

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

June 1, 2021

The Administrative Committee meeting convened, via video/audio conference call, beginning at 9:30 a.m.

The Committee Members present included:

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

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

Gregory Busch	Van Lewis	Ken Reott
Melody Countess	Robin McClelland	David Rongione
Robert Diehl	Gwen Mulcahy	Charelle Saunders
Patricia Fitzhugh	Martin Noven	Karen Simpson
Anne Gawthrop	Kim O’Keeffe	Janet Sirkis
Michael Golden	Andy Palmer	Scott Bolander (live stream)
Ira Greenstein	Chandra Puranam	
Angie Jenkins		

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

Other attendees included: Trustee Sheila Hill

Minutes	On a motion made by Mr. Norman and seconded by Mr. Nicole, the Administrative Committee approved the April 6, 2021 open session meeting minutes.
Introduction of New Executive Director	<p>Mr. Kenderdine Introduced and welcomed Martin Noven as the Agency’s new Executive Director.</p> <p>Mr. Noven commented that he is excited to be assuming the new position and leading the State Retirement Agency.</p>
FY22 Business Plan	<p>Mr. Kenderdine, with Chandra Puranam, David Rongione, and Melody Countess, presented the Agency’s FY22 Business Plan, including the following new and on-going initiatives.</p> <p>Mr. Puranam provided the Committee with a status report on the following initiative:</p> <ul style="list-style-type: none">➤ Project # 19BA/BO/FD/IS01 - MPAS+ Business Process Re-Engineering – Sub-project 4 – Improvement (Business Process Re-Engineering) <p>Mr. Puranam reported that the Agency launched the <i>mySRPS</i> - secured member portal on February 10, 2020 and to date the Agency has successfully registered and enrolled 105,000 members and retirees, which is approximately 30% of the System’s participant pool.</p> <p>Mr. Puranam also reported that, over the last year, staff has been working on the final process of the project, which is the re-engineering of the agency business processes. Staff has successfully launched the automated estimate process for business users, which will allow forms that are completed by a member to be scanned into the computer system and after being validated, it generates an acknowledgment letter to the member.</p>

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Mr. Puranam reported that staff is working on the re-engineering and automation of Employer Processes and Payment Processes for the finance division, which will allow employers to upload various files to our system and directly pay contributions to the system.

Mr. Kenderdine further reported that the goal is to have the re-engineering process complete by July 2022.

Treasurer Kopp commented that 105,000 enrolled participants is a great start but asked what staff is doing to increase member participation.

Mr. Puranam responded that staff plans to do another registration roll-out, in which staff will send another registration mailing letter to those members who have not yet registered for *mySRPS*, in addition to adding reminders in the member and retiree newsletters.

Mr. Nicole commented that he would be happy to work with Agency staff to post or send out information regarding registering for the *mySRPS* portal.

Mr. Kenderdine further commented that organizations such as MACO and MML would be helpful, as well. Mr. Kenderdine added that he does not believe that any state or local public plan has achieved 100% participation with their members portal, and understands that we are ahead of other plans, by at least 5%, in terms of registration for the member portal at this stage in the effort.

Mr. Kenderdine reported on the following initiative:

- Project # 14BA04 – Review and Revision of Code of Maryland Regulations

Mr. Kenderdine reported that this has been an ongoing initiative and staff has made steady progress reviewing and amending the State regulations, with the Board's approval, and will continue with this process through the coming year.

Mr. Kenderdine then provided a status report on the following initiative:

- Project # 21 BA/BO/EA01 – Eliminate Print Version of *Retiree News & Notes* Newsletter; Transition to Exclusive Email Distribution

Mr. Kenderdine reported that this initiative had been deferred over the past year due to delays with the MPAS-3 project. Mr. Kenderdine reported that staff is looking forward to having the ability to communicate with our members by email. Member and Retiree newsletters are currently distributed in paper form. Mr. Kenderdine commented that this project is reset for the coming fiscal year.

Mr. Kenderdine provided an update on the following new initiative:

- Project # 22EA/IS01 – Redesign The SRA Café, the Agency's Intranet Site

Mr. Kenderdine reported that the Agency's intranet, the internal website, needs to be refreshed and redesigned to make it a more useful tool to staff. Staff from the

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Agency's Information Systems and External Affairs divisions will oversee this project.

Mr. Kenderdine provided an update on the following initiative:

- Project # 21FD01 – Office Space Expansion and Lease Renewal

Mr. Kenderdine reported that on May 19, 2021, the Board of Public Works approved the Agency's office expansion request to take on a portion of the 13th floor, into which the Information Technology division will move, enabling the space they currently occupy to be devoted to the growth of the Investment division and the internal management of assets.

