

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

July 15, 2008

The Board of Trustees for the State Retirement and Pension System of Maryland met in the Boardroom of the SunTrust Building, 120 East Baltimore Street, Baltimore, Maryland, beginning at 9:05 a.m.

The Trustees that attended via telephone included:

Nancy K. Kopp, Chairman	Peter Franchot, Vice- Chairman	David S. Blitzstein	William D. Brown
James M. Harkins	F. Patrick Hughes	Theresa Lochte	Robert W. Schaefer
Harold Zirkin			

The Trustees that attended:

John W. Douglass	Morris L. Krome	R. Dean Kenderdine, Secretary
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Agency Staff members attending included:

Deborah Bacharach	Margaret Bury	Steve Cichelli	Melody Countess	Robert Feinstein
Charles Geis	Ira Greenstein	Mansco Perry, III	Harvey Raitzyk	Brian Rowe
Fred Semko	Janet Sirkis	Patrice Sowah	Barbara Swain	

Also attended by:

Bill Anderson	Dylan Baker
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Present only during the disability appeals portion of the agenda included:

Jill Leiner

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| Minutes | 1. On a motion made, Mr. Brown and seconded by Mr. Zirkin, the Board approved the minutes of the June 17, 2008 regular meeting. |
| Administrative Committee | 2. On a motion made Mr. Hughes and seconded by Mr. Brown the Board, in accordance with the Board Operations Policy adopted October 16, 2007, appointed the following members and officers to the Administrative Committee to serve for the period of August 1, 2008 through July 31, 2009: <ul style="list-style-type: none">▪ James Harkins, Chairman▪ Morris L. Krome, Vice Chair▪ Nancy K. Kopp (or designee)▪ John Douglass▪ T. Eloise Foster (or designee)▪ Sheila Hill▪ Theresa Lochte |
| Investment Committee | 3. On a motion made Mr. Hughes and seconded by Ms. Lochte the Board, in accordance with State Personnel and Pensions Article, Section 21-115 (a)(2), (b)&(d), appointed the following members and officers to the Investment Committee to serve for the period of August 1, 2008 through July 31, 2009: <ul style="list-style-type: none">▪ Robert Schaefer, Chairman▪ William D. Brown, Vice Chair▪ Nancy K. Kopp▪ Peter Franchot▪ T. Eloise Foster▪ David S. Blitzstein▪ Sheila Hill▪ F. Patrick Hughes▪ Morris L. Krome▪ Harold Zirkin |

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- Thurman Zollicoffer, Jr.
- Investment Committee Mr. Schaefer commented on the growing size of the Investment Committee and having future discussions about the possibility of meeting options that are in concert with the full Board of Trustees meetings.
- Audit Committee 4. On a motion made Mr. Zirkin and seconded by Mr. Blitzstein the Board, in accordance with the Board Operations Policy adopted October 16, 2007, appointed the following members and officers to the Audit Committee to serve for the period of August 1, 2008 through July 31, 2009:
- F. Patrick Hughes, Chairman
 - John Douglass, Vice Chair
 - Nancy K. Kopp
 - Morris L. Krome
 - Theresa Lochte
 - Thurman Zollicoffer, Jr.
- Real Estate Subcommittee 5. On a motion made Ms. Lochte and seconded by Mr. Schaefer the Board, in accordance with the Board Operations Policy adopted October 16, 2007, appointed the following members and officers to the Real Estate Subcommittee, of the Investment Committee, to serve for the period of August 1, 2008 through July 31, 2009:
- Morris L. Krome, Chairman
 - F. Patrick Hughes
 - Harold Zirkin
- Corporate Governance Subcommittee 6. On a motion made Ms. Schaefer and seconded by Major Krome the Board, in accordance with the Board Operations Policy adopted October 16, 2007, appointed the following members and officers to the Corporate Governance Subcommittee, of the Investment Committee, to serve for the period of August 1, 2008 through July 31, 2009:
- Sheila Hill, Chairman
 - Nancy K. Kopp
 - Peter Franchot
 - David S. Blitzstein
 - William D. Brown
 - Thurman Zollicoffer, Jr.
- Executive Director's Report 7. Mr. R. Dean Kenderdine reported that a settlement has been reached between many of the defendants, including the System, and Global Crossing for 10% of the claimed amount.
- Mr. Kenderdine reported that the Agency has reached a tentative agreement with Segal. Counsel for the System and Segal are negotiating the formal settlement agreement. Segal has agreed to a termination of their services as the System's actuary and to pay the full cost of the actuarial audit conducted by Mercer. The cost of the Mercer audit was \$147,000.
- Mr. Kenderdine reported that the emergency procurement contract for Cheiron is on the Board of Public Works agenda for July 16, 2008. Cheiron will be the System's actuary through December 31, 2008.
- Mr. Kenderdine reported that a MPAS status update will be provided at the

