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

December 16, 2014

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, 16th Floor Board Room, Baltimore, Maryland beginning at 11:00 a.m.

The Trustees present included:

Nancy K. Kopp, Chairman (via phone)
Peter Franchot, Vice Chairman, Presiding

James Bush, Jr. John Douglass

Robert Hagans (via phone)

Kenneth Haines

James Harkins

Linda Herman (via phone)

Theresa Lochte

Harold Zirkin (via phone)

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

Margaret Bury

Michael Golden

Janet Sirkis

Anne Gawthrop

Angie Jenkins

Assistant Attorneys General present included: Rachel Cohen, Sharon Street.

Also attended by: John Kenney.

CLOSED SESSION

On a motion made by Ms. Lochte and seconded by Mr. Bush, the Board voted to meet in a Closed Session (11:01 a.m.) in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16th Floor, for the purpose of:

- Consulting with counsel regarding recent advocacy efforts regarding "fee shifting" bylaws, pursuant to General Provisions Art., Section 3-305(b)(7), to consult with counsel to obtain legal advice; and
- reviewing the Medical Board reports, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter, namely, General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-329 regarding the prohibition on disclosing medical and personal information.

The Trustees present included:

Nancy K. Kopp, Chairman (via phone) Peter Franchot, Vice Chairman, Presiding

James Bush, Jr. John Douglass

Robert Hagans (via phone)

Kenneth Haines James Harkins

Linda Herman (via phone)

Theresa Lochte

Harold Zirkin (via phone)

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

Margaret Bury

Michael Golden

Janet Sirkis

Anne Gawthrop

Angie Jenkins

Assistant Attorneys General present included: Rachel Cohen, Sharon Street.

Also attended by: John Kenney.

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OPEN SESSION

The Board returned to open session at 11:20 a.m. in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16th Floor.

The Trustees present included:

Nancy K. Kopp, Chairman (via phone)
Peter Franchot, Vice Chairman, Presiding
James Bush, Jr.
John Douglass
Robert Hagans (via phone)

Kenneth Haines James Harkins Linda Herman (via phone) Theresa Lochte Harold Zirkin (via phone)

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

Margaret Bury

Angie Jenkins

Janet Sirkis

Assistant Attorneys General present included: Rachel Cohen, Carla Goldman Katzenberg, Jill Leiner and Sharon Street.

Also attended by: John Kenney.

Executive Director's Report

Mr. Kenderdine reported that Trustee Lochte will Chair the Ad Hoc Committee to review the Board's role and responsibility in the disability appeals process. The Committee will also include Trustees Bush, Harkins, Norman and Zollicoffer.

Mr. Kenderdine called the Trustees' attention to the Board attendance and training reports and asked that if any Trustees had concerns with the reports to inform Angie Jenkins.

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Mr. Kenderdine reported that the search for the Chief Investment Officer is underway. The search team of Heidrick & Struggles has been conducting initial interviews with potential candidates as well as others who may aid in securing potential candidates.

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Mr. Kenderdine informed the Board that solicitation was not yet closed and that if any Trustee knew of anyone who may be interested, they should submit their resume or contact information.

Mr. Kenderdine reported that interviews are expected to begin the second or third week of January and that it is expected there will be six to eight candidates for interview.

Mr. Kenderdine reported that the Joint Committee on Pensions met on December 9 and received the annual overview of the System's investment program from the Department of Legislative Services (DLS).

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Interim Chief Investment Officer, Robert Burd, presented the System's response to the analysis. Copies of the DLS analysis and the System's response were distributed to each Trustee.

Mr. Kenderdine reported that all but one of the Board's request for legislation was approved by the JCP. The Committee referred the request concerning the combining of prior service credit with the Reformed Contributory Pension Benefit to the two pension subcommittees for further consideration.

Mr. Kenderdine reported that Douglass Peters, from Prince George's County was named Chairman of the Senate Pension Subcommittee and that Benjamin Barnes, also from Prince George's County was named Chairman of the House Pension Subcommittee and will therefore serve as pension Co-Chairs of the JCP.

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Mr. Kenderdine reported that the total market value of the fund, as of the end of November 2014, was \$45.4 Billion.

OPEN SESSION - APPEALS AND HEARINGS

Anna P. Hinds

The Board considered the recommendation of the Medical Board in connection with the claim of Anna P. Hinds for <u>DISABILITY</u> 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. Hinds appeared before the Board to oppose the Agency's position and the Administrative Law Judge's recommendation. Jill R. Leiner, 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.

Nancy R. Hochberger The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Nancy R. Hochberger 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. Hochberger appeared before the Board to oppose the Agency's position and the Administrative Law Judge's recommendation. Carla Goldman 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.

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

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CLOSED SESSION – APPEALS AND HEARINGS

On a motion made by Mr. Bush and seconded by Ms. Lochte, the Board voted to meet in a Closed Session (12:18 p.m.) in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16th Floor, for the purpose of:

1. considering disability appeals pursuant to General Provisions Art., § 3-103(a)(1)(iii), the exercise of a quasi- judicial function.

The Trustees present included:

Peter Franchot, Vice Chairman, Presiding James Bush, Jr. John Douglass Robert Hagans (via phone) Kenneth Haines James Harkins Linda Herman (via phone) Theresa Lochte Harold Zirkin (via phone)

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board Secretary
Margaret Bury
Angie Jenkins
Janet Sirkis

Assistant Attorneys General present included: Rachel Cohen and Sharon Street.

OPEN SESSION

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

Anna P. Hinds

The Board voted to AFFIRM the Administrative Law Judge's Proposed Decision and DENY Anna P. Hinds' request for disability benefits.

<u>Nancy R.</u> <u>Hochberger</u> The Board voted to <u>ADOPT</u> the Administrative Law Judge's Proposed Decision and <u>DENY</u> Nancy R. Hochberger's request for accidental disability benefits.

Adjournment

There being no further business before the Board, on a motion made by Ms. Lochte and seconded by Mr. Bush, the meeting adjourned at 12:25 p.m.

Respectfully submitted,

R. Dean Kenderdine Secretary to the Board