Ms. Countess provided the Committee with a status report on the following new initiative:

- Project # 22FD01 – Acquisition of an Integrated Financial Reporting Software Solution

Ms. Countess reported that this software solution will facilitate the development of the System's Comprehensive Annual Report. The production of the report involves multiple Agency divisions and staff within those divisions. The solution being proposed will greatly streamline the report compilation process. It has been recently adopted by the State Comptroller's General Accounting division for production of the State's Annual Report and have proven successful there.

Mr. Rongione provided the Committee with a status report on the following initiative:

- Project # 21IA01 – External Peer Review

Mr. Rongione reported that the external peer review is required for compliance with internal auditing standards as established by GAGAS. Such peer reviews are required every three years. Currently, the accounting firm UHY is conducting the review and is expected to be completed by June 30, 2021.

Treasurer Kopp asked Mr. Rongione to explain what GAGAS stands for.

Mr. Rongione responded that GAGAS stands for Generally Accepted Governmental Auditing Standards.

Treasurer Kopp asked if governmental agency internal audit units are reviewed by peer public audit units or go through these reviews using a private auditing firm.

Mr. Rongione responded that public internal audit units are typically reviewed by an independent external firm to help ensure that the internal audit unit is following the standards being measured against.

Lastly, the Committee was provided with the following update for the Investment Division:

- Project # 20ID01 – Continued Implementation of the Divisions Cost Savings

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Initiative – During Fiscal Year 2021, staff successfully implemented an automated trade order management system to enhance the efficiency of the internal management function. On October 1, 2020, the third internal strategy was added. This strategy represents the initial mandate in public equities, as the first two accounts were bond strategies.

On a motion made by Mr. Norman and seconded by Mr. Nicole, the Administrative Committee approved the FY22 Business Plan, including new Initiatives for recommendation to the Board of Trustees.

Return of Staff
On-Site

Treasurer Kopp asked if the Board would be receiving a report on the Agency’s plan to return staff on-site at the State Retirement Agency.

Mr. Kenderdine responded that he is finalizing the data on who, as of June 30, 2021, will be continuing in a full-time fashion on-site, who will be operating on a hybrid schedule and who will be working on a continuing teleworking schedule. Some of those remaining on a full-time telework will be those affected by the office expansion and renovation work that will be conducted.

Mr. Kenderdine further reported that the Agency is also planning to resume walk-in services to our members beginning Monday, June 7, 2021 and within the next 30-60 days to resume on-site member counseling appointments. The Agency has continued counseling services via telephone appointments throughout the State of Emergency.

Mr. Kenderdine commented that once the work-plan is complete, he will distribute a copy to the full Board.

Trustee Election
Schedule –
State Police
Retirement
System
Representative

The Committee reviewed the Board of Trustees election schedule for the State Police Retirement System (SPRS) representative.

The term of office for the successful candidate in the SPRS representative election will be from August 1, 2022 through July 31, 2026.

September 1, 2021 through December 1, 2021	An eligible voter may obtain a nomination form from the Executive Director.
January 31, 2022	Completed nomination forms must be submitted to the Executive Director by an eligible voter by 4:30 p.m.
February 11, 2022 ¹	Executive Director certifies that an eligible voter satisfies the conditions set forth in 22.03.01.06 of the Board of Trustees’ Regulations
May 20, 2022 ²	Mailing of election materials to eligible voters, including candidate biographies and personal identification numbers for internet and IVR (telephone) access.
May 20, 2022 ²	IVR (telephone) and website (internet) open for voting.

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June 24, 2022	Last date for voting. Deadline is 4:30 p.m.
July 19, 2022 ³	Executive Director announces election results at the July Board of Trustees meeting.
<p>¹ If the Executive Director determines that only one eligible voter may be placed on the ballot as a candidate, in accordance with COMAR 22.03.01.06B, the eligible voter shall be considered nominated to serve as Trustee. The Executive Director shall discontinue the election process and report the results to the Board of Trustees, which shall certify and publish the results of the election and direct the Executive Director to notify the candidate.</p> <p>² Date subject to change based on final arrangements reached with the vendor.</p> <p>³ Subject to the Board of Trustees' approval of the 2022 meeting dates.</p>	

On a motion made by Mr. Nicole and seconded by Treasurer Kopp, the Administrative Committee approved the State Police Retirement System Representative Board of Trustees election schedule for recommendation to the Board.

Mr. Kenderdine commented that in light of the difficulty surrounding the most recent Trustee election schedule for the Active Employees' seat on the Board, staff is currently pursuing the option for a multi-year contract with a firm that could conduct these elections for the Agency, as needed, over the term of the contract. Staff would be bringing this to the Committee at a future date.

Mr. Haines asked if there was any chance to move to an electronic election format.

Mr. Kenderdine responded that he believes that adding an electronic means would be part of the request for proposals for conversion to that down the road, keeping in mind that the election must be accessible to all members eligible to vote.

