

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

December 20, 2022

Ratification of the Board of Trustees' Electronic Vote Approving the Revised Certification of Active Membership as of June 30, 2022

On a motion made by Secretary Brinkley and seconded by Ms. Hill, the Board ratified the electronic vote to approve the revised certification of active membership as of June 30, 2022.

Recommendation of the Administrative Committee regarding Amendments to the Charter for the Chief Investment Officer

The Board was provided with a copy of the proposed red-lined amendments to the Charter for the Chief Investment Officer (CIO), which added a requirement that the (CIO) annually provide to the Board a confidential report of fees and carried interest associated with the System's private market investments.

On a motion made by Ms. Hill and seconded by Mr. Daly, the Board approved the proposed amendments to the Charter for the Chief Investment officer, as presented.

CIO Report

Mr. Palmer provided the Board with copies of a final fund summary for October and a preliminary fund summary for November. Mr. Palmer reported that the November tearsheet showed a fund return of 3.66% for the month and a fund return of 0.10% fiscal-year-to-date.

Executive Director's Report

Mr. Noven reported that a chart containing the approved 2023 Board and Committee meeting dates, as well as the 2022 Board attendance reports and training log were included in the meeting packet for the Board's review. Mr. Noven asked that each Trustee review those pages and let Angie Jenkins know if any corrections are needed.

Mr. Noven reported that to promote transparency within the agency, staff have identified numerous documents that can and will be posted on the Agency's website. Staff will also begin adding hyperlinks to documents mentioned in Board and Committee minutes for easy access to those documents.

In addition, Mr. Noven reported that staff would like to begin recording Board and Committee meetings, with the recordings being kept for five (5) years. Draft language will be brought to the Administrative Committee for its review.

Mr. Noven reported that the Joint Committee on Pensions agreed to sponsor all the Board's requested legislation, including the amortization proposal, in the 2023 session.

On a motion made by Ms. Hill and duly seconded, the Board voted to meet in a Closed Session, beginning at 1:19 p.m., via a WebEx 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

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

December 20, 2022

- 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 disclosure 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 (in-person)	Kenneth Haines
Dereck Davis, Vice-Chairman	Sheila Hill (in-person)
Linda Allen (in-person)	Michael Howard
Thomas Brandt	Richard Norman
David Brinkley (in-person)	Douglas Prouty (in-person)
Jamaal Craddock	Robert Sandlass (in-person)
James Daly (in-person)	Michael Stafford, Jr. (in-person)

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

Andrew Palmer	Anne Gawthrop	Janet Sirkis
Angie Jenkins	David Rongione	Ken Reott

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis and Emily Spiering

Other attendees included: Justin Hayes (Comptroller's Office)

On a motion made by Mr. Norman and seconded by Mr. Daly, the Board returned to open session beginning at 1:20 p.m., via a WebEx video/audio conference call.

OPEN SESSION

The Trustees present included:

Peter Franchot, Chairman, Presiding (in-person)	Kenneth Haines
Dereck Davis, Vice-Chairman	Sheila Hill (in-person)
Linda Allen (in-person)	Michael Howard
Thomas Brandt	Richard Norman
David Brinkley (in-person)	Douglas Prouty (in-person)
Jamaal Craddock	Robert Sandlass (in-person)
James Daly (in-person)	Michael Stafford, Jr. (in-person)

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

Andrew Palmer	Dominique Cherry	Megan Myers
Angie Jenkins	Harris Kaplan	Melody Countess
Anne Gawthrop	Janet Sirkis	Patricia Fitzhugh
Chandra Puranam	Karen Simpson	Robert Diehl
David Rongione	Ken Reott	Toni Voglino
	Kim O'Keeffe	

Assistant Attorneys General present included: Rachel Cohen, Alex Harisiadis and Emily Spiering

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

December 20, 2022

Other attendees included: Megan Schutz (Treasurer's Office); Justin Hayes (Comptroller's Office); Kate Kemmerer, Chung Hei Sing, Jennifer Jefferson and Joepeth Ebisa

During closed session, the Board of Trustees discussed the matters identified in the motion to meet in closed session, and acted on the following matters:	
Closed Session Minutes	The Board reviewed and approved the November 15, 2022 closed session minutes.
Medical Board Reports	The Board reviewed and adopted the medical board reports from November 17, November 23, December 1 and December 7, 2022.

Adjournment There being no further business before the Board, on a motion made by Mr. Brandt and seconded by Ms. Hill, the meeting adjourned at 1:23 p.m.

