October 16, 2018

The Board of Trustees for the Maryland State Retirement and Pension System convened at the DoubleTree by Hilton Hotel, Baltimore-BWI Airport, Harbor Room, 890 Elkridge Landing Road, Linthicum, Maryland 21090 beginning at 4:13 p.m.

The Trustees present included: Nancy K. Kopp, Chairman, Presiding Peter Franchot, Vice Chairman (via phone) David Brinkley Eric Brotman Jamaal Craddock David Hamilton (via phone) Linda Herman (via phone)

Sheila Hill F. Patrick Hughes Charles Johnson Theresa Lochte Richard Norman Douglas Prouty Michael Stafford

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board Secretary			
Melody Countess	Ira Greenstein	Harvey Raitzyk	
Anne Gawthrop	Angie Jenkins	Janet Sirkis	
Michael Golden	Andrew Palmer	Toni Voglino	

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis, Jody Shaw and Kathleen Wherthey

Other attendees included: Bernadette Benik, John Kenney, Lamont Tarbox, Brad Armstrong, Jeff Tebeau, Phillip Anthony, Jeannette Fernandez, Michael Rubenstein, and Jennifer O'Dell

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

- September 18, 2018 Open Meeting Board Minutes
- October 2, 2018 Administrative Committee Meeting Summary
- Status Report on Benefits Administration as of June 30, 2018

Gabriel Roeder Smith & Company (GRS) - FY2018 Valuation Preliminary Results Mr. Brad Armstrong and Mr. Jeff Tebeau from Gabriel Roeder Smith & Company (GRS) presented the results of the State Retirement and Pension System's Actuarial Valuation for the period ending June 30, 2018 for the Board's review and consideration.

Mr. Armstrong reported that the preliminary contribution rates presented to the Board at its September meeting had not changed and were being recommended to the Board of Trustees for certification.

On a motion made by Mr. Prouty and seconded by Mr. Norman, the Board certified the Fiscal Year 2020 State employer contribution rates, as follows:

Fiscal Year 2020		
Teachers	15.59%	
Employees	19.56%	
State Police	79.58%	
Judges	44.44%	
LEOPS	41.37%	

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In addition, on a motion made by Mr. Hughes and seconded by Ms. Lochte, the Board accepted the Fiscal Year 2020 Municipal employer contribution rates, as follows:

Fiscal Year 2020 Municipal	
Employees	5.85%
LEOPS	32.22%
CORS	10.26%

Adoption of Proposed Amendments to COMAR Regulations Ms. Wherthey presented to the Board of Trustees, proposed amendments to the following regulations.

COMAR 22.01.09 – Interest-Annuity Savings Fund.

Ms. Wherthey reported that the main factors requiring changes in these regulations are changes in the law. In 2014, State Personnel & Pensions Art. (SPP), § 23-213(b), was changed to provide that if the member is not eligible to receive a vested allowance, then the accrual of interest stops after membership ends. In 2018, language was added (SPP § 23-213(c)) to provide that, for the Teachers' and Employees' Pension Systems, in instances where a former member of the Alternate Contributory Pension Selection of either system has become re-enrolled as a member of the Reformed Contributory Pension Benefit of either system, interest will be paid on the individual's Alternate Contributory Pension Selection account.

COMAR 22.01.10 – Transfer of Membership to the Pension System

Ms. Wherthey reported that the regulation providing for a member to transfer membership from the Teachers' Retirement System or the Employees' Retirement System to the Teachers' Pension System or the Employees' Pension System are obsolete due to changes in statute and can be repealed.

Ms. Lochte, Vice-Chairman of the Administrative Committee, reported that the regulations were presented to and approved by the Committee at its October meeting.

On a motion made by Ms. Hill and seconded by Mr. Norman, the Board of Trustees approved the Committee's recommendation to submit the proposed amendments to COMAR 22.01.09 and 22.01.10 to the Administrative, Executive, and Legislative Review Committee, and publish them for comment in the Maryland Register.

Executive Director's Report Mr. Kenderdine reminded the Board that the Joint Committee on Pensions (JCP) meeting was scheduled for October 17, 2018 beginning at 2:00 p.m. in the appropriations hearing room. Mr. Kenderdine expected the JCP meeting to be brief, as the only agenda item was the Board's legislative initiatives.

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Mr. Kenderdine reminded the Board that the first meeting of the Objective Criteria Committee as being held on October 22, 2018 in the Agency's Board Room.

The Committee is comprised of Trustee Brotman as Chairman, Trustee Lochte, Treasurer Kopp or her designee, Secretary Brinkley or his designee, Senator Andrew Serafini, Delegate Brooke Lierman and Mary Miller.

Mr. Kenderdine also reminded the Board that the Board Governance Workshop will be held on Wednesday, October 24, 2018 beginning at 9:00 a.m. in Agency's Board Room. Mr. Kenderdine reported that the Board will receive the governance review report from Funston Advisory Services, who will facilitate the workshop.

Mr. Kenderdine provided the Board with a copy of the correspondence that the Maryland Retired School Personnel Association (MRSPA) plans to mail to school retirees to recruit new members. Mr. Kenderdine reminded the Board that its review of the material is required by law.

