

BOARD OF TRUSTEES
FOR THE
STATE RETIREMENT AND PENSION SYSTEM
OF MARYLAND

MINUTES OF MEETING

August 16, 2005

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 9:00 a.m. There were present William Donald Schaefer, Chairman, Cecilia Januszkiewicz, David B. Hamilton, Morris L. Krome, William D. Brown, Carl D. Lancaster, Dr. A. Melissa Moye, Patrick O'Shea, F. Patrick Hughes, John W. Douglass, Sheila Hill, Trustees, and Thomas K. Lee, Secretary (Nancy K. Kopp, Vice Chair, attempts were unsuccessful to be connected to the meeting via conference call). Agency staff members also attending were Margaret Bury, Administrator, Deborah Bacharach, Jill Leiner, Assistant Attorneys General, Laura Burns, Staff Attorney, Steven Huber, Chief Investment Officer, Victoria Willard, John Greenberg, Paige Davis, Robert Byrd, Investment Division, Vincent Marsiglia, Chief Financial Officer, Jeannie Abramson, Finance Division, Howard Pleines, Director Legislation and Research, Sherlynn Matesky, Deputy Director of Legislation and Research, Thomas Gigliotti, Chief Internal Auditor, Will Morrow, Special Project Manager, Harvey Raitzyk, Deputy Director of Administration, Larry Martin, Information Technology, Dale Markle, Chief Information Officer, and Monica Bias, Executive Associate.

Also attending were Dean Kenderdine, Comptroller's Office, Anne Gawthrop, Department of Legislative Services, Bill Anderson, MCEA, Bruce M. Bender, Esquire, Charles W. Davis, Robin C. Cockey, Esquire, and Diane M. Lavendoski.

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| Minutes | 1 | On motion made by Mr. Hamilton, and seconded by Mr. Hughes, the Board approved the minutes of the July 19, 2005 regular meeting with one minor correction. |
| Real Estate Subcommittee | 2 | On a recommendation of the Chairman and Vice-Chairman, the Board of Trustees approved the appointment of Mr. Patrick O'Shea as Chairman of the Real Estate Subcommittee. |
| Investment Committee | 3 | Mr. Carl Lancaster, Chairman of the Investment Committee, reported on the meeting held August 12, 2005. |
| Recommendations and Information Items | | In June 2005, the Board of Trustees delegated to the Real Estate Subcommittee and staff the authority to handle future investment guideline exceptions requested by Alex Brown Realty, Inc. Mr. Lancaster advised the Board that the Real Estate Subcommittee had received and approved a guideline exception requested by Alex Brown Realty to invest in non-core assets in excess of 25% of Total Fund Capital. With approval of this exception, approximately 30% of Total Fund Capital will be invested in non-core assets. |

Mr Lancaster advised that the Investment Committee heard presentations from the finalists for the Small Cap International manager contract – DFA Small Company Fund and Globeflex Capital. Additional information is to be provided in closed session.

Mr Lancaster advised that Mr Greenberg reviewed the TUCS report ending June 30, 2005, indicating that the System ranked in the 61st percentile for 1 year, 50th for 2 years, and 58th for 3 years. These rankings are in line with staff's expectations and reflect meaningful improvement in the TUCS rankings in the last few years.

Mr Lancaster noted that the Investment Committee received the following reports: 1st Quarter Directed Brokerage Report, Brokerage Commissions Report, and monthly updates – Tactical Asset Allocation Report, Performance Report, Private Equity Report, Manager Update, and Manager Fee Update.

On motion made by Mr Lancaster, seconded by Major Krome, the Board of Trustees accepted staff's recommendation to adopt the newly revised Investment Policy Manual, including revisions to the Watch List section.

The Board accepted Mr Lancaster's report.

Administrative
Committee
Recommendations and
Information Items

- 4 Major Morris Krome, Vice-Chairman of the Administrative Committee, reported on the meeting held August 2, 2005.

Major Krome noted that staff presented a brief overview of the 2007 budget process. The Agency's budget will focus again on infrastructure. Major Krome noted that the target for this budget cycle is 3% below the 2006 appropriation, as adjusted for salary increases. He noted his continued concerns regarding the effect that these budget cuts have on the Board's ability to carry out its fiduciary responsibilities.

On motion made by Major Krome, seconded by Mr Brown, the Board upheld Mr Lee's denial of Ms Elizabeth Teles' request to purchase service. Ms Teles made her request after active membership had ended.

