

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

December 15, 2020

The Board of Trustees for the Maryland State Retirement and Pension System convened, via video/audio conference call beginning at 12:25 p.m.

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding	Kenneth Haines
Peter Franchot, Vice Chairman	David Hamilton
Thomas Brandt	Linda Herman
David Brinkley	Sheila Hill
Eric Brotman	Richard Norman
James Daly	Douglas Prouty
	Michael Stafford, Jr.

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

Melody Countess	Angie Jenkins	Ken Reott
Mimi Forbes	Van Lewis	David Rongione
Anne Gawthrop	Kim O’Keeffe	Janet Sirkis
Michael Golden	Andrew Palmer	Toni Voglino
Ira Greenstein	Chandra Puranam	Scott Bolander (live stream)

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

Other attendees included: Public Advisor Anne L. Shelton; and Justin Hayes and Alex Walinskas (Comptroller’s Office)

Consent Agenda	On a motion made by Mr. Norman and seconded by Mr. Prouty, the Board approved the consent agenda, which included: <ul style="list-style-type: none">• November 17, 2020 Open Meeting Board Minutes• December 1, 2020 Administrative Committee Meeting Summary
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Recommendation of the Administrative Committee to Approve the Proposed Changes to the Board Charters and Policies	<p>The Board was provided with a redlined copy of proposed changes to the Board Charters and Policies for its review.</p> <p>On a motion made by Mr. Haines, as Chairman of the Administrative Committee and seconded by the Committee, the Board approved the proposed changes to both the Board Charters and Board Policies as presented.</p>
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CIO Report	Mr. Palmer provided the Board with two fund tear sheets, one as of October 31, 2020, which showed that the total fund value at \$56.9 billion, with a fund return of -0.35% for the month and a return of 6.79% for the trailing year. The second tear sheet provided preliminary numbers, as of November 30, 2020, which reported that the total fund value was approximately \$60.9 billion. The report also showed that the fund’s return for the month was 6.92% and 13.07 fiscal year to date.
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Executive Director’s Report	Mr. Kenderdine acknowledged and thanked everyone for their assistance who helped with the Board of Trustees education session.
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Mr. Kenderdine provided a copy of the approved 2021 Board and Committee meeting dates in chart form to the Trustees. Mr. Kenderdine indicated that the 2021 Board education session would be planned as a full day event and will remain in the month of October.

Mr. Kenderdine reported that the 2020 Board attendance reports and training log were included in the meeting packet for the Board's review. Mr. Kenderdine asked that each Trustee review those pages and let Angie Jenkins know if any corrections are needed.

Mr. Kenderdine reported on the December 9, 2020 meeting of the Joint Committee on Pensions which included the committee's decision to introduce the Board's requested legislation in the 2021 session, as well as the annual investment overview. In addition, it was reported that the committee has decided to introduce legislation to expand the in-line-of-duty death benefit provisions of current law to include death as a result of COVID-19.

Secretary Brinkley asked how, under this proposed change to the law, the State would establish that COVID was contracted at the workplace. He requested additional information to share with the State director of personnel.

Mr. Kenderdine reported that presumptions would be built into the statute's provisions which would permit payment of the line-of-duty death benefit if a member contracted COVID-19 within a certain number of days after reporting to the workplace, and subsequently died as a result of the illness.

Ms. Cohen responded that COVID-related line-of-duty benefits were recently adopted for members of the New York public pension plans. Ms. Cohen offered to share a copy of the New York law and related materials with Secretary Brinkley and the State director of personnel.

Treasurer Kopp commented that this would be a significant change to the law and would need to be revisited after one year. Treasurer Kopp commented that the Legislature will be open to any concerns of the Board.

Mr. Daly commented that the Baltimore Ravens has begun using a diagnostic tool to detect what team personnel contracted the disease from a trainer or elsewhere.

Mr. Haines asked if the bill applied to educators.

Mr. Kenderdine responded that he would confirm that the bill does apply to all members of the System.

Treasurer Kopp urged Trustees to direct any concerns on this or any other legislative matter to the JCP, through Anne Gawthrop.

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Mr. Kenderdine reported that the Agency's annual holiday and employee service awards ceremony would be held virtually, via Teams, on December 18, 2020 beginning at 1:00 p.m. Mr. Kenderdine reported that several staff members would be presented with awards for their service ranging from 5-35 years. Mr. Kenderdine reported that Treasurer Kopp has agreed to join to express thanks, but if any Trustee would also like to attend, please let Angie Jenkins know so that a link to the meeting can be provided.

