

MEETING MINUTES
FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN COMMITTEE
December 8, 2020

A virtual meeting of the Retirement Plan Committee (the “Committee”) for the Frederick County Employees Retirement Plan (the “Plan”) was held on Tuesday, December 8, 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. 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 Patrick Wing and Derek Schmidt with Marquette Associates (“Marquette”); Ann Sturner with Bolton; and Mary Claire Chesshire with Whiteford, Taylor, & Preston, counsel to the County. Also present were Robert Goff, Susan Keller, Jeff Null and Shanna Gibbons with Frederick County Government. Shanna Gibbons was Secretary of the meeting.

The Chair opened the meeting. Minutes from the November 10, 2020, meeting were reviewed and approved as is. Upon a motion duly made by Michael Mills and seconded by Michael Marschner, this motion was unanimously passed.

Patrick Wing with Marquette presented the *Asset Value Update as of December 4, 2020*. As of December 4, 2020, the value of the Plan’s assets was \$831,498,405. Investment manager fee concessions were negotiated on behalf of the Fund and approved. New fee agreements should be in effect on January 1, 2021.

Derek Schmidt with Marquette then presented *Private Equity Education dated December 2020*. This high-level education presentation touched on what Private Equity is and why it is important to consider including in our portfolio.

- The asset class has been a part of institutional investor portfolios for decades and currently encompasses over \$2.9 trillion in assets.
- Private equity has, on average, outperformed public equity markets over the long-term; however, manager selection is crucial given the wide dispersion of manager returns.
- Private equity continues to provide a relatively attractive investment opportunity due to an expanding opportunity set and active ownership approach to creating value.
- Marquette recommends targeted private equity allocations of between 5-10% for suitable institutional client portfolios.
- The illiquid nature of private equity investing is the primary reason to exclude or limit the overall allocation to private equity.

Before making a motion and moving on to the next asset class, the Committee would like to see more information showing fund-specific impact whether it be through returns, cash-flows, etc. In addition, would

like to look at how to establish and carry out this program specifically for the Frederick County Employees Retirement Plan. Marquette will present this information to the Committee at the January meeting.

Following up on the consideration for a securities litigation firm, Robbins, Geller, Rudman & Dowd LLP (RGRD LLP), in addition to our custodian bank, Wilmington Trust, the Committee further discussed the need to help collect any funds, regardless of the age of the claim. Where Wilmington Trust would continue per usual of any claims not more than seven years old, RGRD LLP would pick up any claims outside of that scope. There is no cost to the Plan to contract with RGRD LLP, unless they recover funds.

MOTION: The Committee has directed Susan Keller and Marquette to pursue a firm, RGRD LLP, that specializes in class-action lawsuits that are outside of the seven-year time frame currently performed by our Trustee, Wilmington Trust. Upon a motion duly made by Lori Depies and seconded by Diane Fox, this motion was unanimously passed.

Robert Goff provided updates to the Committee about the administration of the Plan. Human Resources is revising the Preparing to Retire brochure. Once finalized, the brochure will be available on both the Retirement Focus Portal and the FCG Portal. Retirement Focus was able to provide a breakdown of the employees who are and are not eligible for the DROP program.

The next Committee meeting will be a virtual meeting held on Tuesday, January 12, 2021, at 1:00pm via Microsoft Teams.

There being no further business, the meeting adjourned at 2:46 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Shanna Gibbons".

Shanna Gibbons
Recording Secretary