On motion made by Major Krome, seconded by Mr Brown, the Board upheld Mr Lee's denial of Ms Patricia Johnson's request to transfer service from a vested Employees' Pension System account into her active Correctional Officers' System account. Pension law requires a transfer request to be made within one year of enrolling in the second pension system.

On motion made by Major Krome, seconded by Mr Brown, the Board approved two budget amendments totaling \$1,040,450. The first provides \$767,178 for concept planning for the proposed new data processing system, while the second, totaling \$273,272, is start-up funds for the Project Management Office. Chairman Schaefer voted Nay for this amendment.

Chairman Schaefer, and several other Trustees, expressed their strong beliefs in the urgent need to secure a new data processing system as quickly as possible. They expressed their desire for staff to work with the Governor and the Department of Budget and Management to find an acceptable means to shorten the overall procurement and budget process for this vital program. Mr Will Morrow, Project Manager, stated that staff would be presenting various alternatives for the Board to consider in October to continue moving forward on the project.

Exhibit A

The Board accepted Major Krome's report

Executive
Director's Report

- 5 Mr Lee requested Dr Moye discuss a recent meeting with Delegate Mary-Dulany James related to the corridor funding method. Dr Moye related that the meeting with Delegate James was very productive as she had many important questions related to the problems with corridor funding. She noted that Delegate James is interested in drafting legislation to return to full actuarial funding to circulate amongst the members of the Joint Committee on Pensions and the General Assembly for their reaction to such a proposal.

The Board accepted Mr Lee's report

Medical Board
Reports

- 6 On motion made and duly seconded, the Board 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 evidence provided by the claimants.

Supplemental
Medical Board
Reports

- 7 On motion made and duly seconded, the Board accepted the supplemental 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 evidence provided by the claimants.

Exhibit B

Priscilla S Hills

- 8 The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Ms Priscilla S Hills for accidental disability benefits. The Administrative Law Judge's report, a report by the Medical Board, and all related documents submitted by the parties were presented.

Ms Hills' attorney, Bruce M Bender, appeared before the Board to oppose the Agency's position and the Administrative Law Judge's recommendations. Ms Hill did not attend. Ms Laura Burns, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations. Following discussion, the Board deferred further consideration to Executive Session.

Charles W Davis 9 The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Mr Charles W Davis for accidental disability benefits. The Administrative Law Judge's report, a report by the Medical Board, and all related documents submitted by the parties were presented.

Mr Davis, with his attorney, Robin R Cockey, appeared before the Board to oppose the Agency's position and the Administrative law Judge's recommendation. Ms Laura Burns, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations. Following discussion, the Board deferred further consideration to Executive Session.

Diane Lavendoski 10 The Board considered the recommendation of the Administrative Law Judge in connection with the claim of Ms Diane Lavendoski for accidental disability benefits. The Proposed Decision of the Administrative Law Judge, a report by the Medical Board, and all related documents submitted by the parties were presented.

Ms Lavendoski appeared before the Board to oppose the Agency's position and the Administrative Law Judge's recommendations. Ms Jill Leiner, attorney for the Agency, addressed the Board and argued that the Board should adopt the Administrative Law Judge's recommendations. Following discussion, the Board deferred further consideration to Executive Session.

Synessa M Jefferson 11 The Board considered the recommendation of the Medical Board Report and the Proposed Decision of the Administrative Law Judge in connection with the claim of Ms Synessa M Jefferson for disability benefits. The Medical Board Report, the Proposed Decision of the Administrative Law Judge and all related documents submitted by the parties were presented.

Ms Jefferson did not appear before the Board to oppose the Agency's position. The Board deferred further consideration to Executive Session.

William E Smith, Jr 12 The Board considered the recommendation of the Medical Board Report and the Proposed Decisions of the Administrative Law Judge in connection with the claim of Mr William E Smith, Jr for disability benefits. The Medical Board Report, the Proposed Decision of the Administrative Law Judge, and all related documents submitted by the parties were presented.

Mr Smith did not appear before the Board to oppose the Agency's position. The Board deferred further consideration to Executive Session.

