

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

January 16, 2018

The Board of Trustees for the Maryland State Retirement and Pension System convened at the Board Room of the SunTrust Building, 120 East Baltimore Street, 16<sup>th</sup> Floor Board Room, Baltimore, Maryland beginning at 9:37 a.m.

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding (via phone)  
Peter Franchot, Vice Chairman (via phone)  
Eric Brotman (via phone)  
David Hamilton (via phone)  
James Harkins (via phone)  
Linda Herman (via phone)  
Sheila Hill (via phone)

F. Patrick Hughes  
Lisa James-Henson (via phone)  
Charles Johnson (via phone)  
Theresa Lochte (via phone)  
Richard Norman (via phone)  
Douglas Prouty (via phone)

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

Melody Countess

Van Lewis

Ken Reott

Michael Golden

Michelle Lowery

David Rongione

Ira Greenstein

Kimberly O’Keeffe

Janet Sirkis

Angie Jenkins

Andrew Palmer

Toni Voglino

Harvey Raitzyk

Assistant Attorneys General attending included: Rachel Cohen, Jody Shaw and Kathleen Wherthey

Other attendees included: Susanne Brogan, John Kenney, and James McKitrick

Consent Agenda

On a motion made by Ms. Hill and seconded by Mr. Hughes, the Board approved the consent agenda, which included the:

▸ December 16, 2017 Open Meeting Board Minutes

2018 Legislative Bill  
Review

Mr. Kenderdine provided the Board of Trustees an overview of the 2018 pension related legislation introduced to the General Assembly to date, which included:

House Bill 36

Correctional Officers’ Retirement  
System – Membership

No position - staff recommends providing informational testimony addressing the strain on Agency resources that similar legislation passed in previous years has caused. Staff will also reach out to the sponsor and employee organizations supporting the legislation.

Senate Bill 63

Correctional Officers’ Retirement  
System – Membership

No position - staff recommends providing informational testimony addressing the strain on Agency resources that similar legislation passed in previous years has caused. Staff will also reach out to the sponsor and employee organizations supporting the legislation.

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Senate Bill 31	State Retirement and Pension System – State Employees and Teachers Benefits	No Position – staff recommends providing informational testimony regarding necessary changes relating to the implementation of the IPS and the financial impact such a plan would have on the System.
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Regarding Senate Bill 31, Treasurer Kopp asked what the impact would be on the unfunded liability.

Mr. Kenderdine responded that there would be an increased cost to the System during the first five years of the plan with increased contributions to teachers through 2039 due to the resulting increase in teacher normal cost.

Mr. Kenderdine further responded that the Agency has sent a copy of the bill to Ice Miller, the System’s tax counsel, to review the language, especially in light of the new federal tax reform legislation. In addition, the bill has been sent to Gabriel Roeder Smith & Co. (GRS), the System’s actuary, for their revised analysis of the impact on contributions and the funding of the current defined benefit plan.

Ms. Rachel Cohen reported that the defined benefit plan that is being proposed would be a new “tier” of the existing plan.

On a motion made by Mr. Norman and seconded by Ms. Hill, the Board of Trustees approved staff’s recommendations regarding legislation.

Overview of the System’s Comprehensive Annual Financial Report

Treasurer Kopp deferred the overview of the System’s Comprehensive Annual Financial Report (CAFR) until the February 20, 2018 Board of Trustees Meeting.

Chief Investment Officer’s Report

Mr. Palmer provided the Board with a preliminary monthly fund summary as of December 31, 2017, which showed that the fund return was up 7.04% fiscal year to date, increasing the total fund value from \$49 billion to \$51.8 billion.

Mr. Palmer asked the Board if they could complete the survey that was recently sent via Survey Monkey, reviewing the performance of Meketa Investment Group, the System’s General Investment Consultant.

Treasurer Kopp asked that Mr. Palmer resend the survey link to the Board.

Executive Director’s Report

Mr. Kenderdine issued a call for nominations for the position of Public Advisor to the Investment Committee, currently held by Larry E. Jennings, Jr., for which the current term expires June 30, 2018. Mr. Kenderdine asked that all nominations be submitted, to him, by March 1, 2018, so that candidates could be interviewed and a recommendation could be made at

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the May Investment Committee and Board of Trustees meeting and submitted to the Board of Public Works for approval before the current term expires.

