

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

March 7, 2023

The Administrative Committee meeting convened, via WebEx conference call, beginning at 9:31 a.m.

The Committee Members present included:

Kenneth Haines, Chair, Presiding	Dereck Davis
Linda Allen	Marc Nicole
Thomas Brandt	Robert Sandlass
Jamaal Craddock	

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

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

Assistant Attorneys General present included: Rachel Cohen and Emily Spiering

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

Call Meeting to Order      Mr. Haines, Chair of the Administrative Committee, having established that there was a quorum present, called the meeting to order. He asked the Committee if there were any changes to the agenda. Having heard no requests for changes by the Committee, on a motion made by Mr. Sandlass and seconded by Ms. Allen, the agenda was adopted as presented.

Minutes      On a motion made by Mr. Sandlass and seconded by Ms. Allen, the Administrative Committee approved the February 7, 2023 open session meeting minutes.

2023 Legislation      The Committee was provided with a 2023 legislative update. Ms. Gawthrop reported that only one new bill had been introduced since the last update and that no action was needed from the Committee at this time.

At the request of Mr. Haines, Ms. Gawthrop reported on the following bill:

- House Bill 1274 – Employees’ Retirement and Pension System – Reemployment Earnings Limitations – COVID-19 Exemption

This emergency legislation extends the sunset of a provision included in the 2021 Budget Reconciliation and Financing Act and Chapters 57 and 58 of 2022. It exempts retirees of the Maryland Department of Health (MDH) or the Maryland Department of Labor (MDL) who are rehired by those same agencies from the reemployment earnings limitation if a MDH retiree is rehired for no more than three years to assist in the administration of federally funded grants related to the COVID-19 pandemic, or if a MDL retiree is rehired for no more than three years to assist with the administration of unemployment benefits related to the COVID-19 pandemic. The bill applies retroactively to January 1, 2020 and would now terminate on December 31, 2024.

Mr. Sandlass asked if there were any bills with a fiscal note that would affect the funding ratio of the System or the counties.

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Ms. Gawthrop responded that any bill with a fiscal note is being heavily reviewed and will most likely not move.

Discussion regarding Administrative Committee Meeting Dates and Times

Mr. Noven reported that this topic was being brought to the Committee, to see if there were any concerns regarding the current meeting dates and/or times. Mr. Noven reported that per Board policy each Committee is responsible for their own meeting schedule.

After a brief discussion, having heard no objection or concerns from the Committee regarding the current meeting schedule, the meeting dates and times will remain as scheduled. In addition, the Administrative Committee meetings will continue to be conducted virtually.

Finance Reports – Quarter Ending 12/31/22

Ms. Countess and Mr. Lewis presented to the Committee the Administrative Expense Report Dashboard, which provided an overview of the how the Agency expended or encumbered 40.94% of its FY2023 appropriation through the second quarter.

APPROPRIATION EXPENDED/ENCUMBERED	40.94%
REGULAR SALARIES	46.52%
CONTRACTUAL PAYROLL AND TECHNICAL SUPPORT	28.69%
COMMUNICATIONS (INCLUDES POSTAGE)	16.46%
TRAVEL	8.13%
VEHICLE COSTS	57.20%
CONTRACTUAL SERVICES (including equipment leasing & building maintenance)	22.03%
SUPPLIES	74.53%
EQUIPMENT PURCHASES	50.00%
RENT AND INSURANCE	55.19%
DUES, SUBSCRIPTIONS AND LICENSES	53.75%

Mr. Lewis reported that the second quarter expense schedule projects a year-end surplus of approximately \$129k with the primary drivers of the forecasted end-of-year surplus being unexpended costs related to per diem medical consulting costs and independent medical examination costs, contractual personal costs, travel costs and costs in several contractual services categories with the largest surplus anticipated in the miscellaneous expenditures resulting from there not being a need for Board elections in the current year.

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Mr. Lewis presented the MBE Performance Report for the quarter ending December 31, 2022. The report showed that the MBE performance was 31.00%.

Mr. Lewis noted an error on the MBE summary page in which it indicates “During the second quarter, qualifying procurements increased by \$284,796”; Mr. Lewis indicated that the report should have indicated that the qualifying procurements increased by \$448,870. The report also indicated that the agency processed eight (8) purchase orders and one (1) qualifying blanket purchase order totaling \$744,557 through the second quarter.

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Member  
Services Update

Mr. Reott provided a Member Services performance update as of January, 2023 to the Committee.

Mr. Reott noted an error on the report which indicated that the average call abandonment rate for FY22 was 16.50%, which was incorrect and should have reflected the correct rate of 15.17%. The report showed that the FY23 average call abandonment rate was 13.63% and an average call wait time of 301 seconds, both of which were favorable in comparison to last fiscal year.

Mr. Reott reported that the call summary section of the report reflects that the unit was offered 12,296 calls in January, with no single topic driving the increase. Mr. Reott reported that the unit continues to strive to maintain an average of 10 staff on the phones.

Mr. Reott reported that the correspondence section of the report reflects that the unit received 13,694 pieces of correspondence fiscal-year-to-date, which is a 3% decrease over last fiscal year.

Mr. Reott reported that the unit is expected to receive four new positions in the new fiscal year, one of which is a newly created receptionist position. The unit is also pursuing a summer intern position, who will fill that receptionist position until a permanent person is hired.

Mr. Reott also reported that Charelle Saunders, Director of the Member Services unit has announced that she will retire on May 1, 2023. Gwen Mulcahy, Deputy Director of the unit has been promoted to Director and Derrick Johnson, Counselor Manager has been promoted to Deputy Director.

In response to Trustee Sandlass' question from last month's Committee meeting, regarding how many phone calls result in a call-back from staff, Mr. Reott responded there is no way to track that statistic with the phone system, but internally staff believes it is less than 5%.

Mr. Nicole asked if staff plans to start the process to recruit for those four new positions before the fiscal year.

Mr. Reott responded in the affirmative, that staff plans to work with HR staff prior to the fiscal year to start that process.

Mr. Nicole asked if the spike in the number of calls in January were due to tax questions.

Mr. Reott responded that the unit generally sees increases in call volume in January and April due to questions regarding 1099Rs, but there was no specific reason for the increase this year.

Mr. Sandlass asked for the breakdown of employees teleworking in that unit.

Mr. Reott reported that no one in the unit is teleworking full-time. Staff in the member services unit are on a hybrid teleworking schedule, teleworking 1-2 days per week

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and the remainder of the week on-site at the Baltimore office.

Mr. Brandt complimented Mr. Reott on his hard work with the unit and indicated that he was impressed with all the initiatives taking place to better the statistics of the unit.

Adjournment      There being no further business before the Committee, on a motion made by Ms. Allen and seconded by Mr. Brandt, the meeting adjourned at 10:10 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin Noven", with a long horizontal flourish extending to the right.

Martin Noven,  
Secretary to the Board