On motion made and duly seconded, the Board voted unanimously to meet in Executive Session to deliberate disability appeals, pursuant to State Government Article, Section 10-503(a)(1)(iii) which authorizes the Board to meet in closed session to carry out a quasi-judicial function. The Board also agreed to meet in closed session (1) to discuss Small Cap International Manager Selection pursuant to State Government

Article, Section 10-508(a)(5) which authorizes the Board to meet in closed session to consider the investment of public funds and Section 10-508(a)(14) which authorizes the Board to meet in closed session to discuss issues related to the award of a contract pursuant to State Govt Art Section 10-508(a)(14) and, (2) to discuss services and use of funds pursuant to State Govt Art Section 10-508 (a)(14) which authorizes the Board to meet in closed session to discuss issues related to the award of a contract

EXECUTIVE SESSION

The Board met in Executive Session at 11 26 a m in the Boardroom of the SunTrust Building at 120 East Baltimore Street to consider disability appeals. There were present William Donald Schaefer, David B Hamilton, Morris L Krome, William D Brown, Carl D Lancaster, Dr A Melissa Moye, Patrick O'Shea, John W Douglass, Sheila Hill, Trustees, and, Thomas K Lee, Secretary. Agency staff also attending was Margaret Bury, Deborah Bacharach, Steve Huber, John Greenberg, Paige Davis, Robert Byrd, Vincent Marsiglia, Howard Pleines, and Monica Bias.

The Board ended its closed session at 11 45 a m and returned to regular session to complete the agenda.

REGULAR SESSION

On motion made and duly seconded, the Board voted to ratify actions taken in Executive Session.

Minutes	On motion made and duly seconded, the Board approved the minutes of the July 19, 2005 closed session meeting.
Priscilla S Hills	The Board considered the appeal of Priscilla S Hills. Following a discussion, on a motion made by Mr Brown, and seconded by Ms Hill, the Board voted to <u>adopt</u> the Administrative Law Judge's Proposed Decision and <u>deny</u> Ms Hills request for accidental disability benefits.
Charles W Davis	The Board considered the appeal of Charles W Davis. Following a discussion, on a motion made by Mr Brown, seconded by Ms Hill, the Board voted to <u>reject</u> the Administrative Law Judge's Proposed Decision and <u>grant</u> Mr Davis' request for accidental disability benefits.
Diane Lavendoski	The Board considered the appeal of Diane Lavendoski. Following a discussion, on a motion made by Mr Lancaster, and seconded by Mr Brown, the Board voted to <u>reject</u> the Administrative Law Judge's Proposed Decision and <u>grant</u> Ms Lavendoski's request for accidental disability benefits.
Synessa M Jefferson	The Board considered the appeal of Synessa M Jefferson. Following a discussion, on a motion made by Mr Lancaster, and seconded by Mr Brown, the Board voted to <u>accept</u> the Medical Board Report and the Administrative Law Judge's Proposed Decision and <u>deny</u> Ms Jefferson's request for disability benefits.

William E Smith Jr

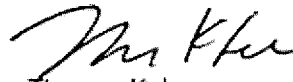
The Board considered the appeal of William E Smith, Jr. Following a discussion, on a motion made by Mr Brown, and duly second, the Board voted to accept the Medical Board Report and the Administrative Law Judge's Proposed Decision and deny Mr Smith's request for disability benefits

Remand of
David Robinson

On motion made by Mr Brown, and duly seconded, the Board approved remanding Mr Robinson's appeal back to the Administrative Law Judge for the limited purpose of stating and applying the correct issue and standard of review in the proposed decision

There being no further business before the Board, the meeting adjourned at 11 47 a m

Respectfully submitted,



Thomas K Lee
Secretary to the Board

TKL/mcb

**ADMINISTRATIVE COMMITTEE
OF THE
BOARD OF TRUSTEES
STATE RETIREMENT AND PENSION SYSTEM OF MARYLAND**

MINUTES OF THE August 2, 2005 MEETING

The Administrative Committee met on Tuesday, August 2, 2005, beginning at 9:34 a.m. in the Boardroom of the State Retirement Agency, 120 E. Baltimore Street, Baltimore, Maryland. Morris L. Krome, Vice-Chairman, Howard Freedlander, representing Treasurer Kopp, David B. Hamilton, John W. Douglass, and Sheila Hill were present. Also attending were Thomas K. Lee, Executive Director, Margaret Bury, Vincent Marsiglia, Jeannie Abramson, Steve Huber, Victoria Willard, Robert Feinstein, Will Morrow, Larry Martin, Dale Markel, Calvin Kiser, Richard Gawrych, Sheryl Lynn Matesky, and Howard Pleines. Mr. Randy Mickens attended representing the Maryland State Teachers Association.

A. Minutes of the Administrative Committee held June 7, 2005

On motion made by Mr. Freedlander, seconded by Mr. Hamilton, the minutes of the June 7, 2005 Administrative Committee were approved.