Mr. Kenderdine reported that the criteria for qualification as a public advisor is set forth, as required by law, in the memorandum provided to the Board of Trustees.

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Mr. Kenderdine called the Trustees' attention to the Board attendance and Trustee training reports and asked that the Trustees notify Angie Jenkins of any corrections that may need to be made.

Mr. Kenderdine reminded the Trustees that the attendance record for gubernatorial appointees are reported to the Appointment's Office.

Mr. Hughes asked what the attendance requirement was for all Trustees.

Mr. Kenderdine responded that statute requires a Trustee to attend at least 80% of the monthly Board meetings.

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Mr. Kenderdine provided the Board with the schedule of meetings, which was presented last month, adding the highlighted information to include the Audit and Corporate Governance Committee meetings.

Mr. Kenderdine indicated that the Administrative Committee had not been included on this schedule as many committee meetings, given the business to be conducted, such as legislation review, especially during legislation session, the annual business plan and the agency's operating budget, are more appropriately conducted by in-person meetings.

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Mr. Kenderdine reminded the Board that the annual Education Session is scheduled for Tuesday, October 16, 2018.

Mr. Kenderdine asked the Board for topic or speaker suggestions for the Education Session. Suggestions should be provided to Mr. Kenderdine or Mr. Palmer.

On a motion made by Mr. Hughes and seconded by Mr. Johnson, the Board voted to meet in a Closed Session, beginning at 10:00 a.m., in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16<sup>th</sup> Floor, for the purpose of:

- a. reviewing the closed session Board minutes, pursuant to General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function;
- b. reviewing the Medical Board reports regarding individual participants' claims for disability retirement benefits, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public

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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; and

- c. discussing reopening a past disability claim for reconsideration of a disability retirement award, pursuant to General Provisions Art., § 3-305(b)(7), to consult with counsel to obtain legal advice, General Provisions Art., § 3-305(b)(8), to consult with staff, consultants, or other individuals about pending or potential litigation, and 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.

**CLOSED SESSION**

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding (via phone)	F. Patrick Hughes
Peter Franchot, Vice Chairman (via phone)	Lisa James-Henson (via phone)
Eric Brotman (via phone)	Charles Johnson (via phone)
David Hamilton (via phone)	Theresa Lochte (via phone)
James Harkins (via phone)	Richard Norman (via phone)
Linda Herman (via phone)	Douglas Prouty (via phone)
Sheila Hill (via phone)	

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

Melody Countess	Michelle Lowery	Ken Reott
Angie Jenkins	Kimberly O’Keeffe	David Rongione
Van Lewis	Harvey Raitzyk	Janet Sirkis

Assistant Attorneys General attending included: Rachel Cohen and Kathleen Wherthey

Other attendees included: Susanne Brogan and John Kenney

On a motion made by Mr. Brotman and seconded by Mr. Hughes, the Board returned to open session at 10:10 a.m. in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16<sup>th</sup> Floor.

**OPEN SESSION**

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding (via phone)	F. Patrick Hughes
Peter Franchot, Vice Chairman (via phone)	Lisa James-Henson (via phone)
Eric Brotman (via phone)	Charles Johnson (via phone)
David Hamilton (via phone)	Theresa Lochte (via phone)
James Harkins (via phone)	Richard Norman (via phone)
Linda Herman (via phone)	Douglas Prouty (via phone)
Sheila Hill (via phone)	

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

Melody Countess	Michelle Lowery	Ken Reott
Angie Jenkins	Kimberly O’Keeffe	David Rongione
Van Lewis	Harvey Raitzyk	Janet Sirkis

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Assistant Attorneys General attending included: Rachel Cohen and Kathleen Wherthey

Other attendees included: Susanne Brogan, John Kenney and James McKittrick

During closed session, the Board of Trustees discussed and took action on the following matters:

Closed Session Minutes	The Board approved the December 19, 2017 closed session minutes.
Medical Board Reports	The Board adopted the medical board reports from December 21, December 27 and January 10, 2018.
Reopening a Disability Claim for Reconsideration of a Disability Retirement Award	The Board voted to reopen a disability claim for reconsideration of a disability retirement award.
Adjournment	There being no further business before the Board, on a motion made by Mr. Brotman and seconded by Mr. Hughes, the meeting adjourned at 10:15 a.m.

Respectfully submitted,



R. Dean Kenderdine  
Secretary to the Board