Respectfully submitted,



Martin Noven
Secretary to the Board

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

***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
DECEMBER 6, 2022***

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	Jonathan Martin
Linda Allen	Marc Nicole
Thomas Brandt	Robert Sandlass
Jamaal Craddock	

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

Melody Countess	Harris Kaplan	Kim O’Keeffe
Robert Diehl	Van Lewis	Ken Reott
Patricia Fitzhugh	Tom Montanye	Ben Robb
Anne Gawthrop	Megan Myers	David Rongione
Michael Golden	Andy Palmer	Janet Sirkis
Angie Jenkins	Chandra Puranam	

Assistant Attorneys General present included: Emily Spiering

Other attendees included: Laura Atas and Megan Schutz (Treasurer’s Office); Kate Kemmerer and Michael Rubenstein

Review of the
Criteria for the
Executive
Director’s
Evaluation

The Administrative Committee reviewed the criteria for the Executive Director’s evaluation for the performance period July 1, 2021 through December 31, 2022.

Mr. Noven reported that the criteria is the same set of criteria as used in previous years.

Ms. Jenkins reminded the Committee that the form includes the extension of the review period, which will be from July 1, 2021 through December 31, 2022, as approved by the Committee at its August meeting.

On a motion made by Mr. Brandt and seconded by Mr. Craddock, the Administrative Committee approved the Executive Director evaluation criteria for recommendation to the Board of Trustees.

Review of
Proposed
Amendments
to the Charter
for the CIO

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

The Committee was provided with a red-lined version of proposed amendments to the Charter for the Chief Investment Officer.

Ms. Gawthrop commented that the proposed amendments would require the Chief Investment Officer to annually and confidentially report all investment fees by manager to the Board of Trustees.

On a motion made by Mr. Sandlass and seconded by Mr. Craddock, the Administrative Committee approved the amendments to the Charter for the Chief Investment Officer, as presented, for recommendation to the Board of Trustees.

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

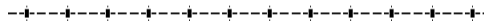
***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
DECEMBER 6, 2022***

Finance
Reports –
Quarter
Ending
09/30/22

Mr. Lewis presented to the Committee the Administrative Expense Report Dashboard, which provided an overview of the how the Agency expended or encumbered 22.04% of its FY2023 appropriation through the first quarter.

APPROPRIATION EXPENDED/ENCUMBERED	22.04%
REGULAR SALARIES	21.46%
CONTRACTUAL PAYROLL AND TECHNICAL SUPPORT	12.58%
COMMUNICATIONS (INCLUDES POSTAGE)	56.18%
TRAVEL	14.37%
VEHICLE COSTS	18.13%
CONTRACTUAL SERVICES (including equipment leasing & building maintenance)	14.07%
SUPPLIES	79.13%
EQUIPMENT PURCHASES	5.39%
RENT AND INSURANCE	41.49%
DUES, SUBSCRIPTIONS AND LICENSES	7.64%

Mr. Lewis reported that the first quarter expense schedule projects a year-end surplus of approximately \$186k; however, the current year salary forecast suggests a year-end healthcare reversion amount that will reduce the above by \$133k. In addition, there is a pending unknown budget amendment amount anticipated to happen in January, which represents a 4.5% pay raise for regular State employees granted by the outgoing Administration.



Mr. Lewis presented the MBE Performance Report for the quarter ending September 30, 2022. The report showed that the MBE performance was 60.92%.

Mr. Lewis reported that the agency processed six (6) purchase orders totaling \$311,022 during the first quarter. Two (2) of those purchase orders contributed \$203,280 in MBE participation dollars for the quarter. Mr. Lewis reported that a data entry contract, which is now reported in the first quarter, helped contribute to the participation percentage.

Employee
Engagement

Mr. Noven shared a copy of the 2022 MSRA Employee Engagement Survey that is scheduled for release on December 9th.

Mr. Noven explained that a similar survey was released last year to set a baseline for the Agency and enable staff to evaluate the effectiveness of the Agency's efforts to improve employee engagement. Mr. Noven summarized the feedback that staff received from the first survey and the efforts that have been made to address that feedback. Mr. Noven reported that the results of this year's survey will be shared with the Committee.

Member
Services
Update

Mr. Reott provided a Member Services performance update as of October, 2022 to the Committee.

Mr. Reott reported that the FY23 average call abandonment rate is 14.30% and an average call wait time of 320 seconds.

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

***ADMINISTRATIVE COMMITTEE MEETING SUMMARY
DECEMBER 6, 2022***

Mr. Reott reported that the call summary section of the report reflects that the unit was offered 45,798 calls fiscal-year-to-date, which is a 4.5% increase in calls over the same period last year. The topic driving the increase in calls is refunds. Mr. Reott reminded the Committee that the new IRS tax withholding forms go into effect January 31, 2023. He commented that this topic will also generate an increase in call volume.

Mr. Reott reported that the correspondence section of the report reflects that the unit received 8,378 pieces of correspondence since the beginning of the fiscal year, with more correspondence being generated electronically than by regular mail.

Mr. Reott reported that the staffing section of the report shows one vacancy and two positions in training, one with a “graduation” that was completed in November and the other with an expected “graduation” date in January. Mr. Reott reported that interviews are in process for the vacancy.

Correction of
Errors –
Offset of
Retirement
Benefits

The Administrative Committee approved the offset of retirement benefits schedule, as presented. The approved report was provided to the Board of Trustees via the Board portal.