B. Administrative Fees

The Administrative fees for managers were approved. With the start of a new fiscal year, there were no administrative expenses to report.

C. Agency Fiscal 2007 Budget Overview

Before beginning the budget discussion, Mr. Lee introduced Mr. Vincent Marsiglia, the new Chief Financial Officer, to the Administrative Committee.

Ms. Jeannie Abramson advised the Committee that the Retirement Agency has received its budget target from the Department of Budget and Management (DBM) for Fiscal Year 2007. The target is 3% lower than the FY2006 Appropriation, adjusted for FY2006 COLAs and FY2007 salary increments. Ms. Abramson noted that the FY2006 Appropriation totaled \$20,097,000, the FY2007 target is \$19,846,000. Ms. Abramson noted that like FY2006, the Agency would submit a budget to the Administrative Committee noting what the Agency needed for the FY2007 year with suggestions for the requested cuts. The Committee and the Board will determine which cuts are to be submitted to DBM.

Ms. Abramson continued by noting that staff will present the Agency's budget request to the Administrative Committee, and the Board of Trustees, in September. The budget request is due at DBM by September 30, 2005.

Mr. Lee noted that although the Retirement Agency made modest gains in the 2006 budget cycle (2 additional benefits counselors and the conversion of 8 long-term contractual positions), the FY2007

budget request will continue to focus on the need to improve and strengthen the Agency's infrastructure. This will involve additional resources for both the Investment Division and the Project Management Office.

Major Krome ended the discussion by noting that the impact of any cut on the Agency budget could not occur without impacting staff and/or the membership. He again voiced his concerns that the Trustees' fiduciary responsibilities and the Retirement Agency's ability to carry out its mission are compromised by cuts that have no impact on the State's General Fund.

D. Request to Purchase Previous Service – Elizabeth Teles

Mr. Howard Pleines informed the Committee that Ms. Elizabeth Teles was a member of the Teachers' Retirement System (TRS) for 15 years 1 month, ending her active service as of June 30, 1994. In November 2004, she requested to purchase service from the 1960's. Her request was denied as she was not a member of the TRS when she filed to purchase service. Ms. Teles appealed that denial noting that she had not been fully informed of her rights as a vested member of the TRS. Mr. Lee denied her request. The law is very clear that only a member may apply to purchase service. Even if Ms. Teles' claim that the System failed to advise her of the time frame in which to purchase service were true, the law does not permit the Retirement Agency or the Board to grant her the right to purchase service after her membership ended (Ms. Teles' membership ended in 1999).

Action Item: The Administrative Committee, on motion made by Mr. Frelander, and seconded by Ms. Hill, recommends that the Board uphold Mr. Lee's denial of Ms. Teles' request to purchase service.

E. Request to Transfer Previous Service – Patricia Johnson

Mr. Pleines informed the committee that Ms. Johnson currently holds two accounts with the System: a vested account in the Employees' Pension System (EPS), and an active account in the Correctional Officers' Retirement System (CORS). At the time that Ms. Johnson became a correctional officer, her employer failed to properly enroll her in CORS. The Retirement Agency, which was receiving contributions for membership in CORS effective August 1996, advised Ms. Johnson in a letter dated April 8, 1997, that she was not properly enrolled in CORS and should contact our counseling staff if she had any questions concerning her rights and benefits. No response was received at that time.

In October 2002, the Retirement Agency received the proper forms to enroll Ms. Johnson in CORS, retroactive to August 1, 1996. With the enrollment forms was a request to transfer her EPS vested service (8 years 4 months) to CORS. However, the transfer request had to be denied as the law requires a transfer to occur no more than one year after the member enters the new system. Mr. Pleines noted that even if the Agency would consider the date of the Agency's letter to Ms. Johnson (April 8, 1997) as the CORS membership date, the transfer request still occurred long after the one-year requirement expired.

Action Item: The Administrative Committee, on motion made by Mr. Frelander, and seconded by Ms. Hill, recommends that the Board uphold Mr. Lee's denial of Ms. Johnson's request to transfer service credits from the Employees' Pension System to the Correctional Officers' Pension System.

F. Legacy System – New Benefit Tier – Strategy and Status

Mr. Will Morrow, IT Project Director, provided information to the Administrative Committee on two major IT initiatives: the New Benefit Tier Project, and the Maryland Retirement Systems Modernization.

