thurman Zollicoffer

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

Anne Budowski
Robert Burd
Margaret Bury
Melody Countess
Patricia Fitzhugh

Anne Gawthrop
Ira Greenstein
Angie Jenkins
Van Lewis

A. Melissa Moye
Kenneth Reott
Janet Sirkis
Toni Voglino

Assistant Attorneys General present included: Deborah Bacharach, Kathy Brady and Josephine Yuzuik.

Also attended by: Nathan Bowen, John Kenney, Rick Norman, Dana Tagalicod and William Wells.

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| Introduction of New Trustees | Treasurer Kopp introduced James Bush, Jr., recently elected Trustee representing active members of the Employees' System and Linda Herman, recently appointed Trustee filling the trustee position established by the General Assembly to represent the interests of Maryland Counties. |
| Consent Agenda | On a motion made by Mr. Harkins and seconded by Mr. Hughes, the Board approved the consent agenda, which included: <ul style="list-style-type: none">▸ July 16, 2013 Open Meeting Board Minutes▸ August 6, 2013 Administrative Committee Report |
| Designation for Open Meetings Act Training | <p>Mr. Kenderdine provided the Board with a memorandum which indicated that during the 2013 session, the Maryland General Assembly passed HB 139, Open Meetings Act – Training for Public Bodies. The law takes effect October 1, 2013.</p> <p>Mr. Kenderdine indicated that in addition to staff's recommendation that he and Angie Jenkins be required to take the Open Meetings Act training as designees to the Board of Trustees, that he is also recommending that Michael Golden, be required to take the training, as well.</p> <p>Mr. Harkins indicated that he would be interested in taking the training on the Open Meetings Act as well.</p> <p>Treasurer Kopp asked that access to the on-line training should be available to all Trustees.</p> |

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On a motion made by Major Krome and seconded by Mr. Harkins, the Board voted to approve staff's recommendations and direct Dean Kenderdine, Angie Jenkins and Michael Golden as designee's of the Board of Trustees to take the Open Meetings Act training.

Committee
Assignments

As mandated by Board Operations Policy and the State Personnel and Pensions Article § 21-115(a)(2), (b)&(d) the Board reviewed and approved the proposed committee assignments for FY2014 as submitted by the Treasurer Kopp. On a motion made by Major Krome and seconded by Mr. Bush, the Board approved the following committee assignments:

Administrative Committee

James Harkins, Chairman
Major Morris Krome, Vice-Chairman
John Douglass
Secretary T. Eloise Foster (or designee)
Kenneth Haines
Treasurer Nancy K. Kopp (or designee)
Theresa Lochte

Investment Committee {SPP §21-115(a)(2), (b)&(d)}

Harold Zirkin, Chairman
F. Patrick Hughes, Vice-Chairman
David Blitzstein
James Bush, Jr.
Secretary T. Eloise Foster
Comptroller Peter Franchot
Robert Hagans, Jr.
Linda Herman
Treasurer Nancy K. Kopp
Major Morris Krome
Theresa Lochte
Thurman Zollicoffer

Public Advisors:

Larry E. Jennings, Jr.
Wayne Shaner
Brian Topping

Audit Committee

F. Patrick Hughes, Chairman
John Douglass, Vice-Chairman
James Bush, Jr.
Robert Hagans, Jr.
Kenneth Haines
Major Morris Krome

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- Mr. Carithers was properly notified of his hearing before OAH.
- He informed the OAH that he would not be attending the "disability hearing" due to health issues, and that he had no legal representation. There was no mention of, or request for, a postponement.
- An OAH hearing was convened as scheduled, at which time neither Mr. Carithers nor anyone authorized to represent Mr. Carithers appeared.
- As a result of Mr. Carithers' failure to appear, the Administrative Law Judge (ALJ) issued a Proposed Default Order.
- On June 10, 2013 Mr. Kenderdine received a letter from Mr. Carithers, in which he described problems he had incurred with State of Maryland agencies and employees since filing disability retirement paperwork. The letter failed to state why Mr. Carithers did not appear at the scheduled hearing, nor did he request a new hearing date.
- On June 18, 2013 Mr. Carithers was advised of his right to submit a written motion to vacate the proposed default order, stating the reasons for the failure to attend or participate in the hearing, within 30 days after the date of the Proposed Default Order.
- On June 27, 2013, the ALJ issued a Proposed Default Order.
- Mr. Carithers had until July 29, 2013 to file a motion to vacate the proposed order.
- Mr. Carithers made no motion to vacate the proposed default order and so on August 12, 2013, as Secretary to the Board of Trustees, Mr. Kenderdine issued a Final Default Order, that all further proceedings in this case are terminated and the case is dismissed and that the decision to deny Mr. Carithers accidental disability retirement benefits is affirmed.

Mr. Kenderdine informed the Board that the New Trustee Orientation is scheduled for Wednesday, September 4, 2013 from 9:00 a.m. until 3:30 p.m. and all Trustees are invited to attend.

Treasurer Kopp requested that the Notice, along with the agenda, regarding the orientation, be provided to the Trustees.

Mr. Kenderdine announced to the Trustees on the Investment Committee that the Chief Investment Officer Evaluation material would be forthcoming.

**BOARD OF TRUSTEES
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

***ADMINISTRATIVE COMMITTEE MEETING REPORT
AUGUST 6, 2013***

Designation for Open Meetings Act Training	The Administrative Committee approved the staff's recommendation that R. Dean Kenderdine and Angie Jenkins be designated to receive the Open Meetings Act training, required by law, for the Administrative Committee.
Member Services Update	<p>Ms. Anne Budowski updated the Committee on the performance of the Member Services Unit.</p> <p>Ms. Budowski reported that for the 2013 Fiscal Year end, the Agency continues to operate within the standards for average call wait time and call abandonment. For the month of June, 2013, the unit met its performance goals for the call abandonment rate, but was slightly over the average speed of answer averaging 1:37.</p> <p>Ms. Budowski reported that despite carrying two vacancies, the unit continued to provide counseling services via 100 pre-retirement seminars and 92 regional counseling sessions. The call center received 114,073 total calls and answered 107,309 over the fiscal year.</p>
Summary of the Agency's IT Master Plan for FY15	<p>Mr. Ira Greenstein, presented a summary of the Agency's FY2015 Information Technology Master Plan (ITMP) for planning period FY2015 through FY2020.</p> <p>Mr. Greenstein reported that the plan is statutorily required. The Agency provides advance planning information to the State regarding the Agency's technology strategy, current and upcoming IT-related projects, current and projected procurements and the Agency's IT budget. The Agency's ITMP is due on August 12, 2013 to the Department of Information Technology (DoIT) and it is then distributed to the Department of Budget and Management in addition to the Legislature.</p>
Board of Trustees Performance Self-Assessment	<p>THIS MATTER WILL BE DISCUSSED OUTSIDE OF THE CONSENT AGENDA IN CLOSED SESSION.</p> <p>The Administrative Committee was provided with a General Report of Findings produced by Mr. William Wells, University of Baltimore's Schaefer Center for Public Policy, concerning the Board's self-evaluation of its performance over the past two years. This self-evaluation is required to be performed at least every two years per the Board's governance policies. Mr. Wells was unable to participate in the meeting. Mr. Kenderdine reviewed the report findings.</p>