

MEETING OF THE RETIREMENT PLAN COMMITTEE
March 12, 2019

A meeting of the Retirement Plan Committee for the Frederick County Employees Retirement Plan (the "Plan") was held on Tuesday, March 12, 2019, 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. FOP Representative: Michael Easterday
5. IAFF Representative: John Neary
6. Member at Large: Diane Fox
7. Member at Large: Michael Mills

Present at the meeting at the invitation of the Committee were Colin England, Ann Sturner and Alton Fryer with Bolton; Mary Claire Chesshire with Whiteford, Taylor and Preston; and Guest Speakers Jason Caiola with Harding Loevner. Also present were Susan Keller, Diane Hoffman, and Shanna Gibbons with Frederick County Government. Wayne Howard was Chair and Shanna Gibbons was Secretary of the Meeting.

The Chair opened the meeting. Meeting Minutes from February 12, 2019, were reviewed and approved. Upon a motion duly made by Michael Marschner and seconded by Michael Mills, this motion was unanimously passed with the exception of John Neary who was not present at this time.

Alton Fryer with Bolton distributed and presented the Frederick County Employees Retirement Plan – Quarterly Investment Performance Review as of December 31, 2018 and updated Asset Allocation page dated March 8, 2019.

As of December 31, 2018, the initial estimate of fourth quarter GDP was 2.6%, released on February 28th. Economic growth is expected to continue in 2019 but at a slower rate. Year-over-year change in CPI in December was 1.9%. Energy costs including gasoline were negative. Fourth quarter unemployment averaged 3.8%, the same as the third quarter. The economy created over 300,000 jobs in both December 2018 and January 2019. In January 2019, the unemployment rate rose to 4.0% but the Labor Force Participation rose to 63.2% which was the highest since August 2013. Plan Assets were \$596,373,001. The Plan's quarterly return was -10.10%, down from last quarter's return of 4.29% and behind the policy benchmark of -8.97%.

Henderson Geneva remains on the Watch list. However, performance is no longer a concern but Bolton feels it is prudent to continue to monitor the management team. A key member of the team retired earlier this year in a planned move.

After the presentation of the quarterly report, Mr. Fryer introduced his guest Jason Caiola with Harding Loevner. Mr. Caiola distributed Harding Loevner International Equity report as of December 31, 2018, and discussed the status of their fund with the Committee.

Lori Depies provided the status of some of the consultant services used to ensure financial and legal compliance:

- The RFP for an Investment Company was awarded to the incumbent, Wilmington Trust.
- The contract for Investment Consulting Services with Bolton request to be extended until June 30, 2020, to allow time to put out an RFP for these services has not yet been accepted.
- The contract for Actuarial Services with Bolton will be renewed until June 30, 2021, to allow time to put out an RFP for these services.
- The RFP for Legal Services was awarded to the incumbent, Whiteford, Taylor and Preston.

The next monthly Committee meeting is scheduled to be held on Tuesday, April 9, 2019 at 1:00pm.

There being no further business the meeting adjourned at 2:23 p.m.

Respectfully submitted,


Shanna Gibbons
Recording Secretary