

MEETING MINUTES
FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN COMMITTEE
July 13, 2021

A virtual meeting of the Retirement Plan Committee (the “Committee”) for the Frederick County Employees Retirement Plan (the “Plan”) was held on Tuesday, July 13, 2021, at 1:00 p.m. via the Teams Meeting application. Present were the following members of the Committee:

1. Human Resources Director: Wayne C. Howard
2. Finance Director: Erin White
3. Retiree Representative: Michael Marschner
4. FOP 102 (Law Enforcement) Representative: Jeffrey Hyatt
5. FOP 102A (Corrections) Representative: Michael Bird
6. Member at Large: Diane Fox

Absent from the meeting were John Neary and Michael Mills. Present at the meeting at the invitation of the Committee were Patrick Wing with Marquette Associates (“Marquette”); Ann Sturner and Jim Ritchie with Bolton, Mary Claire Chesshire with Whiteford, Taylor, & Preston. Also present were Robert Goff, Susan Keller, Shanna Gibbons and Joyce Grossnickle with Frederick County Government. Wayne Howard acted as Chair and Shanna Gibbons was Secretary of the meeting.

The Chair opened the meeting. Minutes from the June 8, 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. Jeffrey Hyatt and Michael Bird abstained.

Open and Closed Minutes from the June 15, 2021, meeting was reviewed. The Committee acknowledges that the minutes reflect the actions of the meeting with the correction that the Committee was to only make a recommendation on the Member at Large position.

The Chair then asked the Secretary to introduce the new Committee Members, Jeffrey Hyatt – FOP 102 (Law Enforcement) Representative; and Michael Bird – FOP 102A (Corrections) Representative. The Committee then introduced themselves to the new members.

After introduction, the floor was then given to Joyce Grossnickle, Administrative Officer with the County Executive’s Office, who oversees the Boards and Committees within Frederick County Government. Mrs. Grossnickle informed the Committee that a recommendation to replace Michael Easterday on the OPEB Committee was needed. The inconsistency in term limits for the Retirement Committee and the OPEB Committee was also brought to the Committees attention with a request to consider the term limit of our recommendation to help eliminate the revolving

door of members on the OPEB Committee. The Committee agreed and will continue this conversation at the next meeting.

Patrick Wing from Marquette presented the *Asset Value Update as of July 9, 2021*. As of July 9, 2021, the value of the Plan's assets was \$932,938,125.

The Committee agreed to table the discussion of the Asset Allocations and Investment Policy Statement until the next meeting.

Ann Sturner with Bolton then presented and discussed *Frederick County Retirement Plans – Impacts of change in discount rate and additional COLAs* letter dated April 29, 2021. Bolton is proposing that a study be performed to calculate the impact on the County's Funding Policy Contribution (FPC) and the plans' funded status if one or more of the following actions are taken:

- Reducing the discount rate; that is, calculating results using two different discount rates – 6.50% and 6.75% - in addition to the current 7.00% discount rate; and/or
- Providing additional Cost of Living Adjustments (COLAs)
 - Compare historical plan-provided COLAs to inflation,
 - Survey COLA plan provisions for comparator counties, and
 - Identify any limitations on increases in the County contribution rates and/or decreases in the funded status of the plan if an additional one-time or permanent COLA was implemented.

MOTION: The Committee agreed that having Bolton perform the Scope of Work as presented in their proposal is in the best interest of the Plan Members. Upon a motion duly made by Erin White and seconded by Michael Marschner, this motion was unanimously passed.

Susan Keller presented the changes to the Funding Policy to reflect the split of the plan (Non-Uniformed and Uniformed) and was seeking approval of the changes. After a quick review, it was agreed that this vote would be postponed until the next meeting to provide Counsel time to make some last-minute changes.

Mary Claire Chesshire with Whiteford, Taylor, & Preston, provided an update to the Committee informing them that the revised Frederick County Employees Retirement Plan and the new Frederick County Employees Retirement Plan documents are now the official Plan documents. Mrs. Chesshire recommends that adoption of the following documents to the Uniformed Retirement Plan:

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| • QDRO Procedures | • Plan Summary |
| • Disability Procedures | • Purchase of Service Rules |
| • Committee Bylaws | • IRS Determination Letter |
| • Claims Procedure | |

Susan Keller provided an update on the Plan Trust. The Plan now has two cash accounts with Wilmington Trust, one for the Non-Uniform Plan and one for the Uniform Plan. Wilmington Trust has a dedicated team that will evaluate and perform a monthly allocation of units (or assets) and the investments (e.g., benefit payments, contributions, etc.) that are now comingled between the two plans.

The Committee requested that the Human Resources Division mail letters to Retirees indicating this is the last year of the ad hoc COLA and has requested Bolton to perform another COLA review.

The next Committee meeting will be a virtual meeting held on Tuesday, August 10, 2021, at 1:00pm via Microsoft Teams.

There being no further business, the meeting adjourned at 2:37 p.m.

Respectfully submitted,



Shanna Gibbons
Recording Secretary