Mr. Norman commented that he plans to run again for the State Police Trustee position.

Proposed
Changes to Add
a New
Regulatory
Chapter –
COMAR
22.03.05 –
Subpoenas

Ms. Wherthey presented the Committee with a memorandum, which provided background information addressing the need for a new regulatory chapter, Code of Maryland Regulations (COMAR) 22.03.05 - Subpoenas, the proposed language of the regulation and a copy of a draft subpoena form.

Ms. Wherthey reported that the Board of Trustees previously voted to approve the drafting of a policy and/or regulations on administrative subpoenas. The proposed regulation would (1) authorize the Board to issue subpoenas to compel witness attendance, document production, or both, by either (a) the Board itself or (b) the Executive Director as its delegee; (2) create two routes for issuing a subpoena; (3) specify a subpoena's required contents; (4) specify appropriate means for serving a subpoena; and (5) allow for requests to the appropriate circuit court for modification, quashing, or enforcement of the subpoena.

Treasurer Kopp asked if this differs in substance from the approach used by other agencies.

Ms. Wherthey responded that it does not, but to the extent that other agencies have

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a slightly different approach, the proposed regulations have opted the more conservative approach.

On a motion made by Mr. Nicole and seconded by Mr. Norman, the Administrative Committee voted to propose for adoption the proposed new regulatory chapter COMAR 22.03.05 – Subpoenas, by sending it to the Administrative, Executive and Legislative Review Committee, and publishing it for comment in the Maryland Register.

Proposed
Amendments to
COMAR
22.04.01 –
Reporting and
Member
Contribution
Requirements
of Participating
Employers

Ms. Countess presented the Committee with a memorandum, which provided background information outlining proposed amendments to COMAR 22.04.01 – Reporting and Member Contribution Requirements of Participating Employers.

Ms. Countess reported that since the original adoption of this regulatory chapter, the Agency embarked on the 3rd phase of a multi-year major IT project, MPAS-3, from which a new secure online employer portal has been created enabling participating employers to securely and uniformly report payroll data as each payroll is paid; immediately receive an invoice for the amount of member contributions required; and submit electronic payment of member contributions due.

Ms. Countess reported that the proposed amendments to this regulation provide the participating employers with key definitions identifying the parties involved and banking transactions being performed and provides instructions for how electronic payments via ACH debit will be processed as well as how employers may request a waiver of the ACH debit requirement.

Treasurer Kopp asked that when the Committee recommends the adoption of the amendments to the Board, that staff explain how this enhances security and how it does not increase our vulnerability with Agency cyber-secured transactions. Treasurer Kopp also asked if any participating employers have objected to the requirements proposed in the regulation.

Ms. Countess responded that the results of a survey conducted indicate a positive 7.8 out of 10, concluding that most of the employers welcome the idea.

Mr. Kenderdine responded that staff will speak to the cyber-security matter when it is brought to the Board.

On a motion made by Mr. Norman and seconded by Mr. Nicole, the Administrative Committee voted to propose for adoption the proposed amendments to COMAR 22.04.01 – Reporting and Member Contribution Requirements of Participating Employers, by sending it to the Administrative, Executive and Legislative Review Committee, and publishing it for comment in the Maryland Register.

Finance
Reports –
Quarter Ending
March 31, 2021

Ms. Countess presented the Administrative Expense report dashboard, which provided an overview of the how the Agency expended or encumbered 68.00% of its FY2021 appropriation through the third quarter.

APPROPRIATION EXPENDED/ENCUMBERED	68.00%
REGULAR SALARIES	70.48%

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week rotation schedule on-site and as expected, there was a marked improvement in the unit's performance to goals. Effective July 1, 2021, the Agency's plan is to return to almost a 100% in-office work for all employees in the member services unit.

Mr. Reott reported that in April staff was offered 10,878 calls in the call center, with 7,283 in-bound calls being answered and another 2,339 calls answered through the virtual call-back feature, leaving 1,256 calls being abandoned. Mr. Reott reported that the call abandonment rate was 11.55%. However, for the month of May, data shows that the call abandonment rate is 5.22%, which is a significant improvement.

Mr. Reott further reported that the average call wait time for April was 197 seconds, which compares unfavorably to the unit's goal of 135 seconds. However, for the month of May, data shows that the call wait time was 60 seconds, again a marked improvement over previous months and below the unit's goal.

Lastly, Mr. Reott reported that the unit received and handled over 8,000 correspondence requests, which is an increase of about 67% compared to last fiscal year.

Mr. Haines asked if correspondence included both electronic and hard copy.

Mr. Reott responded in the affirmative.

Mr. Norman asked for the numbers of incoming and outbound calls for May.

Mr. Reott responded that he did not have those numbers at this time but would get that information and send that to the Committee members.