Mr. Kenderdine reported that the System received from Queen Anne's County, a Participating Governmental Unit (PGU) currently enrolled in the Employees' Pension System (EPS), a request to move certain employees from the EPS to the Correctional Officers' Pension System (CORS). Mr. Kenderdine reported that this request is being made directly to the Board due to a change in law during the 2017 legislative session.

Treasurer Kopp asked if the delegation representing Queen Anne's County had been informed of this request.

Ms. Gawthrop responded that she did not think so, but that she would reach out to the delegation directly.

On a motion made by Ms. Hill and seconded by Ms. Lochte, the Board approved the request made by Queen Anne's County to move its employees from the EPS to CORS.

Mr. Kenderdine thanked the presenters who contributed to this year's Board education session; Andy Palmer and Rachel Cohen for putting together the topics and coordinating with each presenter; and Janet Sirkis and Angie Jenkins for their help with organizing the event.

CIO Report Mr. Palmer reported that as of September, 2018 the total fund return for the month was up 6.25% and the total fund value was \$52.355 billion.

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On a motion made by Mr. Prouty and seconded by Ms. Hill, the Board voted to meet in a Closed Session, beginning at 4:45 p.m., DoubleTree by Hilton Hotel, Baltimore-BWI Airport, Harbor Room, 890 Elkridge Landing Road, Linthicum, Maryland 21090 for the purpose of:

- a) reviewing the September 18, 2018 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 from September 19, September 27, October 3, and October 11, 2018, 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 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 psychological information; and
- c) reviewing a report regarding extraordinary salary increases, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific statutory requirement that prevents public disclosure, namely General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records.

CLOSED SESSION

The Trustees present included:Sheila HillNancy K. Kopp, Chairman, PresidingSheila HillPeter Franchot, Vice Chairman (via phone)F. Patrick HughesDavid BrinkleyCharles JohnsonEric BrotmanTheresa LochteJamaal CraddockRichard NormanDavid Hamilton (via phone)Douglas ProutyLinda Herman (via phone)Michael Stafford

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board SecretaryMelody CountessIra GreensteinHarvey RaitzykAnne GawthropAngie JenkinsJanet SirkisMichael GoldenAndrew PalmerToni Voglino

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis, Jody Shaw and Kathleen Wherthey

Other attendees included: Bernadette Benik, John Kenney, Lamont Tarbox

On a motion made by Ms. Hill and seconded by Mr. Hughes, the Board returned to open session at 4:48 p.m. DoubleTree by Hilton Hotel, Baltimore-BWI Airport, Harbor Room, 890 Elkridge Landing Road, Linthicum, Maryland 21090.

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OPEN SESSION

The Trustees present included: Nancy K. Kopp, Chairman, Presiding Peter Franchot, Vice Chairman (via phone) David Brinkley (via phone) Eric Brotman (via phone) Jamaal Craddock David Hamilton (via phone) Linda Herman (via phone)

Sheila Hill F. Patrick Hughes Charles Johnson Theresa Lochte Richard Norman Douglas Prouty Michael Stafford

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board SecretaryMelody CountessIra GreensteinHarvey RaitzykAnne GawthropAngie JenkinsJanet SirkisMichael GoldenAndrew PalmerToni Voglino

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis, Jody Shaw and Kathleen Wherthey

Other attendees included: Bernadette Benik, John Kenney, Lamont Tarbox

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

- Closed Session The Board reviewed and approved the September 18, 2018 closed session minutes.
- Medical Board Reports The Board reviewed and adopted the medical board reports from September 19, September 27 with correction, October 3 and October 11, 2018.
- Extraordinary Salary The Board reviewed and approved the recommendations regarding the extraordinary salary increases as presented.
 - Adjournment There being no further business before the Board, on a motion made by Ms. Hill and seconded by Mr. Brotman, the meeting adjourned at 4:49 p.m.

Respectfully submitted,

R. Dean Kenderdine Secretary to the Board

BOARD OF TRUSTEES MARYLAND STATE RETIREMENT AND PENSION SYSTEM

ADMINISTRATIVE COMMITTEE MEETING SUMMARY OCTOBER 2, 2018

Demonstration of the Benefit Estimator Wizard of the Member Portal	Harris Kaplan, Deputy Chief Business Operations Officer, conducted a demonstration of the benefit estimator now under development by the MPAS project team. The benefit estimator wizard is just one function of what the future Member Portal will allow a member to do when it goes "live" in September 2019.
Adoption of Proposed Amendments to COMAR Regulations: • 22.01.09– Interest – Annuity Savings Fund • 22.01.10 – Transfer of Membership to the Pension System	 THIS MATTER WILL BE DISCUSSED OUTSIDE OF THE CONSENT AGENDA IN OPEN SESSION. Mr. Reott presented to the Administrative Committee proposed amendments to COMAR 22.01.09 and 22.01.10. Before discussion, the Committee agreed to vote on the regulation amendments as a whole. On a motion made by Mr. Norman and seconded by Mr. Nicole, the Administrative Committee voted to recommend that the Board of Trustees vote to submit the proposed amendments to COMAR 22.01.09 and 22.01.10 to the Administrative, Executive, and Legislative Review Committee, and publish them for comment in the Maryland Register.
Member Services Update	Mr. Raitzyk reported that the Member Services unit was able to meet its goals for the call abandonment rate and average call wait time for the month of August 2018. The unit's call abandonment rate was 4.54% and the average speed of answer was 80 seconds for the month of August.