EXHIBIT A

(MRS) As Mr Lee has noted for several months, the General Assembly advised the Retirement Agency at the close of the 2005 Session that the Agency must be prepared to implement benefit enhancements by July 1, 2006. Mr Lee has been emphasizing the need since that time to keep benefit improvements as simple as possible so that the Retirement Agency will be able to implement the new benefits when enacted.

This effort to implement a benefit enhancement or enhancements, which should take most of the current fiscal year and cost about \$1 million, will divert time and resources away from the Agency's primary effort to secure a new overall retirement data system. Mr Morrow noted that while preliminary efforts to implement benefit enhancements is underway, the Agency must continue and strengthen its efforts through review and revisions of current programs, conversion of obsolete program languages, improvement of testing capabilities, and hiring of additional staff. If these efforts do not occur now, it is unlikely that the Agency could comply with implementation of new benefits next July.

While the Agency works on possible benefit enhancements, it also must continue to move forward with obtaining a new, modern retirement data processing system. This is the Maryland Retirement Systems Modernization Project. If the Agency knew what type of system to purchase today, the time line for the procurement process would be about 16 months until January 2007. This process is necessary in order to obtain the required executive, legislative, budgetary, and procurement approvals necessary for any new State IT project. Mr Douglass questioned if this process could be fast tracked? Mr Lee reminded the Committee that because of the volume of IT failures throughout State government, the General Assembly has enacted comprehensive IT statutes that place many additional checks and balances on new IT programs. It is unlikely that the 16 month time line can be shortened.

Mr Morrow noted that the MRS project has a steering team comprised of Mr Lee, Executive Director, Marge Bury, Administrator, Harvey Ratzky, Deputy Administrator, Dale Markel, Chief Information Officer, Calvin Kiser, Deputy Chief Information Officer, Will Morrow, IT Project Director, and Larry Martin, Deputy IT Project Director. The project also will have an advisory group made up of external shareholders as well as peers from the public and private sectors.

One lesson learned from the failed IT project is that the development of a major IT project requires Agency staff who are dedicated solely to that project. There will be an Integrated Project Team that pulls Agency employees from different areas to serve on this project, they will have no other duties or responsibilities within the Retirement Agency during the life of the project. Mr Morrow noted that over the course of the project, staff for the team is expected to grow from 3 to 12 as need requires.

Mr Morrow noted that there are several key drivers in the Retirement Agency's need to modernize its IT capabilities. The first is agility that is the ability to react to change. The Agency must improve its ability to successfully implement major pension system design changes. The Agency must also have the agility to better meet the needs and expectations of our customers - both employers and our membership. A second driver is risk. There can be no question that the current Legacy system has far surpassed its life expectancy. The longer this system remains in use, the greater the likelihood and impact of disruptions to the Agency's business. Furthermore, it is becoming more difficult to find the staff that know these older computer languages and, therefore, can maintain the current out-of-date Legacy system.

Mr Morrow continued by stating that the State has developed a 10-step approach that the Retirement Agency must utilize in the development of a new IT system. This approach is known as the Maryland Systems Development Life Cycle (SDLC). Having completed the first phase of the SDLC, Initiation, the Retirement Agency is in the second phase, System Concept Development. Mr Lee emphasized to the Committee the importance of the System Concept Development phase in any IT project. He

indicated that in his previous position with DBM, he noted that the failures of most IT projects resulted from loose definitions of what the agencies wanted. The Retirement Agency is taking the necessary time to ensure that does not occur in the MRSM project.

Mr. Morrow stated that the Retirement Agency intends to keep the Administrative Committee, and the Board of Trustees, fully informed of its actions and the status of progress within the MRSM project. The Project Management Office will prepare Executive Status Reports (see attached) for the Administrative Committee and the Board. These status reports are designed to provide you up-to-date and easy-to-follow information on the IT project. Since the status report is meant to provide information primarily for the Trustees, Mr. Morrow hoped that each Trustee would review the document and, if necessary, provide feedback on how to improve the status reports.

Major Krome stated that while the Trustees do not seek to micromanage any portion of the Retirement Agency's business, he believes that most Trustees involved in the original Syscom project felt that they were not provided with the correct information at the right times. Therefore, Major Krome strongly suggested that the reports be as precise as possible and that a glossary of terms be developed so that all reviewing the information will be capable of understanding the information in each status report. Mr. Douglass suggested that the time frame for a new system might be shortened considerably if there is an existing retirement product already in use that Maryland could modify or personalize. Mr. Morrow stated that he was aware of several retirement products that the System could adapt for its purposes. However, the Agency had not completed its analysis yet to make such a recommendation to the Board.

