

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

October 19, 2021

The Board of Trustees for the Maryland State Retirement and Pension System convened, via video/audio conference call beginning at 1:01 p.m.

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding
Peter Franchot, Vice Chairman
Linda Allen
Thomas Brandt
David Brinkley
Eric Brotman
Jamaal Craddock

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

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

Greg Busch	Anne Gawthrop	Andrew Palmer
Melody Countess	Michael Golden	Chandra Puranam
Robert Diehl	Angie Jenkins	Ken Reott
Patricia Fitzhugh	Megan Myers	David Rongione
Mimi Forbes	Kim O’Keeffe	Janet Sirkis
		Scott Bolander (live stream)

Assistant Attorneys General present included: Rachel Cohen and Jody Shaw

Other attendees included: Brad Armstrong, Jeff Tebeau and Amy Williams (GRS); Frank Benham (Meketa); Public Advisors Anne Shelton and Monte Tarbox; 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. Brotman, the Board approved the consent agenda, which included:

- September 21, 2021 Open Meeting Board Minutes
- October 5, 2021 Administrative Committee Meeting Summary

**Presentation by
GRS regarding the
FY21 Valuation
Results and
Recommendations
for FY22
Contribution Rates**

Amy Williams from Gabriel Roeder Smith & Co. (GRS), the System’s actuarial firm presented the results of the FY21 valuation and recommendations for FY23 employer contribution rates, for the Board’s consideration and certification.

Ms. Williams reported on the funding objectives, which showed that:

- the experience in total was favorable during FY21, which was offset by increases in liability due to new assumptions;
- aggregate State employer contribution rates increased very slightly, although some Systems’ rates decreased;
- downward pressure on contribution rates are expected through FY27 due to deferred asset gains; and
- State systems are on a path to reach a 100% funded ratio by 2039.

Ms. Williams reported that the total statutory contribution is comprised of a few components: 1) the net normal cost rate (cost of benefits accruing during the year, net of employee contributions), 2) the rate to amortize the unfunded liability, and 3) an amount for reinvested savings. The changes in the actuarial assumptions increased the total normal cost rate by about 1% of pay, which means that the employer normal cost increases by 1% of pay since the employee contribution rates are fixed. The changes in the actuarial assumptions increased the unfunded

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

October 19, 2021

- 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; and
- c) discussing the award of financial incentives for the Chief Investment Officer and certain employees of the Investment Division, pursuant to General Provisions Art., § 3-305(b)(1)(i), the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom it has jurisdiction.

CLOSED SESSION

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding
Peter Franchot, Vice Chairman
Linda Allen
Thomas Brandt
David Brinkley
Eric Brotman
Jamaal Craddock

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

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

Melody Countess	Kim O'Keeffe	David Rongione
Patricia Fitzhugh	Andrew Palmer	Janet Sirkis
Angie Jenkins	Ken Reott	

Assistant Attorneys General present included: Rachel Cohen and Jody Shaw

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

On a motion made by Mr. Prouty and duly seconded, the Board returned to open session at 1:55 p.m., via video/audio conference call.

OPEN SESSION

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding
Peter Franchot, Vice Chairman
Linda Allen
Thomas Brandt
David Brinkley
Eric Brotman
Jamaal Craddock

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

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

Melody Countess	Kim O'Keeffe	David Rongione
Patricia Fitzhugh	Andrew Palmer	Janet Sirkis
Angie Jenkins	Ken Reott	

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

October 19, 2021

Assistant Attorneys General present included: Rachel Cohen and Jody Shaw

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

During closed session, the Board of Trustees discussed and acted on the following matters:	
Closed Session Minutes	The Board reviewed and approved the September 21, 2021 closed session minutes.
Medical Board Reports	The Board reviewed and adopted the medical board reports from September 23, September 29, October 7 and October 13, 2021.
Incentive Compensation for the Chief Investment Officer and Certain Employees of the Investment Division	The Board voted to approve the Incentive Compensation and proposed payment procedure, as presented.

Adjournment There being no further business before the Board, on a motion made by Mr. Brotman and duly seconded, the meeting adjourned at 1:56 p.m.

Respectfully submitted,



Martin Noven
Secretary to the Board

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

***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
OCTOBER 5, 2021***

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	Thomas Brandt
Richard Norman, Vice Chairman	Jamaal Craddock
Linda Allen	Nancy Kopp

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

Greg Busch	Michael Golden	Chandra Puranam
Melody Countess	Angie Jenkins	Ken Reott
Robert Diehl	Megan Myers	David Rongione
Patricia Fitzhugh	Kim O’Keeffe	Janet Sirkis
Anne Gawthrop	Andy Palmer	Scott Bolander (live stream)

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

Other attendees included: Megan Schutz (Treasurer’s Office)

2022 Administrative Committee Meeting Dates

On a motion made by Mr. Brandt and seconded by Mr. Norman, the Administrative Committee approved the 2022 Administrative Committee Meeting dates, as follows:

Tuesday, February 1, 2022	Tuesday, March 1, 2022
Tuesday, April 5, 2022	Tuesday, June 7, 2022
Tuesday, August 2, 2022	Tuesday, September 6, 2022
Tuesday, October 4, 2022	Tuesday, December 6, 2022

Board Requested Legislation

THIS MATTER WILL BE DISCUSSED AND VOTED ON OUTSIDE OF THE CONSENT AGENDA IN OPEN SESSION.

Ms. Gawthrop presented a document outlining the details of the following two legislative proposals concerning Investment Division staff:

- Approval Process for Real Estate Transactions
- State Police Retirement System DROP Death Benefit

On a motion made by Mr. Norman and seconded by Treasurer Kopp, the Administrative Committee approved the legislative proposal as presented, for recommendation to the Board of Trustees.

Member Services Update

Mr. Reott provided a Member Services update, reporting that while the most recent numbers were better than last fiscal year with a call abandonment rate of 10.04% and an average call wait time of 158 seconds, the numbers were still slightly above the goal.

Mr. Reott indicated that the report shows that the Member Services Unit received 11,517 total calls in August 2021, slightly below the last fiscal year of 12,384.

Mr. Reott also reported that the unit has two vacancies and that hiring freeze exemption requests were submitted to the Department of Budget and Management (DBM).

Mr. Brandt asked how the State Retirement Agency coordinates with other State agencies to provide information to State employees about their supplemental retirement

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

***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
OCTOBER 5, 2021***

benefits and retiree health insurance.

Mr. Reott responded that staff encourages State employees to attend a pre-retirement seminar within five years of retirement. At the pre-retirement seminars employees can get information about social security, elder law and health benefits, in addition to their retirement account with the State Retirement and Pension System.

Mr. Brandt asked why no one from the Maryland Supplemental Retirement Plan (MSRP) attended the pre-retirement seminars as a representative.

Mr. Reott explained that a representative from the MSRP is not present at the pre-retirement seminar because it is usually too late to discuss a supplemental retirement plan for an employee who is within five years of retiring. Mr. Reott did report that prior to COVID, DBM would send out emails indicating that Nationwide Retirement Solutions (MSRP) would be at our Agency on a specific date and encouraged staff to make an appointment to speak with a representative.

Mr. Noven reported that staff is speaking with the MSRP to coordinate ways to inform members of the supplemental retirement plans before they are within five years of retirement.