Treasurer Kopp reported that she was in process of setting up an Ad Hoc Committee to assist the Executive Search Firm to search for a predecessor for the Executive Director position. The Committee will be made up of 5-7 members, which will need to be approved by the Board.

On a motion made by Mr. Brotman and seconded by Mr. Brandt, the Board voted to meet in a Closed Session, beginning at 12:54 p.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:

Nancy K. Kopp, Chairman, Presiding	Kenneth Haines
Peter Franchot, Vice Chairman	David Hamilton
Thomas Brandt	Linda Herman
David Brinkley	Sheila Hill
Eric Brotman	Richard Norman
James Daly	Douglas Prouty
	Michael Stafford, Jr.

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

Melody Countess	Angie Jenkins	Ken Reott
Mimi Forbes	Van Lewis	David Rongione
Anne Gawthrop	Kim O'Keeffe	Janet Sirkis
Michael Golden	Andrew Palmer	Toni Voglino
Ira Greenstein	Chandra Puranam	

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

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December 15, 2020

Other attendees included: Public Advisor Anne L. Shelton; and Justin Hayes and Alex Walinskas (Comptroller's Office)

On a motion made by Mr. Norman and seconded by Mr. Haines, the Board returned to open session at 12:56 p.m., via video/audio conference call.

OPEN SESSION

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding	Kenneth Haines
Peter Franchot, Vice Chairman	David Hamilton
Thomas Brandt	Linda Herman
David Brinkley	Sheila Hill
Eric Brotman	Richard Norman
James Daly	Douglas Prouty
	Michael Stafford, Jr.

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

Melody Countess	Angie Jenkins	Ken Reott
Mimi Forbes	Van Lewis	David Rongione
Anne Gawthrop	Kim O'Keeffe	Janet Sirkis
Michael Golden	Andrew Palmer	Toni Voglino
Ira Greenstein	Chandra Puranam	Scott Bolander (live stream)

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

Other attendees included: Public Advisor Anne L. Shelton; and Justin Hayes and Alex Walinskas (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 November 17, 2020 closed session minutes.
Medical Board Reports	The Board reviewed and adopted the medical board reports from November 19, November 25, December 3 and December 9, 2020.

Adjournment There being no further business before the Board, on a motion made by Mr. Haines and seconded by Mr. Norman, the meeting adjourned at 12:56 p.m.

Respectfully submitted,



R. Dean Kenderdine
Secretary to the Board

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

***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
DECEMBER 1, 2020***

The Committee Members present included:

Kenneth Haines, Chairman, Presiding
Richard Norman, Vice Chairman

Thomas Brandt
Jamaal Craddock

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

Melody Countess

Robert Diehl

Patricia Fitzhugh

Anne Gawthrop

Michael Golden

Ira Greenstein

Angie Jenkins

Van Lewis

Kim O’Keeffe

Chandra Puranam

Ken Reott

David Rongione

Janet Sirkis

Toni Voglino

Scott Bolander (live stream)

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

Other attendees included: Trustee Sheila Hill

Triennial Review
of the Board of
Trustees’
Governance
Charters

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

Mr. Kenderdine reported that proposed changes for both the Governance Charters and Policies were brought to the Administrative Committee in September for review. However, the proposed changes presented today are additional changes. Mr. Kenderdine asked Ms. Cohen to present the changes to the Committee.

Ms. Cohen reported that the proposed changes brought to the Committee in September were presented to each individual Committee and each Committee requested additional changes. The Committee was provided with an overview of all proposed changes, however, Ms. Cohen reported specifically, on the following items that have been proposed since the Administrative Committee reviewed a draft proposal in September (*the page numbers referenced below indicate the master page number of the Committee meeting book*):

- Page 23 – Charter for the Investment Committee.
Revise item 4 to add new item 4a, providing for the Investment Policy Manual recommended by the committee to detail all items required by statute, including, but not limited to, policies: (i) regarding the management of risk, including climate risks, in the investment of System assets, and (ii) to carry out the State’s minority business enterprise policies.
- Page 27 – Charter for the Audit Committee.
Updated to reflect proposed charter amendments discussed by the Audit Committee at its meeting in January 2018 and adopted by the Audit Committee at its April 17, 2018 meeting, but have not been submitted yet to the Board of Trustees for approval.
- Page 32 – Charter for the Corporate Governance Committee.
Updated to merge the charter of the Securities Litigation Committee with the Corporate Governance Committee, to form a single committee and to add a new item 2 to specify that the committee shall recommend changes to its charter.

