

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

March 16, 2021

The Board of Trustees for the Maryland State Retirement and Pension System convened, via video/audio conference call beginning at 9:30 a.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
Jamaal Craddock	Douglas Prouty
James Daly	Michael Stafford, Jr.

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

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

Assistant Attorneys General present included: Jody Shaw and Kathleen Wherthey

Other attendees included: Justin Hayes and Alex Walinskas (Comptroller’s Office)

Consent Agenda

Prior to the Board meeting being called to order, Trustee Daly asked Mr. Palmer to clarify if the February open meeting Board minutes regarding the CIO report, on page 9 of the meeting book, should reflect that the fund return of 14.3% was for the fiscal year (as indicated) or for the calendar year.

Mr. Palmer reported that the minutes should reflect that the fund return of 14.3% was for the calendar year and that the minutes would be corrected.

On a motion made by Mr. Brotman and seconded by Mr. Norman, the Board approved the consent agenda, which included:

- February 16, 2021 Open Meeting Board Minutes
- March 2, 2021 Administrative Committee Meeting Summary

Certification of the  
Active Teachers’  
Systems  
Representative

Mr. Kenderdine certified to the Board that there is one eligible candidate, Douglas G. Prouty, who met the requirements to be included on the ballot for the 2021 Active Teachers’ Systems Trustee Election.

Mr. Kenderdine indicated that when a single candidate qualifies to be placed on the ballot, that candidate shall be considered nominated to serve as Trustee for his or her system and, upon the Board’s certification, the candidate shall serve as trustee for the appropriate term. Mr. Prouty would serve a new four-year term beginning August 1, 2021 through July 31, 2025.

On a motion made by Mr. Brotman and seconded by Mr. Norman, the Board certified that Mr. Prouty is deemed nominated to serve as a trustee for four years, beginning August 1, 2021.

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

March 16, 2021

2021 Legislation Ms. Anne Gawthrop provided the Board of Trustees with an update of the 2021 pension related legislation currently before the General Assembly.

Ms. Gawthrop reported that House Bill 1336/Senate Bill 761 – Alcohol and Tobacco Commission -Executive Director – Clarification was amended to provide immediate vesting for the position of Executive Director for the State Retirement Agency (SRA) for those who commence employment in that position on or after January 1, 2021. The bill also directs SRA to report to the Joint Committee on Pensions this year on positions that are eligible and ineligible for immediate vesting for all heads of units of State Government.

Report from the Ad Hoc Committee on Executive Director Search

Mr. Haines, Chairman of the Ad Hoc Committee on Executive Director Search reported that the Committee has had three meetings thus far to discuss the search for an Executive Director. He reported that postings have been placed and, to date, three applicants have applied. The Committee plans to conduct interviews at the end of March or the beginning of April.

Treasurer Kopp inquired whether the search had included outreach to minority communities.

Mr. Kenderdine confirmed that it had.

Mr. Brandt stated that the Committee has engaged in discussions with the consultant concerning appropriate Executive Director compensation.

Mr. Haines added that those discussions had covered the retirement package also.

CIO Report

Mr. Palmer provided an update on performance. The final tearsheet for January included updates for the total plan and absolute return benchmarks and showed the plan ahead by fourteen basis points for the month and the absolute return portfolio ahead of its benchmark by fifteen basis points. The preliminary tearsheet for February showed the System eclipsing \$63 billion as the plan rose seventy-eight basis points for the month and 17.11% FYTD. Mr. Palmer noted that the public equity portfolio outperformed its benchmark modestly which was good to see as some of the factors that had been supporting relative performance through January, reversed in February. He also referred to the Rate Sensitive portfolio which showed a challenging absolute and relative performance during the month, underperforming its benchmark by 1.4%. He explained that the market volatility at month end drove much of this difference as the portfolio was priced at 3:00 pm and the benchmark was priced at 4:00 pm after a sharp rise in prices. He expected the performance to reverse during the month but highlighted the ongoing issue of performance measurement with the existing State Street Trust arrangement. Notably, the monthly process adds volatility to the return series and reduces the effectiveness of performance as a risk measurement tool.

Trustees Daly and Stafford expressed their concerns that the performance measurement process creates confusion.

-+--+

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

March 16, 2021

Mr. Palmer next provided an update on the work assigned to staff by the Investment Committee with respect to the proposed Responsible Contractor Policy. Mr. Palmer referred to the memo provided with the agenda and expressed his expectation to have a preliminary report available for the April meeting.