Treasurer Kopp asked, regarding the issues section of the report, what the "Request Forms" item referred to.

Mr. Reott responded that a member will call the Member Services unit to request a form, such as a change of address form. Even though the forms are available through the Agency's website, a member may not have a printer, so they will call to request that we mail them a specific form.

Treasurer Kopp asked what staff is projecting since the A/B schedule has improved things significantly.

Mr. Reott responded that we are aware that staff can take more calls in the office than at home due to better technology such as dual monitors, printers, scanner, etc., but we are going to continue to analyze why some staff are more successful than others teleworking and try to replicate those situations.

Mr. Brandt expressed his concern that the IVR and automated response recordings may be too long, and that staff should look at that as it could be a contributing factor regarding abandoned calls. In addition, Mr. Brandt asked if there was any training or hiring that could be done between now and the next crunch to make sure we are able to continue to meet the needs of our members.

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Mr. Reott responded that regarding the IVR system, staff works to make the recording as short as possible, while still providing important information that a caller may be calling about. Staffing will be part of the next presentation.

Mr. Reott then provided a presentation to the Committee on the performance and improvement measures of Member Services unit. He introduced Robin McClelland, Charelle Saunders, Gwen Mulcahy and Karen Simpson to the Committee and thanked them for their work on the presentation. The presentation included an organizational chart of the unit, which showed the divisions within the unit and staff assigned to each division. In addition, it provided the breakdown of the member services training program from an employee's start date until the training completion date.

Treasurer Kopp asked if the cross-training aspect was new or if that has always been that way.

Mr. Reott responded that the cross-training practice goes back to the days of Marge Bury, who felt that staff, including Supervisors, needed to be well familiar with all aspects of member services and be therefore, flexible with every manner in which the Agency interacts and communicates with members.

Mr. Reott then presented information on what steps have already been taken to improve performance and future steps that are currently under consideration to increase staff to handle calls, maximize staff productivity and efficiency, as well as decrease call volume.

Mr. Reott acknowledged again the hard work of Ms. McClelland, Ms. Saunders, Ms. Mulcahy and Ms. Simpson. He then reported that Ms. McClelland would be retiring effective July 1, 2021.

Treasurer Kopp thanked Mr. Reott for the presentation commenting that the information was very helpful. She then thanked Ms. McClelland for her service to the Agency.

Mr. Nicole commented that, in the past, salary has been an issue for the recruitment and retention of Benefits Specialists and suggested that as something staff should look at again. A request for the reclassification of specialists should be documented, submitted and factored into the Agency's FY2023 budget submission to the Department of Budget and Management.

Mr. Kenderdine thanked everyone for their comments, thanked the supervisors on the call, and expressed special thanks to Ms. McClelland for her stellar work over the past years. Mr. Kenderdine thanked Mr. Reott for the presentation to the Committee.

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CLOSED SESSION

On a motion made by Mr. Nicole and seconded by Treasurer Kopp, the Administrative Committee voted to meet in a Closed Session, via video/audio conference call, beginning at 11:31 a.m., for the purposes of:

- a) reviewing the closed session Committee 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.

The Committee Members present included:

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

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

Melody Countess	Angie Jenkins	Chandra Puranam
Robert Diehl	Van Lewis	Ken Reott
Anne Gawthrop	Martin Noven	David Rongione
Michael Golden	Kim O’Keeffe	Janet Sirkis
Ira Greenstein	Andy Palmer	

Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

On a motion made by Mr. Norman and seconded by Treasurer Kopp, the Administrative Committee returned to open session, via video/audio conference call, beginning at 11:32 a.m.

OPEN SESSION

The Committee Members present included:

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

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

Gregory Busch	Ira Greenstein	Chandra Puranam
Melody Countess	Angie Jenkins	Ken Reott
Patricia Fitzhugh	Van Lewis	David Rongione
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Assistant Attorneys General present included: Rachel Cohen and Kathleen Wherthey

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The Administrative Committee reported that during the closed session the Administrative Committee acted upon the following items:

Minutes	The Committee reviewed and approved the April 6, 2021 closed session meeting minutes.
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Other Business Treasurer Kopp acknowledged Mr. Kenderdine since this is his last Administrative Committee meeting.

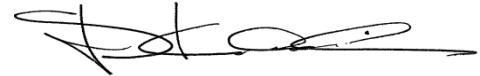
Treasurer Kopp also asked if the June Board meeting could be in-person with the option to attend virtually.

Mr. Kenderdine responded that having the June Board meeting at Agency offices is doable.

Mr. Haines responded that he believes it is time to move toward hybrid meetings.

Adjournment There being no further business before the Committee, on a motion made by Treasurer Kopp and seconded by Mr. Norman, the meeting adjourned at 11:37 a.m.

Respectfully submitted,



R. Dean Kenderdine,
Secretary to the Board