

MEETING OF THE RETIREMENT PLAN COMMITTEE
January 9, 2018

A meeting of the Retirement Plan Committee for the Frederick County Employees Retirement Plan (the “Plan”) was held on Tuesday, January 9, 2018, at 1:00 p.m. in the Winchester Room on the 2nd Floor of Winchester Hall. Present in person were the following members of the Committee.

1. Human Resource Director: Wayne Howard
2. Finance Director: Lori Depies
3. Retiree Representative: Michael Marschner
4. FOP Representative: Michael Easterday
5. Member at Large: Michael Mills
6. Member at Large: Diane Fox

The following Committee Member was absent: John Neary. Present at the meeting at the invitation of the Committee were Clyde Randall, Giovanni Forte, Colin England and Kris Seets with Bolton Partners; Mary Claire Chesshire with Whiteford, Taylor and Preston; and Guest Speakers Matt Pistorio and Jesse Munoz with Geneva Capital Management. Diane Hoffman and Shanna Gibbons with Frederick County Government were in attendance, as well. In the audience were Ronald Hart, Mary Wright and Mike Gastley. Shanna Gibbons was Secretary of the Meeting.

The Chair opened the meeting and introduced Michael Mills as the newest member to the Committee.

Meeting Minutes from December 12, 2017, were reviewed. Upon a motion duly made by Wayne Howard and seconded by Michael Marschner. This motion was unanimously passed.

The Chair introduced Geneva Capital Management. Their performance summary, Frederick County Retirement Plan dated January 9, 2018, was distributed and presented by Jose Munoz and Matthew Pistorio.

The Frederick County Employees’ Retirement Plan – July 1, 2017 Actuarial Valuation and Study Results was distributed to the Committee for review and presented by Colin England and Kris Seets of Bolton Partners. The Committee reviewed the Actuarial Valuation as of June 30, 2017. Investment return (actuarial value) basis was 9.0% which was greater than the expected 7.0%. Actuarial Value of Assets as of July 1, 2017, were approximately \$561 million with a Funded Ratio of 98%.

There was discussion in regards to rebalancing the fund allocations by taking the next inflow, in 100 basis point increments, and re-investing until the funds reach 32% of the allocation for assets. Upon a motion duly made by Wayne Howard and seconded by Michael Easterday, it was:

RESOLVED: That Bolton Partners Investment Consulting Group is authorized to instruct Frederick County Staff to sell, incrementally, assets from the large cap equity investments and re-invest in fixed income until the allocation to fixed

income is approximately 32% of total assets. Sales and re-investments will be made ratably among the underlying investments to achieve relatively equal weighting. Once the re-balancing is achieved, the Committee will confirm that no further immediate adjustments are necessary. This motion was unanimously passed.

Recommendations were made by Bolton Partners to consider diversifying our portfolio in the near future, possibly including Real Estate.

Discussion to make a motion on COLA increases deferred until full board is present. A 1.5% total COLA is being considered as a permanent increase instead of in 3/5 year increments. In addition, legislative action would need to be established to re-evaluate COLA increase/decrease periodically.

After further discussion of the Valuation Report. Upon a motion duly made by Wayne Howard and seconded by Michael Marschner.

RESOLVED: Motion was made to finalize The Frederick County Employees' Retirement Plan – July 1, 2017 Actuarial Valuation and Study Results. This motion was unanimously passed.

The Committee is required to appoint a member to the OPEB Committee. After further discussion and upon a motion duly made by Lori Depies and seconded by Wayne Howard.

RESOLVED: Diane Fox was appointed as the Frederick County Government Employee Retirement Plan representative on the OPEB Committee. This motion was unanimously passed.

The next monthly meeting will be held on Tuesday, February 13, 2018.

There being no further business the meeting adjourned at 4:03p.m.

Respectfully submitted,

Shanna Gibbons
Recording Secretary