



**BOARD OF TRUSTEES OF THE  
MARYLAND TEACHERS & STATE EMPLOYEES  
SUPPLEMENTAL RETIREMENT PLANS**

*Maryland  
Teachers & State Employees  
Supplemental Retirement  
Plans*

**January 24, 2022  
MEETING MINUTES**

---

**BOARD OF TRUSTEES**

Hon. T. Eloise Foster  
*Board Chair*

Thomas M. Brandt, Jr.  
Hon. Dereck E. Davis  
Lynne M. Durbin, Esq.  
Thomas P. Hickey  
John D. Lewis  
Johnathan R. West

**S T A F F**

Ronda Butler Bell, MPA  
*Executive Director  
& Board Secretary*

Debra L. Roberts, Ph.D., CPA  
*Deputy Executive Director &  
Chief Financial Officer*

Richard A. Arthur, MBA CPM  
*Director of Operations &  
Technology*

Tonya M. Toler, CRC® CPM  
*Director of Member Services*

*William Donald Schaefer Tower  
Suite 200  
6 Saint Paul Street  
Baltimore, Maryland  
21202-1608*

*Telephone: 410-767-8740  
Toll-Free: 1-800-543-5605*

*TTY: Use 711 in Md.  
Or 1-800-735-2258*

*Fax: 410-659-0349*

*Visit the MSRP Board website  
at  
<http://MSRP.maryland.gov>*

*Call About the Plans  
or to Enroll  
1-800-545-4730  
or enroll on-line at  
[www.MarylandDC.com](http://www.MarylandDC.com)*

**TRUSTEES PRESENT**

Hon. T. Eloise Foster, Board Chair  
Mr. Thomas M. Brandt, Jr.  
Ms. Lynne M. Durbin, Esq.  
Mr. Thomas P. Hickey  
Mr. John D. Lewis  
Mr. Johnathan R. West  
Hon. Dereck E. Davis

**REPRESENTATIVES OF MSRP**

Ms. Ronda Butler Bell, Executive Director & Board Secretary  
Ms. Debra L. Roberts, Deputy Executive Director & Chief Financial Officer  
Mr. Richard Arthur, Director of Operations & Technology  
Ms. Lillie Jones, Accounting Assistant  
Ms. Sharlene Matthews, Finance & Compliance Administrative Assistant  
Ms. Anne O'Neill, Member Services Education Specialist  
Ms. Andrea L. Hill, Assistant to the Executive Director  
Ms. Nakeia Smith, Finance & Compliance Administrator  
Mr. Ronald Pringle, Member Services Administrator

**REPRESENTATIVES OF THE OFFICE OF THE ATTORNEY GENERAL**

Deborah Donohue, Assistant Attorney General

**GUESTS**

***PLAN ADMINISTRATOR - Nationwide Retirement Solutions***

Ms. Brenda Anderson, AVP, Custom Large Plans  
Mr. Daniel Wrzesien, Executive Program Director  
Ms. Mary Campbell  
Ms. Julie Bertone  
Ms. Linda Sheppard

***INVESTMENT ADVISOR - Segal Marco Advisors***

Ms. Vanessa Vargas Guijarro, VP & Senior Consultant

***STABLE VALUE FUND MANAGER – T. Rowe Price***

Mr. Christopher Dyer, Institutional Business Development Executive  
Mr. Antonio Luna, Portfolio Manager and Head of Stable Asset Management Team  
Mr. Ryan Wagner, VP, Institutional Client Service Executive  
Mr. Benjamin Gugliotta, Portfolio Manager  
Mr. Whitney Reid, Portfolio Specialist

Ms. Heidi Delauter, Senior Defined Contribution Plan Specialist  
Ms. Xin Zhou, Portfolio Manager

***Financial Integrity Resources Management***

Ms. Ishwarya Parameshwaran, Analyst  
Mr. Philip Harris, Financial Integrity Resources Management  
Ms. Runya Nie, Financial Integrity Resources Management

***Public Visitors***

Laura Atas  
Savannah Bellamy

The Board of Trustees (the “Board”) of the Maryland Teachers & State Employees Supplemental Retirement Plans (“MSRP”) convened at 9:37 a.m. on January 24, 2022 via a Zoom video conferencing link and call-in line provided for that purpose. The publicly available meeting agenda and instructions for registering as a visitor, and obtaining the call-in information, were posted on the MSRP website prior to the meeting. A quorum was present.