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ADMINISTRATIVE COMMITTEE MEETING SUMMARY
DECEMBER 1, 2020

On a motion made by Mr. Norman and seconded by Mr. Brandt, the Administrative Committee approved, for recommendation to the Board of Trustees, the recommended changes to the Governance Charters as presented.

Triennial Review
of the Board of
Trustees'
Governance
Policies

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

Ms. Cohen noted that the Administrative Committee previously reviewed proposed changes to the Governance Policies at its September meeting, and reported specifically on the following new proposal that has been addressed since that review (*the page numbers referenced below indicate the master page number of the Committee meeting book*):

- Page 63 – Trustee Communication with External Parties.
Add new item 14, advising that questions pertaining to System from a State legislator or staff should be referred to the Executive Director, *except for the State Treasurer, who is elected by the legislature and serves as an ex officio member of the Board.*

On a motion made by Mr. Brandt and seconded by Mr. Norman, the Administrative Committee approved, for recommendation to the Board of Trustees, the recommended changes to the Governance Policies as presented.

Finance Reports –
Quarter Ending
09/30/20

Ms. Countess presented the Administrative Expense report dashboard, which provided an overview of the how the Agency expended or encumbered 20.94% of its FY2021 appropriation through the first quarter.

APPROPRIATION EXPENDED/ENCUMBERED	20.94%
REGULAR SALARIES	22.08%
CONTRACTUAL PAYROLL AND TECHNICAL SUPPORT	14.62%
COMMUNICATIONS (INCLUDES POSTAGE)	29.85%
TRAVEL	00.90%
VEHICLE COSTS	27.48%
CONTRACTUAL SERVICES (including equipment leasing & building maintenance)	12.62%
SUPPLIES	58.94%
EQUIPMENT PURCHASES	05.36%
RENT AND INSURANCE	36.04%
DUES, SUBSCRIPTIONS AND LICENSES	01.52%

Ms. Countess reported that the report projects a year-end surplus of approximately \$882,000 due to:

- Unexpended pension costs
- Contractual payroll and technical support
- Travel

Mr. Lewis reported that there is a \$13,000 cost projection for Worker's Compensation missing from the schedule, and this will be corrected.

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***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
DECEMBER 1, 2020***

Mr. Lewis presented the MBE Performance Report for the quarter ending September 30, 2020. The report showed that the MBE performance was 77.33%.

Mr. Lewis reported that the agency processed twenty-one purchase orders totaling \$343,180 during the first quarter. Fourteen of those purchase orders derived from the statewide contracts managed by the Department of Information Technology, yielding \$116,245 in MBE participation dollars. Three other purchase orders, not related to statewide contracts, contributed an additional \$159,056 in MBE participation, bringing the total to \$275,302 for the quarter.

Mr. Lewis further reported that the procurement, in the amount of \$155,056, listed under the Disabled category should have been counted in the last fiscal year, but was not completed in time, and therefore was applied to this quarter which helped boost our performance rate.

Mr. Norman asked if staff anticipates any changes in the next nine months that would lower our performance rate.

Mr. Lewis responded that there will be changes as the Agency continues to process procurements and that he would hope that the performance percentage remains above the 29% mandated goal, but that it will definitely decrease from the 77.33% reported on this schedule.

Member Services
Update

Mr. Reott reported that while there were improvements over last year's averages, the Member Services unit is still well above the performance goals. The Member Services unit was not able to meet its goals for the call abandonment rate and average call wait time for the month of October 2020. Mr. Reott reported that the unit's call abandonment rate was 15.09% and the unit's average speed of answer was 309 seconds for the month of October.

Mr. Reott reported that prior to September, staff in the Member Services unit were completely teleworking. In September, the Agency implemented an A-week/B-week rotation among staff, with half of the staff in the office and the other half teleworking. However, unfortunately with the recent COVID trends not going in the right direction and mandates from Governor Hogan, staff is back to 100% teleworking.

Mr. Reott further reported that registration letters for *mySRPS* member portal have been mailed out to retirees and that the only group of members who have not yet received a registration letter are the vested members. Vested members are former employees who have left State services, but who are entitled to a benefit at normal retirement age.

Mr. Reott pointed to a newly added section of the report which reports that Retirement Benefit Specialists have responded to 898 *mySRPS* secure messages. Mr. Reott reported that this is a new means by which a member can securely ask a question online using *mySRPS* and staff can respond securely as well.

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***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
DECEMBER 1, 2020***

Mr. Reott further reported that the Agency mailed out 752 surveys to members, beneficiaries and retirees and received 125 responses back. Of the survey responses, 97.60% of the respondents were satisfied with the service provided. Mr. Reott commented that staff responds to any survey response in which a member is dissatisfied or has a suggestion.