

MEETING MINUTES
FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN COMMITTEE
May 11, 2021

A virtual meeting of the Retirement Plan Committee (the “Committee”) for the Frederick County Employees Retirement Plan (the “Plan”) was held on Tuesday, May 11, 2021 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. Retiree Representative: Michael Marschner
3. FOP Representative: Michael Easterday
4. Member at Large: Diane Fox
5. Member at Large: Michael Mills

Absent from the meeting were Lori Depies and John Neary. Present at the meeting at the invitation of the Committee were Patrick Wing with Marquette Associates (“Marquette”); Ann Sturner, Jim Ritchie and Jordan McLane with Bolton; and Mary Claire Chesshire with Whiteford, Taylor, & Preston. Also present were Erin White, Robert Goff, Susan Keller, and Shanna Gibbons with Frederick County Government. Shanna Gibbons was Secretary of the meeting.

The Chair opened the meeting. Minutes from the April 13, 2021, meeting were reviewed and approved as is. Upon a motion duly made by Michael Marschner and seconded by Diane Fox, this motion was unanimously passed.

Ann Sturner and Jim Ritchie with Bolton presented *The Cost of DROP / The Facts and Myths about Cost Neutral DROPs* dated February 7, 2020.

Patrick Wing with Marquette then presented the *Frederick County, Maryland – Employee’s Retirement Plan Trust / Quarterly Performance Report as of March 31, 2021*, and the updated *Asset Value Update as of May 7, 2021*.

As of March 31, 2021, the value of the Plan’s assets was \$878.4 million. The Plan’s investment had a gain of \$27.4 million and a quarterly return was 3.2% (net) versus the policy index of 3.3%. Fiscal YTD return of 20.7% (net) versus policy index of 20.6%. Positive attributions for the quarter were primarily from: overweight to equities and corresponding underweight to fixed income; and the Fixed income structure. Negative attribution for the quarter from US equity structure and underperformance by non-US equity managers. Segal, Bryant & Hamill (“Segal”) remains on the Watch List due to organizational issues. As of May 7, 2021, the value of the Plan’s assets was \$913,792,288. Marquette recommends discussing asset allocations, the Investment Policy Statement and potential manager searches.

Mr. Wing then reviewed Marquette’s recommended changes to the Investment Policy Statement (IPS) with the Committee. After in-depth discussion, the Committee has suggested that edits be made to the IPS as recommended with flexibility in the wording to allow changes to asset classes while working toward a

future set goal. Mary Claire Chesshire will look into language regarding “delegations”. Marquette will provide a historical look at the Asset Allocation. A revised version of the IPS will be provided at the June meeting.

Erin White provided an update to the Committee that the proposed Plan Documents have been approved and the Master Trust is being presented to the County Council on June 1, 2021.

The next Committee meeting will be a virtual meeting held on Tuesday, June 8, 2021, at 1:00pm via Microsoft Teams.

There being no further business, the meeting adjourned at 2:54 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Shanna Gibbons", is written over a light gray rectangular background.

Shanna Gibbons
Recording Secretary