Treasurer Kopp commented on the contributions of Trustee Prouty and Public Advisor Tarbox in the development of this proposed policy.

Mr. Prouty thanked Mr. Palmer and his staff for their work on the draft policy.

-----

Mr. Palmer provided an update on the General Consultant RFP, explaining that submissions had been received and staff is reviewing them in preparation for the May Investment Committee meeting where finalists will be presented.

Mr. Daly asked if the consultant reports to the Chief Investment Officer or to the Board directly.

Mr. Palmer responded that the General Investment Consultant will work with staff, but as a Key Service Provider is required by Board policy to report directly to the Board of Trustees.

-----

Mr. Palmer also provided an update on staffing matters. He announced that Greg Ricci will be joining the staff by the end of March in the role of Managing Director for Accounting and Operations.

He congratulated Dana Johns, Senior Portfolio Manager on being named one of *Institutional Investors' 50 Women's Allocator Voices* for her work in the industry promoting more inclusion for women and other underrepresented group.

Finally, Mr. Palmer reminded the Board of the Education and Certification Pay Policy that provides for the possibility of pay increases when Investment Staff hit certain milestones. He was prompted to mention the policy in conjunction with congratulating Kevin Slack, Senior Investment Analyst for passing level 3 of the CFA exam, entitling him to receive his charter.

Executive Director's  
Report

Mr. Kenderdine reported that the Agency's *mySRPS* member portal has hit the 100,000-enrollment mark of all active members and retirees and at between 26% and 27% enrollment, continues to be well above the average enrollment rate among Public Pension Plans.

-----

Mr. Kenderdine reported that in light of the Agency's experience through the pandemic, staff is revising the Agency's Business Continuity Plan with Mr. Golden leading the project. Mr. Kenderdine will have an updated plan in place for his successor.

-----

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

March 16, 2021

Mr. Kenderdine reported on the Agency's budget hearing held on March 2, 2021 and that there were no cuts made to the FY2022 budget. Mr. Kenderdine noted that two issues were presented by the analysts, with one concerning the Investment Division budget. It was recommended that a separate report be presented to the Legislature by the Agency to the General Assembly each year detailing each new fiscal year's operating budget for the Investment Division. The Agency concurred with the recommendation.

-----

Mr. Kenderdine commented that at the February Board meeting he mistakenly reported that a proposed action by the General Assembly would cut the \$75M in reinvested savings in FYs 2022 and 2023. In fact, the proposed action would cut the \$75M in the current fiscal year (2021), as well as, the FY2022 budget presently before the legislature.

Mr. Kenderdine reported that Treasurer Kopp, in her typical eloquent fashion, asked the legislature to reconsider this proposed action given its ramifications for System funding and the fact that the savings that result from the 2011 pension reforms are largely the consequence of increased employee contributions into the System.

Secretary Brinkley commented that while the Department of Budget and Management (DBM) had not yet received confirmation, he believes that the \$75M in reinvested savings will be left alone.

-----

Mr. Kenderdine reported that Ira Greenstein, Chief Information Systems Officer, announced that he would be retiring at the end of the fiscal year.

-----

Secretary Brinkley asked for information on the State Retirement Agency's experience with allocation of COVID-19 vaccinations.

Mr. Kenderdine reported that the Agency's experience has been very positive, with most of the initial allocation used.

Treasurer Kopp asked Secretary Brinkley if there was any indication as to when State employees could return to work.

Secretary Brinkley responded that the Governor has not made a firm decision in this regard. However, staff at DBM has begun discussions on this question and will continue to follow CDC guidelines.

Treasurer Kopp requested that Secretary Brinkley ask Marc Nicole to keep the Administrative Committee apprised of any discussions relating to this matter.

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

March 16, 2021

On a motion made by Mr. Brotman and seconded by Mr. Daly, the Board voted to meet in a Closed Session, beginning at 10:13 a.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
Jamaal Craddock	Douglas Prouty
James Daly	Michael Stafford, Jr.

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

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

Assistant Attorneys General present included: Jody Shaw and Kathleen Wherthey

Other attendees present included: Justin Hayes and Alex Walinskas (Comptroller's Office)

On a motion made by Mr. Brotman and seconded by Mr. Prouty, the Board returned to open session at 10:15 a.m., via video/audio conference call.

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

March 16, 2021

**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
Jamaal Craddock	Douglas Prouty
James Daly	Michael Stafford, Jr.

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

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

Assistant Attorneys General present included: Jody Shaw and Kathleen Wherthey

Other attendees present included: 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 February 16, 2021 closed session minutes.
Medical Board Reports		The Board reviewed and adopted the medical board reports from February 17, February 18, February 25, March 3 and March 11, 2021.

