

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

January 18, 2022

The Board of Trustees for the Maryland State Retirement and Pension System convened, via video/audio conference call beginning at 9:31 a.m.

The Trustees present included:

Peter Franchot, Chairman, Presiding  
Dereck Davis, Vice-Chairman  
Linda Allen  
Thomas Brandt  
David Brinkley  
Jamaal Craddock

James Daly  
Kenneth Haines  
Sheila Hill  
Richard Norman  
Douglas Prouty  
Michael Stafford, Jr.

Agency Staff members attending included: Martin Noven, Executive Director/Board Secretary

Greg Busch	Michael Golden	Andrew Palmer
Robert Diehl	Angie Jenkins	Ken Reott
Patricia Fitzhugh	Van Lewis	David Rongione
Anne Gawthrop	Megan Myers	Toni Voglino
	Kim O’Keeffe	Scott Bolander (live stream)

Assistant Attorneys General present via Teams included: Rachel Cohen, Jody Shaw and Kathleen Wherthey

Other attendees, via Teams, included: Megan Schutz (Treasurer’s Office); Justin Hayes and Alex Butler (Comptroller’s Office)

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

- December 21, 2021 Open Meeting Board Minutes

Appointment of Committee Members      The Board was provided with a proposed list of committee assignments, which would be in affect through July 31, 2022. The proposal included the addition of Treasurer Davis to the Administrative and Investment Committees, Trustee Craddock to the Audit Committee, Trustee Daly to the Corporate Governance and Securities Litigation Committee, and Trustee Brandt to the Corporate Governance Committee and Vice-Chair to the Audit Committee.

On a motion made by Mr. Prouty and seconded by Mr. Daly, the Board approved the committee assignments, as proposed.

2022 Legislation      The Board was provided with a 2022 legislation update. Ms. Gawthrop discussed the following bill, which required a vote by the Board:

➤ Senate Bill 231 – Correctional Officers’ Retirement System - Membership.

This legislation would require employees of the Department of Juvenile Services (DJS) who are employed as (1) a residential group life manager; (2) a youth center cook or cook lead; (3) a food service worker or supervisor; or (4) a maintenance assistant, chief, mechanic, mechanic senior, or supervisor, in State juvenile facilities, to become members of the CORS on July 1, 2022. All new employees in these positions would be members of CORS.

Ms. Gawthrop reported that staff recommends opposing this legislation as this bill was introduced in 2020 and the Board opposed it then. At that time, tax counsel

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determine that those employees would not qualify as correctional officers under proposed IRS regulations addressing normal retirement age for public safety officers, including correctional officers and therefore, would not qualify for a 20-year retirement under these proposed regulations.

Ms. Hill commented that the job descriptions of the employees mimic those who are already in the CORS system.

Ms. Gawthrop responded that tax counsel's advice is that the positions specified in the bill do not qualify as qualified public safety officers under the IRS regulations.

Comptroller Franchot commented that Trustee Hill should work with Ms. Gawthrop and staff to discuss this bill further. He suggested that the Board defer voting on this legislation until the next meeting.

CIO Report

Mr. Palmer provided the Board with a final fund summary tear sheet, as of November 30, 2021, which showed the total fund value as \$69.6 billion. Mr. Palmer reported that the fund value was slightly down, due to a negative month because of the Omnicron variant in South Africa.

Mr. Palmer reported that for the month of December, preliminary reports show the fund up 5.25% for the month, with a fund value of \$70.6 billion. Mr. Palmer commented that a fund tear sheet was not available for December as State Street still needed information on the Private Equity, Real Estate and Absolute Return performances.

Mr. Daly commented that there was a real difference in the performance of 7.57% versus the policy benchmark of 3.20% in the credit/debt performance section, noting concern that the large excess performance may prove temporary and be sensitive to losses from higher interest rates.

Mr. Palmer responded that the performance is due to both public and private assets, where private assets did very well. The private assets tend to be floating rate or otherwise exhibit low interest rate sensitivity. Staff does not anticipate that there will be any reversion of the recent gains but acknowledges that the future returns from the private assets likely will moderate while remaining additive to the asset class.

Executive  
Director's Report

Mr. Noven issued the annual call for nominations for the position of Public Advisor to the Investment Committee, currently held by Michael Barry, for which the current term expires June 30, 2022. Mr. Noven asked that all nominations be submitted to him by March 4, 2021, so that candidates could be interviewed and a recommendation could be made at the Investment Committee and Board of Trustees May meetings. The Trustees selection would then go to the Board of Public Works for its approval in June.

Comptroller Franchot commented that he would nominate Eric Brotman for the Public Advisor position.

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Mr. Noven reported that the 2021 Comprehensive Annual Financial Report had been posted on the Agency's website and to notify him, if anyone was interested in receiving a hard copy.

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Mr. Noven reported that the State Ethics Financial Disclosure filings are due by April 30, 2022 and that anyone seeking assistance or information regarding their filing to reach out to Angie Jenkins. Mr. Noven reported that a list of financial entities with which the Agency does business had been sent to the Trustees for their information.

On a motion made by Mr. Prouty and seconded by Mr. Norman, the Board voted to meet in a Closed Session, beginning at 9:55 a.m., via video/audio conference call, for the purposes of:

- a) reviewing the closed session Board minutes, pursuant to General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function and General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter, namely General Provisions Art., § 3-306(c)(3)(ii), requiring that the minutes of a closed session be sealed and not be open to public inspection; and
- 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 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.

**CLOSED SESSION**

The Trustees present included:

Peter Franchot, Chairman, Presiding  
Dereck Davis, Vice-Chairman  
Linda Allen  
Thomas Brandt  
David Brinkley  
Jamaal Craddock

James Daly  
Kenneth Haines  
Sheila Hill  
Richard Norman  
Douglas Prouty  
Michael Stafford, Jr.

Agency Staff members attending included: Martin Noven, Executive Director/Board Secretary

Greg Busch	Michael Golden	Andrew Palmer
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Assistant Attorneys General present via Teams included: Rachel Cohen, Jody Shaw and Kathleen Wherthey

Other attendees, via Teams, included: Megan Schutz (Treasurer's Office); Justin Hayes and Alex Butler (Comptroller's Office)

On a motion made by Mr. Daly and seconded by Mr. Norman, the Board returned to open session at 9:59 a.m., via video/audio conference call.

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**OPEN SESSION**

The Trustees present included:

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Thomas Brandt  
David Brinkley  
Jamaal Craddock

James Daly  
Kenneth Haines  
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During closed session, the Board of Trustees discussed and acted on the following matters:	
Closed Session Minutes	The Board reviewed and approved the December 21, 2021 closed session minutes.
Medical Board Reports	The Board reviewed and adopted the medical board reports from December 22 and 30, 2021, and January 5 and 13, 2022.

Adjournment      There being no further business before the Board, on a motion made by Mr. Stafford and duly seconded, the meeting adjourned at 10:00 a.m.

Respectfully submitted,



Martin Noven  
Secretary to the Board