**I. BOARD CHAIR’S REMARKS**

Board Chair Foster called the meeting to order, welcomed everyone, and extended a special welcome to new Treasurer Mr. Davis, noting that the meeting was being recorded.

Upon motion duly made by Mr. Brandt, and seconded by Mr. Hickey, the following Board Meeting minutes were unanimously approved as amended:

- Open Session of the Regular Board Meeting held on November 22, 2021 (Exhibit A)

Upon motion duly made by Ms. Durbin, seconded by Mr. Brandt, the following Board Meeting minutes were unanimously approved:

- Open Session of the Special Board Meeting held on December 9, 2021 (Exhibit A-1)

**II. PLAN ADMINISTRATOR’S REPORT**

Mr. Wrzesien introduced the Nationwide team, Brenda Anderson, Julie Bertone & Mary Campbell. Ms. Bertone presented Nationwide’s 2022 Communication & Education Plan (Exhibit B), which highlighted the following:

- Custom Plan Marketing/ MSRP receives
  - Dedicated marketing resources
  - Annual custom marketing plan
  - Customized material
  - Custom imagery & messaging
  - Custom campaign tactics
  - Campaign execution
  - Campaign measurement

- Ad hoc requests
- 2021 Overview
  - MSRP leveraged print materials, workshops and virtual 1:1's
  - NAGDCA award submission & winner
  - P&I Eddy award submission
  - NAGDCA Member Choice runner-up
- 2022 Plan Goals
  - Education and Material Support
  - Increase membership and awareness
    - MSRP magazine
    - Rep and PRC support
    - Webinars; facilitated by Reps, Member Services & Nationwide
    - Online enrollment video
    - Auto enrollment (pending state approval) in progress
  - Focus on financial wellness for retirement readiness
    - MSRP Retirement Readiness Virtual Support- MSRP virtual booth had the highest engagement with over 4,400 unique visits
  - Targeted Communications (Participant Engagement Program)- a sophisticated behavior and data driven approach to deliver highly targeted, relevant, and personalized messages at every stage of MSRP's member's retirement. Mediums include direct mail, email, social and digital targeting.
- Communication and Education Pillars
  - Digital marketing
  - Rep (field) and virtual based support
  - Direct marketing
  - PRC (field) and virtual based support

Ms. Campbell congratulated Tonya Toler and the Member services team for their help in member communications. Mr. Brandt discussed the opportunity of Nationwide to communicate efforts between Plans and retirement options. Ms. Durbin asked if the Board would decide on turning on analytics to target participants. After further decision from the Board, the option to turn on the analytics was deferred to allow the new Attorney General, Deb Donahue a chance to review and provide feedback. Additionally, Segal's suggestion to increase education on diversification will be implemented by Nationwide for participants in the 2022 Communication Plan.

### **III. INVESTMENT ADVISORS' REPORTS**

#### ***A. Segal Marco Advisors ("Segal")***

Ms. Vanessa Vargas Guijarro presented the Investment Policy Statement- Proposed Changes (Exhibit C). She stated the Investment Committee approved the proposed investment policy and highlighted the following:

- Page 7- changes to the Environmental, Social and Governance Consideration language to add “offering investment options with a risk return profile competitive to their asset class”
- Page 8- add (') to Plan
- Appendix- Change naming convention of Investment list from Mutual Fund Name to Strategy Name

Following recommendations of the Investment Committee, upon motion made by Mr. Lewis and seconded by Ms. Durbin, it was unanimously

**RESOLVED**, to approve the Investment Policy statement dated January 24, 2022 with proposed changes.

Ms. Vargas Guijarro proceeded to report on the Plans' performance, highlighting the following:

- For the 403(b) plan, following the discussion during the August 30, 2021 meeting, tickers were changed in the TRP Retirement 2005-2060 as of December 15, 2021 after a fee analysis recommendation. Reduction of fees started with the 2030 fund approximately 0.02 to 0.03 basis points.
- For the 457, 401(a) and 401(k) plans, following the discussion during the August 30, 2021 meeting, TRP Research Trust class was changed from share class C to D which reduced the fees to 28 bps
- Market performance:
  - *S&P 500* has had the 3<sup>rd</sup> best performance in the 21<sup>st</sup> century powered by energy, finance, and large technology stock.
  - *Commodities* are one of the best performing sectors in 2021.
  - *Treasuries* ended 2021 lower.
- Manager performance YTD:
  - *Delaware Value Instl* underperformed its benchmark (+22.4% as compared to 25.2%) *remains on the watch list*
  - *Janus Henderson* outperformed its benchmark +(17.5% as compared to 12.7%) *remains on the watch list*
- Highlighted performance YTD:
  - *T. Rowe Price Mid Cap Value* underperformed its benchmark (+24.5% as compared to +28.3%).
  - *Janus Henderson* outperformed its benchmark +(17.5% as compared to 12.7%).
  - *American Funds EuroPacific* underperformed its benchmark (+2.8% as compared to +8.3%).

