

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

**March 19, 2024**

The Board of Trustees for the Maryland State Retirement and Pension System convened, via video/audio conference call at 120 E. Baltimore Street, 16th Floor, Baltimore, Maryland, beginning at 9:30am.

The Trustees present included:

Dereck Davis, Chair	Sheila Hill
Brooke Lierman, Vice Chair	Michael Howard
Jamaal Craddock	Richard Norman
James Daly	Douglas Prouty
Ayana English-Brown	Michelle RhodesBrown
Helene Grady	Robert Sandlass

Agency Staff members present included: Martin Noven Executive/Secretary of the Board

Dominique Cherry	Kim O'Keeffe
Cheryl Davis-Shaw	Andy Palmer
Robert Diehl	Ben Robb
Anne Gawthrop	David Rongione
Derrick Johnson	Toni Voglino
Courtney Key	

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

Other attendees included: Laura Atas, Jonathan Martin, and Megan Shutz (Treasurer's Office); Devaughn Blackburn, Dani DiPietro, and Kim Pezza (Comptroller's Office); Tyler Babich (Department of Legislative Services); Jefferson Blomquist, and Joseph Clasing (Harford County Government); Michele Chow-Tai (Fairview Capital); Joe Ebisa (With Intelligence); Cyril Espanol (Pageant Media)

**Call Meeting to Order:**

Dereck Davis, Chair of the Board of Trustees, having established there was a quorum present, called the meeting to order.

Prior to the motion being made to meet in closed session, Trustee Robert Sandlass, for the record, advised the Board that as an employee of Harford County Government, he would be recusing himself from the appeal.

**On a motion made by Mr. Daly and seconded by Mr. Norman, the Board of Trustees voted to meet in a closed session, via video/audio conference call, beginning at 9:31 a.m., for the purpose of:**

conducting an administrative appeal of an individual participant, pursuant to General Provisions Art., § 3-103(a)(1)(iii), a quasi-judicial 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., § 4-312 regarding the prohibition on disclosing retirement records.

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**CLOSED SESSION**

The Trustees present included:

Dereck Davis, Chair	Sheila Hill
Brooke Lierman, Vice Chair	Michael Howard
Jamaal Craddock	Richard Norman
James Daly	Douglas Prouty
Ayana English-Brown	Michelle RhodesBrown
Helene Grady	

Agency Staff members present included: Martin Noven Executive/ Secretary of the Board

Cheryl Davis-Shaw	Kim O'Keeffe
Anne Gawthrop	Andy Palmer
Derrick Johnson	David Rongione
Courtney Key	

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

Other Attendees included: Jon Martin (Treasurer's Office); Jefferson Blomquist and Joseph Clasing (Harford County Government)

**On a motion made by Ms. Lierman and seconded by Mr. Daly, the Board returned to open session at 9:52 a.m. via a Webex video/audio conference call.**

**OPEN SESSION**

The Trustees present included:

Dereck Davis, Chair	Sheila Hill
Brooke Lierman, Vice Chair	Michael Howard
Jamaal Craddock	Richard Norman
James Daly	Douglas Prouty
Ayana English-Brown	Michelle RhodesBrown
Helene Grady	Robert Sandlass

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

Dominique Cherry	Courtney Key
Cheryl Davis-Shaw	Kim O'Keeffe
Robert Diehl	Andy Palmer
Anne Gawthrop	Ben Robb
Derrick Johnson	David Rongione

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

Other Attendees included: Laura Atas, Jon Martin, and Megan Schutz (Treasurer's Office); Devaughn Blackburn, Kim Pezza (Comptroller's Office); Tyler Babich (Department of Legislative Services); Michele Chow-Tai (Fairview Capital); Joe Ebisa (With Intelligence)

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**Consent Agenda:**

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

- February 14, 2024 Corporate Governance and Securities Meeting Summary
- February 20, 2024 Corporate Governance and Securities Meeting Summary
- February 20, 2024 Board of Trustees Open Session Meeting minutes
- March 5, 2024 Administrative Committee Meeting Summary

**Legislative Update:**

Anne Gawthrop, Director of Legislative Affairs, provided the Board with a 2024 legislation update. Ms. Gawthrop provided an update on clarifying amendments being requested for HB 1212. The first amendment would clarify that the DEI Director will report to the Executive Director. The second amendment would have the 'good cause' requirement removed from the bill in respect to the termination of the DEI Director and the governance position. The bill, as it is currently written, states this individual can only be terminated with 'good cause,' which is not a defined term. Staff believes that using an undefined term would create doubt about the circumstances which could result in termination.

**Recommendation of Corporate Governance and Securities Litigation Committee regarding Iran and Sudan Divestment:**

The Board was provided a memorandum from the Corporate Governance and Securities Litigation Committee, regarding the divestment in Iran and Sudan.

On a motion made by Mr. Prouty and seconded by the Committee, the Board approved the recommendation as presented.

**Recommendation of Corporate Governance and Securities Litigation Committee regarding Russia Divestment:**

The Board was provided with a memorandum from the Corporate Governance and Securities Litigation Committee regarding the divestment in Russia.

On a motion made by Mr. Prouty and seconded by the Committee, the Board approved the recommendation, as presented.

**Recommendation of the Investment Committee regarding the Amendments to the Investment Policy Manual:**

The Board was presented with the recommended changes to the Investment Policy Manual. The Amendments included updated language to the Manager's Monitoring Policy section and updated the exempt procurement policy.

On a motion made by Mr. Howard and seconded by the Committee, the Board approved the recommendation as presented.