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August 5, 2008 Administrative Committee meeting.

Executive
Director's
Report

Mr. Kenderdine introduced Steve Cichelli the new MPAS project manager. He also acknowledged the time and effort Charles Geis has put into the project. He thanked Mr. Geis for assisting Mr. Cichelli's transition into his role as the new MPAS project manager.

Mansco Perry, III answered questions from the Board regarding the current state of the market and how the System is doing in these current conditions.

Mr. Schaefer stated that the market is down 20% and the System has experienced a 5% loss. While no loss is better, it is noteworthy to mention that the System is performing better than the market average.

Mr. Blitzstein agreed however, he raised the question of what will be the future actuarial impact to the System as the liabilities increase at a faster rate than assets. He expressed his desire to explore this topic in detail in future Investment Committee and Board of Trustees meetings.

Medical Board
Reports

8. On a motion made by Ms. Lochte, and seconded by Mr. Schaefer, the Board of Trustees accepted the reports of the Medical Board in connection with applications of members for ordinary, accidental and special disability retirement allowances. The Medical Board's conclusions were reached after its review of the documentation in the file.

Supplemental
Medical Board
Reports

9. On a motion made by Ms. Lochte, and seconded by Mr. Zirkin, the Board of Trustees accepted the supplemental reports of the Medical Board in connection with applications of members for ordinary, accidental and special disability retirement allowances with the exception of George H. Isenberg. The Medical Board's conclusions were reached after its review of the documentation in the file.

Steve L. Blankenship

10. The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Mr. Steve L. Blankenship for accidental disability retirement benefits. The Administrative Law Judge's report, a report by the Medical Board, and all related documents submitted by the parties were presented.

Mr. Blankenship, and his attorney Curtis Cooper, were notified of the hearing before the Board but did not appear to oppose the Agency's position and the Administrative Law Judge's recommendation.

Following discussion, the Board deferred further consideration to closed session.

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CLOSED SESSION

The Board met in a Closed Session in the Boardroom of the SunTrust Building at 120 East Baltimore Street for the purpose of, and pursuant to:

1. to approve the closed minutes, State Government Article §10-503(a)(1)(i), the exercise of an administrative function; and,
2. to discuss the appeal of Steve L. Blankenship pursuant to State Government Section 10-503(a)(1)(iii), quasi-judicial function.

The Trustees that attended via telephone included:

Nancy K. Kopp, Chairman	Peter Franchot, Vice- Chairman	David S. Blitzstein	William D. Brown
James M. Harkins	F. Patrick Hughes	Theresa Lochte	Robert W. Schaefer
Harold Zirkin			

The Trustees that attended:

John W. Douglass	Morris L. Krome	R. Dean Kenderdine, Secretary
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Agency staff that attended:

Deborah Bacharach	Margaret Bury	Melody Countess	Mansco Perry, III	Brian Rowe
Patrice Sowah	Janet Sirkis	Barbara Swain		

The Board ended its closed session at 9:32 a.m. and returned to regular session to complete the agenda.

REGULAR SESSION

During the closed session, the Board approved the closed minutes of the June 17, 2008 meeting and reviewed and decided on the following disability appeals:

Steve L. Blankenship 11. The Board voted to **ADOPT** the Administrative Law Judge's Report and **DENY** Mr. Blankenship's request for accidental disability benefits.

Adjournment 12. There being no further business before the Board, the meeting adjourned at 9:33 a.m.

Respectfully submitted,

R. Dean Kenderdine
Secretary to the Board

RDK/pws