#### **IV. INVESTMENT CONTRACT POOL-STABLE VALUE FUND MANAGER'S REPORT**

Mr. Chris Dyer presented the T. Rowe Price (“TRP”) Stable Asset Overview (Exhibit D). Mr. Dyer introduced the TRP team members on the call:

- Chris Dyer, Institutional Business Development Executive
- Tony Luna, CFA, Portfolio Manager and Head of Stable Asset Management Team
- Benjamin Gugliotta, CFA, J.D., Portfolio Manager
- Whitney Reid, CFA, Portfolio Specialist
- Heidi Delauter, Senior Defined Contribution Plan Specialist
- Ryan Wagner, CFA, Institutional Client Service Executive
- Xin Zhou, CFA, FRM, Portfolio Manger

Mr. Dyer commented on the success of the transition and confirmed the foundation laid for a seamless transition has been completed. Mr. Luna also confirmed the success of the transition and noted the help of Ronda Butler Bell and Debra Roberts.

Mr. Gugliotta stated TRP was able to implement the strategy approved by the Board in December. 5 bids were accepted by existing wrap providers AGL, Metropolitan, Prudential & Transamerica and State Street Bank. He briefly discussed the portfolio overview:

- Account Summary
  - Portfolio Assets- \$831.5 million
  - January Declared Net Crediting Rate- 1.55%.
  - Wrapper Agreement Diversification-
    - American General Life- Credit Quality *Moody's* A2, Credit Quality *S&P* A+
    - Metropolitan Tower Life Insurance- Credit Quality *Moody's* Aa3, Credit Quality *S&P* AA-
    - Prudential Insurance Company- Credit Quality *Moody's* Aa3, Credit Quality *S&P* AA-
    - State Street Bank- Credit Quality *Moody's* Aa1, Credit Quality *S&P* AA-
    - Transamerica Life Insurance- Credit Quality *Moody's* A1, Credit Quality *S&P* A+

## V. REPORTS OF BOARD STAFF

### A. *Finance*

Ms. Roberts presented the agency budget and financial projection report (Exhibit E) as of December 31, 2021. The YTD revenue earned as of December 31, 2021, was \$957,452 with YTD expenditures of \$786,597 resulting in a spending surplus of \$170,855 which increased the reserve balance to \$1,255,360. As of December 31, 2021, projected spending is aligned with expectations resulting in a small surplus of \$75,835 due to the vacant Attorney General position.

Ms. Roberts proceeded with a discussion on Fee Restructuring (Exhibit E-1). To address legislators concerns regarding fees charged to participants, Ms. Roberts proposed the alternative arrangement:

- Maintain asset-based fees 0.0425 bps to the annual maximum
- Charge asset-based fees to participants for nine consecutive months each year

- Regular asset- based fee holidays three consecutive month each year.

Currently, fees are charged at 0.0425 bps to all accounts up to a specified limit and a \$0.50 per account fee. This review aims to determine whether fee holidays can be incorporated automatically to support stabilizing the reserve, maintain consistent revenues, and provide participants with regular asset-based fee holidays. In her presentation, the goal of these changes is to provide traditional fee holidays, maintain asset-fee revenues that support operations, and stabilize financial reserve.

After further discussion, Mr. Lewis asked if a asset fee reduction would be more appropriate. Ms. Roberts mentioned the fee reduction may not reduce the reserve to sufficient levels and regular fee holidays is a consistent concern of legislatures. The Board agreed with Ms. Roberts and would like to see the impact of the proposed arrangement.

