

MEETING OF THE RETIREMENT PLAN COMMITTEE
March 13, 2018

A meeting of the Retirement Plan Committee for the Frederick County Employees Retirement Plan (the “Plan”) was held on Tuesday, March 13, 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 Resources Director: Wayne Howard
2. Finance Director: Lori Depies
3. Retiree Representative: Michael Marschner
4. Member at Large: Diane Fox
5. Member at Large: Michael Mills

The following Committee Members were absent: Michael Easterday and John Neary. Present at the meeting at the invitation of the Committee were Clyde Randall with Bolton Partners; Mary Claire Chesshire with Whiteford, Taylor and Preston; and Guest Speakers James Dadura and Mark Rewey with Segall, Bryant & Hamill. Susan Keller, Diane Hoffman, and Shanna Gibbons with Frederick County Government. Shanna Gibbons was Secretary of the Meeting.

The Chair opened the meeting. Meeting Minutes from February 13, 2018, were reviewed. Upon a motion duly made by Wayne Howard and seconded Michael Mills, this motion was unanimously passed.

The Chair introduced Segall, Bryant & Hamill. Their performance summary as of December 31, 2017, Frederick County Employees Retirement Plan dated March 13, 2018, was distributed and presented by James Dadura and Mark Rewey.

Clyde Randall with Bolton Partners distributed and presented the Frederick County Employees Retirement Plan – Quarterly Report as of December 31, 2017, and Frederick County Government Retirement Plan – Asset Allocation dated March 9, 2018.

The Committee reviewed the Quarterly Performance Report as of December 31, 2017. The US GDP for the fourth quarter of 2017 indicated that the U.S. economy has slowed to 2.6% after two consecutive quarters of 3% growth. This was slightly below expectations. For the entire year, GDP expanded 2.3% compared to 1.6% in 2016. The 2017 inflation rate finished at 2.1%. Some analysts believe the expected inflation rate to increase in 2018 reflecting higher gas prices and other goods. A higher expected inflation rate may make the Federal Reserve more likely to boost interest rates in 2018. The US unemployment rate remained at 4.1% in December. The labor force participation rate remained at 62.7%. The short-term unemployment rate is the lowest in 5 years. Wage growth remained flat at 2.5% but is expected to rise to 3% in 2018. As of December 31, 2017, Plan Assets were \$620,556,962. The Plan’s quarterly return was 4.04% and is ahead of the policy benchmark quarterly return of 3.83%.

Neuberger Berman remains on the Watch List due to investment style. Henderson Geneva remains on the Watch List for performance-related reasons; however the account has performed well year-to-date in 2018.

The next monthly meeting will be held on Tuesday, April 10, 2018.

There being no further business the meeting adjourned at 2:55 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Shanna Gibbons', with a long, sweeping horizontal stroke extending to the right.

Shanna Gibbons
Recording Secretary