Mr. Morrow indicated that at this time, he needed to obtain approval for 2 budget amendments that totaled \$1,040,450. The first amendment of \$767,178 is needed for the concept development and planning of the new information system. The second, for \$273,272, is for the establishment and operation of the project management office.

Action Item: On motion made by Mr. Douglass, seconded by Mr. Hamilton, the Administrative Committee recommends that the Board of Trustees approve the 2 budget amendments of \$767,178 and \$273,272, totaling \$1,040,450.

G Electronic Contact with Membership

Mr. Richard Gawrych, Director of Member Relations, presented information to the Committee on the electronic distribution of information to both active and retired members of the System. He noted that the Agency was moving more towards electronic distribution of information to the membership. This decision was based mainly on budget constraints as well as a growing desire by members and employers for the use of electronic distribution.

Mr. Gawrych noted that there are about 290,000 active and former members with whom the Agency corresponds. Currently about 16% of correspondence occurs through emails (700 per year), the remainder (3,700) is answered through written correspondence. Because of budget cuts, the Agency must stop printing newsletters and announcements and begin distribution of electronic documents. It is hoped that there will be wider access to the information, and that information will be available more quickly.

Mr. Gawrych indicated that prior to these changes to electronic distribution, approximately forty percent of employers had requested electronic distribution. The Retirement Coordinators at each participating agency have been, or will be, distributing the newsletters and announcements through email to their employees, through their web site, or by linking to or notifying their employees of the

Retirement Agency's web site Mr Gawrych noted that there are a few employers that intend to print out our documents and then distribute paper copies to their employees

Mr Douglass asked if it would be possible to email this information directly to the membership Ms Bury indicated that that may be a possibility under a new information system Mr Lee stated that the Agency would be required to acquire a list server service and administer the list server service He further stated that since it is more likely that the employer would have the current and proper email addresses of its employees, it appears more practical to continue to issue information to the employer for distribution to its employees

Mr Gawrych continued by noting that an annual printed contact with the membership that will remain for the present time is the Personal Statement of Benefits The Agency intends to continue mailing this document directly to the membership in a paper format Mr Lee added that the Agency's future plans include making the information on the statements more pertinent and detailed so that the annual personal statement will have even great value to the members

For distribution of information to our 100,000 retirees and beneficiaries, fewer rely on email to correspond with the Agency - 6%, with 94% submitting written requests The Agency will continue to issue two newsletters to retirees, but they will be timed to go in the months that advice slips are mailed Mr Gawrych noted that the Agency will mail the two newsletters with the January and July payments related to tax information and cost-of-living adjustments respectively Mr Gawrych noted that the Agency is in a transition period so that by October 2005, retirees no longer are to receive a monthly advice slip about their monthly pension allowance Retirees are to receive an advice slip (check stub) in January and July, and in other months when the gross/net amount of the monthly payment changes As notification of this policy change, three newsletters will be mailed

To continue providing information to our retirees, the Interactive Voice Response (IVR) System is being improved The Agency remains on target to have the new IVR System available October 2005 In addition, it will provide more available lines (8 to 24), more information, allowing retirees to obtain the breakdown of their month checks - gross and net amounts, plus deduction amounts The IVR System also will include check message capabilities and provide account data to the membership Information will be sent to both retirees and active members on how to navigate through the new IVR System

Mr Gawrych stated that the Agency's web site is also being improved All forms, newsletters and summary plan descriptions are on the web site, with alerts and updates constantly being posted to the site New is a benefit calculator to permit teachers and employees to estimate their maximum pension benefit He concluded his remarks by stating that the Agency is concentrating its efforts to make all active and retired members aware of the web site and the ease of obtaining information and forms from it

Major Krome thanked Mr Gawrych for his report

H. Other Business

Ms Matesky advised the Committee that the Town of Princess Anne had transferred its police to the Law Enforcement Officers' Pension System effective July 1, 2005 Also, the Town of Ridgely joined the Employees' Contributory Pension System as of that date Garrett County, one of the employers that did not elect the enhanced pension benefits as of 1998, withdrew effective July 1, 2005

Ms Matesky also noted that Ms Bacharachi would be discussing the delegation of final decision making authority in disability cases at the September Administrative Committee meeting

I. Adjournment

There being no further business, Major Krome adjourned the meeting at 11 06 a m

W. H. Krome