### ***B. Member Services***

Ms. O'Neill presented the January 2022 Member Services Report (Exhibit F), which provided a recap of the 2020 vs. 2021 Activity Recap. The recap highlighted 272 events, 13,589 in attendance conducted in 2021, compared to 562 events with 13,970 in attendance in 2020. Due to Covid 19 restrictions, 2021 was the first full calendar year for MSRP virtual education. No In-person Health Fairs, Booths, Lunch & Learn Workshops, or BC Academy events were held. Ms. O'Neill reviewed the 1<sup>st</sup> Quarter Webinar Schedule with the theme, "2022: A New Year, A New Financial You!" She noted after webinar presentations, participants are directed to Nationwide's website to enroll. Ms. O'Neill highlighted presenters for the quarter, Department of Budget Management in February and Parnassus in March.

## **VI. COMMITTEE REPORTS**

Audit Committee Chair Mr. Brandt presented Audit Committee report (Exhibit G), highlighting the following:

- On January 6, 2022, the Chairman met with RSM and MSRP to discuss agreed upon procedures report and upcoming audit. All test performed did not identify exceptions as the process performed by Nationwide was consistent within limits in the procedure.
- One specific procedure identified deviations in one fund across all plans. Although the dollar amount was relatively small, MSRP will seek additional clarification from Nationwide on the computation of interest earnings and why they differ from the RSM results.
- MSRP will continue to use Gravity to generate financial statements for CY/FY 2021. MSRP and IGM will import financial data to create AFCR. The audit work will begin in spring 2022.

Ms. Roberts agreed with Mr. Brandt that MSRP will meet with Nationwide to obtain further clarification in deviations.

## **VII. BOARD SECRETARY'S REPORT**

Ms. Bell, presented (Exhibit H), highlighting the following:

- a. **Legislative Update.** Ms. Bell noted Senator Melony Griffith submitted a draft bill that includes the Board's markup of State Personnel and Pensions Article § 35–302. Ms. Butler Bell spoke with the assigned bill drafter on January 19, 2022 and will keep the Board posted on hearing dates. If passed, this amended legislation would clarify and simplify MSRP's annual MBE reporting requirements.
- b. **NAGDA Legislative Committee.** Ms. Bell noted the Committee met on January 10, 2022. Initiatives that NAGDCA is working on as priorities are:
  - Meeting with members of Congress during the planned NAGDCA “DC Fly-in” set for early March 2022, to garner support for the organization's legislative priorities, which include:
    - SECURE 2.0
    - Portman-Cardin Act
    - Rollover from Roth IRAs into Roth 457
    - Non-spousal beneficiaries able to roll into plan
    - Auto escalation
    - Voluntary after-tax contributions into 401(a) plans
  - Creating a NAGDCA Legislative Position Book
  - Creating an auto Enrollment Toolkit
- c. **Budget Hearings.** MSRP is scheduled for the Senate Budget Hearing on February 15, 2022, and the House Budget Hearing on February 18, 2022. Ms. Bell and Ms. Roberts will attend the hearings.
- d. **Managed Website Project.** Ms. Bell noted the website is progressing nicely. Director of Operations and Technology, Richard Arthur, is regularly communicating and working behind-the-scenes with Towson University, as well as Board staff who are helping to provide feedback and recommendations on content. A final review is expected in early February prior to the website going live.

## **VIII. ADJOURN TO CLOSED SESSION**

Board Chair Foster noted that, as indicated on the agenda, a vote was required to adjourn the Board Meeting for the reasons under the General Provisions Article (“GP”) of the Annotated Code of Maryland set forth on the agenda. She asked that these reasons be reflected in the minutes of the meeting, those reasons being: the administration of the law of the State, pursuant to GP § 3-103(a)(1)(i), to review the minutes of the Closed Sessions of the Board Meeting held on November 22, 2021, and the Special Board Meeting held on December 9, 2021. She requested a motion from a

Trustee to adjourn the meeting to allow the Board to move into Closed Session.

Upon motion made and seconded, it was unanimously

**RESOLVED**, that the Board of Trustees of the Maryland Teachers & State Employees Supplemental Retirement Plans move into a Closed Session in accordance with GP § 3-103(a)(1)(i), to review the minutes of the Closed Sessions of the Board Meeting held on November 22, 2021, and the Special Board Meeting December 09, 2021.

The Open Session adjourned at 11:19 a.m. All Trustees were present, and Ms. Butler Bell, Ms. Roberts, Ms. Smith, Ms. Hill, and Ms. Donahue joined the Closed Session at the Board's request. The meeting adjourned during the Closed Session at 12:20 p.m.