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**Recommendation of the Investment Committee to apply Employment Cost index to the Investment Division Salary Scale:**

The Board was presented with a memorandum proposing new salary ranges for the investment division personnel to reflect an inflation adjustment based on the US Bureau of Labor Statistics Employment Cost Index for the one-year ending on June 30, 2023.

On a motion made by Mr. Howard and seconded by the Committee, the Board approved the recommendation, as presented.

**Recommendation of the Investment Committee for Flexibility filling the CIOO Position:**

The Board was presented with a memorandum outlining the reasoning and recommendation for more flexibility in filling the Chief Investments Operation Officer (CIOO) position. The recommendation requests the flexibility to hire a second Deputy Chief Investment Officer instead of a CIOO, based on the qualifications of a successful candidate. Andy Palmer, Chief Investment Officer, explained the responsibilities of the second Deputy CIO include overseeing half of the investment functions.

On a motion made by Mr. Howard and seconded by the Committee, the Board approved the recommendation, as presented.

**Recommendation for the appointment of the Vice Chair for the Administrative Committee:**

Davis, Chair of the Board, recommended Mr. Sandlass to serve as Vice Chair of the Administrative Committee.

The recommendation was seconded by Ms. Lierman, and the Board approved Mr. Sandlass to the role of Vice Chair of the Administrative Committee.

**Chief Investment Officer's Report:**

Andy Palmer, Chief Investment Officer, presented the tear sheet for January 31st, 2024, which showed a small decrease in the market return for the month and a 2.75% return for the fiscal year to date. He explained that the fund performed slightly better than the benchmark for the month. In February, the fund more than gained back what was lost in January and had a return of 1.30% for the month. Mr. Palmer reported an anticipated bump in value when the private equity valuations from December 31 are reflected.

Mr. Palmer provided an update on the staff's efforts regarding the establishment of an advisory panel of experts in the analysis of climate change risk in accordance with House Bill 740 of 2022. He reported that staff has met with various groups to gain insight on how to structure the advisory panel and what the panel's objectives will be. He gave an overview of potential objectives, how the panel could be composed, and selected. He solicited input from the Board on next steps and provided a preliminary calendar to help drive to resolution.

Ms. Lierman expressed thanks for their efforts. She commented that the objectives were in line with best practices of other pension plans establishing similar panels.

**Recommendation of the Corporation Governance and Securities Litigation Committee regarding the Proxy Policy:**

The Board was presented with proposed amendments to the proxy policy.

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On a motion by Mr. Prouty and seconded by the Committee, the Board approved the amendments made to the proxy policy, as proposed.

Ms. Lierman expressed that more work needs to be done on the Agency's proxy policy, calling for more involvement from the Board and staff.

**CLOSED SESSION**

**On a motion made by Ms. English -Brown and seconded by Mr. Norman, the Board voted to meet in a Closed Session, beginning at 10:24 a.m. via 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 statutory requirement that prevents public disclosure, 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;

(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;

(c) discussing the administrative appeal of an individual participant, pursuant to General Provisions Art., § 3-103(a)(1) (iii), a quasi judicial 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., § 4-312 regarding the prohibition on disclosing retirement records.

The Trustees present included:

Dereck Davis, Chair	Sheila Hill
Brooke Lierman, Vice Chair	Michael Howard
Jamaal Craddock	Richard Norman
James Daly	Douglas Prouty
Ayana English-Brown	Michelle RhodesBrown
Helene Grady	Robert Sandlass (For items A and B only)

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

Cheryl Davis-Shaw	Kim O'Keeffe
Anne Gawthrop	Andy Palmer
Derrick Johnson	David Rongione
Courtney Key	

Assistant Attorneys General present included: Rachel Cohen and Alex Harisiadis

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Other attendees included: Jon Martin (Treasurer's Office)

**On a motion made by Mr. Norman and seconded by Ms. English-Brown, the Board returned to open session at 10:30 a.m. via Webex video/audio conference call.**

**OPEN SESSION**

The Trustees present included:

Dereck Davis, Chair	Sheila Hill
Comptroller Brooke Lierman, Vice Chair	Michael Howard
Jamaal Craddock	Richard Norman
James Daly	Douglas Prouty
Ayana English-Brown	Michelle RhodesBrown
Helene Grady	Robert Sandlass

Agency Staff members present included: Martin Noven, Executive Director/Secretary of the Board	
Cheryl Davis-Shaw	Kim O'Keeffe
Anne Gawthrop	Andy Palmer
Derrick Johnson	Ben Robb
Courtney Key	David Rongione

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

Other attendees included: Laura Atas, Jon Martin, Megan Schutz (Treasurer's Office); Devaughn Blackburn and Kim Pezza (Comptroller's Office); Michele Chow-Tai (Fairview Capital); Joe Ebisa (With Intelligence)

**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 Meeting Minutes:**

Board approved the closed session meeting minutes for February 20, 2024.

**Medical Board Reports:**

The Board approved the Medical Board reports for the following dates:

- February 22, 2024
- February 28, 2024
- March 7, 2024
- March 13, 2024

**Recommendation of the Administrative Committee regarding the Administrative Appeal of Mr. Blomquist:**

The Board voted to adopt the Administrative Committee's proposed summary decision as the final administrative decision of the Board.

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**Adjournment:**

There being no further business before the Board, on a motion made by Mr. Prouty and seconded by Mr. Norman, the meeting adjourned at 10:32 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin Noven", written in a cursive style.

Martin Noven,  
Secretary of the Board