

MEETING MINUTES
FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN COMMITTEE
June 9, 2020

A virtual meeting of the Retirement Plan Committee (the “Committee”) for the Frederick County Employees Retirement Plan (the “Plan”) was held on Tuesday, June 9, 2020 at 1:00 p.m. via the Teams Meeting application. Present were the following members of the Committee:

1. Human Resources Director: Wayne Howard
2. Director of Finance: Lori Depies
3. Retiree Representative: Michael Marschner
4. IAFF Representative: John Neary
5. Member at Large: Diane Fox
6. Member at Large: Michael Mills

Absent from this meeting was Michael Easterday. Present at the meeting at the invitation of the Committee were Alton Fryer, Ann Sturner, Clyde Randall, Giovanni Forte and Michael Spadaro with Bolton; Mary Claire Chesshire with Whiteford, Taylor, & Preston, counsel to the County. Also present were Susan Keller, Diane Hoffman, Robert Goff and Shanna Gibbons with Frederick County Government. Shanna Gibbons was Secretary of the meeting.

The Chair opened the meeting. Minutes from the May 12, 2020, meeting were reviewed and approved as is. Upon a motion duly made by John Neary and seconded by Lori Depies, this motion was unanimously passed. Diane Fox was absent for this vote.

Mary Claire Chesshire with Whiteford, Taylor & Preston then informed the Committee that the documents to establish a separate retirement plan for Uniformed employees is still being drafted as there are still many questions that need to be answered.

Previously, Bolton had recommended that LSV Large Cap Value should be placed on the Watch List due to significant underperformance. To provide more education to the Committee on why this recommendation was made, Alton Fryer and Giovanni Forte with Bolton presented *Investment Manager Analysis dated 6/3/2020 – LSV Value Equity*. Based on this information, the Committee is requesting that Bolton provide us with alternative investment managers at the next Committee Meeting.

Alton Fryer then went on to discuss the rebalancing recommendations for the Plan. Mr. Fryer distributed *Frederick County Pension Rebalancing Recommendation dated June 9, 2020*. Equity is overweight by 5.03% with Fixed Income underweight by the same amount. Both are well within the ranges allowed by the IPS. Large Cap Equity is overweight by 4.74%. Mid and Small Cap Equity are both overweight by 0.69% each. International Equity is underweight by 1.10%. At the individual investment level, Loomis Sayles is the only investment option more than 1.6% above or below target. At this time, the Committee has decided to wait to make any adjustments to the Plans’ allocations. The Committee took into consideration that the current asset allocations presented are well within the limits/ranges as outlined in the

Plan Investment Policy Statement. The current market volatility was a major contributor to this decision, as well.

Mary Claire Chesshire provided confirmed that the proposed plan amendments (Addition of Benefit Payment option aka Pop-up Option; Update to Plan's Mortality Table and Interest Assumptions; and Change to Consumer Price Index Used to Calculate Earned Income Offsets) are scheduled to go in front of the County Council for:

- Workshop on June 9, 2020;
- First Reader on June 16, 2020;
- Second Reader/Public Hearing on July 7, 2020; and
- Third Reader/Adoption on July 21, 2020.

Wayne Howard presented a preview of the homepage for the Frederick County Employees Retirement Plan website once we "go live" with Findley.

Susan Keller informed the Committee that the Wilmington Trust Online Agreement has been executed and returned to Wilmington Trust. Diane Hoffman followed that by making the Committee aware that a proposed list of administrators will be given to Wilmington Trust with the expectation that the list may change once it is more clear what information will be available through Wilmington Trust versus Findley.

The next Committee meeting will be a virtual meeting held on Tuesday, July 14, 2020, at 1:00pm via Microsoft Teams.

There being no further business, the meeting adjourned at 2:13 p.m.

Respectfully submitted,



Shanna Gibbons
Recording Secretary