Adjournment

There being no further business before the Board, on a motion made by Mr. Brotman and duly seconded, the meeting adjourned at 10:16 a.m.

Respectfully submitted,



R. Dean Kenderdine  
Secretary to the Board

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

**ADMINISTRATIVE COMMITTEE MEETING SUMMARY  
MARCH 2, 2021**

The Committee Members present included:

Kenneth Haines, Chairman, Presiding	Jamaal Craddock
Richard Norman, Vice Chairman	Marc Nicole
Thomas Brandt	Nancy K. Kopp

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

Melody Countess	Angie Jenkins	David Rongione
Patricia Fitzhugh	Van Lewis	Janet Sirkis
Anne Gawthrop	Kim O’Keeffe	Toni Voglino
Michael Golden	Andy Palmer	Scott Bolander (live stream)
Ira Greenstein	Ken Reott	

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

2021  
Legislation

**THIS MATTER WILL BE DISCUSSED OUTSIDE OF THE CONSENT AGENDA IN OPEN SESSION.**

Ms. Anne Gawthrop provided the Committee an updated overview of the 2021 pension related legislation with developments that have occurred since the February Board of Trustees meeting.

Finance  
Reports –  
Quarter Ending  
12/31/20

Ms. Countess presented the Administrative Expense report dashboard, which provided an overview of the how the Agency expended or encumbered 37.66% of its FY2021 appropriation through the second quarter.

APPROPRIATION EXPENDED/ENCUMBERED	37.66%
REGULAR SALARIES	44.45%
CONTRACTUAL PAYROLL AND TECHNICAL SUPPORT	35.09%
COMMUNICATIONS (INCLUDES POSTAGE)	10.33%
TRAVEL	02.36%
VEHICLE COSTS	49.11%
CONTRACTUAL SERVICES (including equipment leasing & building maintenance)	15.82%
SUPPLIES	82.41%
EQUIPMENT PURCHASES	16.99%
RENT AND INSURANCE	58.22%
DUES, SUBSCRIPTIONS AND LICENSES	47.73%

Mr. Lewis reported that the report projects a year-end surplus of approximately \$1,757,627 due to:

- Unexpended salary benefit costs, with the largest component being unexpended pension costs
- Unexpended per diem medical consulting costs and independent medical examination costs
- Unexpended contractual personnel costs
- Unexpended postage costs
- Unexpended travel costs
- Unexpended contractual services costs, with the largest component being unexpended outside programming costs.

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

***ADMINISTRATIVE COMMITTEE MEETING SUMMARY  
MARCH 2, 2021***

Mr. Lewis reported that he feels the surplus of funds is more of a timing matter, in that expenses have not yet been allocated to the appropriate line item, as opposed to reflecting the amount of funds actually spent to date.

-----

Mr. Lewis presented the MBE Performance Report for the quarter ending December 31, 2020. The report showed that the MBE performance was 62.82%.

Mr. Lewis reported that the Agency processed twenty-nine (29) purchase orders and one change order totaling \$423,473 during the first quarter. Twenty (20) of these purchase orders were processed off of statewide contracts managed by the Department of Information and Technology (DoIT), yielding \$140,663 in MBE participation dollars. Three other purchase orders, not related to statewide contracts, contributed an additional \$159,056 in MBE participation dollars, bringing the total to \$299,719 for the 2<sup>nd</sup> quarter. Two of these three purchase orders, which total \$155,056 in MBE participation dollars in this 2<sup>nd</sup> quarter report, should have been processed in FY20; however, the Procurement Unit was unable to complete the procurement by fiscal year-end. The inability to process this procurement timely last fiscal year has inadvertently benefitted this second quarter MBE report by its contribution of \$155,056 in MBE participation dollars at this point in the fiscal year. There was only one \$355 MBE transaction derived from credit card purchases, and only one \$469 MBE transaction derived from direct voucher transactions during the second quarter.

Member  
Services  
Update

Mr. Reott provided a Member Services update, reporting that for fiscal year 2021, the average call abandonment rate is 17.21%, with an average call wait time of 386 seconds. Mr. Reott reported that January and February are typically high call volume months due to members requesting duplicate 1099Rs, this year the numbers have increased due to the delays with the postal service. The Agency mailed the 1099Rs before the required deadline of January 31, 2021, however, many members still have not received them due to the delays with the mail.