

FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN
FREDERICK COUNTY UNIFORMED EMPLOYEES RETIREMENT PLAN

JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES

MEETING MINUTES

December 14, 2021

A joint meeting of the Retirement Plan Committees for the Frederick County Employees Retirement Plan (the “Employees Plan”) and the Frederick County Uniformed Employees Retirement Plan (the “Uniformed Employees Plan”) (jointly, the “Committees” and the “Plans”) was held on Tuesday, December 14, 2021 at 1:00 p.m. via a virtual Teams meeting. 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: Jeff Hyatt
5. FOP 102A (Corrections) Representative: Michael Bird
6. IAFF Representative: John Neary
7. Member at Large: Diane Fox
8. Member at Large: Michael Mills

Present at the meeting at the invitation of the Committee were Patrick Wing with Marquette Associates (“Marquette”); Ann Sturner, Jim Ritchie, and Jordan McClane with Bolton; and Mary Claire Chesshire with Whiteford, Taylor, & Preston. Also present were Lori Depies, Robert Goff, Susan Keller, and Shanna Gibbons with Frederick County Government; and other Guests. Wayne Howard acted as Chair and Shanna Gibbons was Secretary of the meeting.

The Chair opened the meeting. Minutes from the November 9, 2021, meeting were reviewed and approved as is. Upon a motion duly made by Michael Mills and seconded by Diane Fox, this motion was unanimously passed. John Neary was absent for this vote.

Minutes from the November 30, 2021, special meeting were reviewed and approved with one change. The motion on page 2 should reference the *Frederick County Retirement Plans – Cost of living adjustment (COLA) review (groundwork)* dated November 23, 2021 letter not

the *Frederick County Retirement Plans – Impact of change in discount rate dated November 23, 2021* letter. Upon a motion duly made by Michael Mills and seconded by Diane Fox, this motion was unanimously passed.

Patrick Wing from Marquette presented the *Frederick County, Maryland – Employee's Retirement Plan Trust | Asset Value Update dated December 9, 2021*. As of December 9, 2021, the value of the Plan's assets was \$955,697,327.

Mr. Wing then presented the *Frederick County – Pension | Private Infrastructure dated December 14, 2021*, highlighting Private Infrastructure characteristics and fiduciary considerations such as: asset class roles, equity returns amid different inflation environments, equity returns amid high inflation, real asset target allocations among MD counties, Infrastructure and sectors and assets, risk/return characteristics, sources of global infrastructure returns, correlations, infrastructure risks, key terms, historical comparison, cumulative returns, and market value estimates.

Moving forward, the Committee will need to decide whether they would like to include Private Equity and/or Infrastructure to the portfolio; this decision should be made prior to updating the Investment Policy Statement. Marquette will begin to search for investment managers for the following: private equity and infrastructure, if necessary; non-US equity value manager search (possible add index fund); simplify US equity structure (possible add more indexing) and review managers; and review fixed income structure and review managers. After much discussion, the Committee is asking Marquette to provide a briefing regarding the two asset classes (Private Equity and Infrastructure) so the Committee can make a final decision on whether or not to proceed with including in our portfolio.

MOTION: The Committee has asked Marquette to provide a summary of the two recommended asset classes at the next meeting so the Committee can vote on their inclusion. Upon a motion duly made by Michael Marschner and seconded by Michael Mills, this motion was unanimously passed. Michael Bird was not present for this vote.

Ann Sturner with Bolton then discussed the *Frederick County Retirement Plans – Cost of living adjustment (COLA) review Additional information concerning recent CPI increases dated December 10, 2021* letter provided to the Committee prior to the meeting. After great

discussion, the Committee has agreed to consider an ad-hoc COLA for FY2023 that will be funded over three years.

MOTION: The Committee has recommended a 2% Ad Hoc COLA increase for FY2023, in addition to the existing 1% annual fixed COLA. Upon a motion duly made by Michael Marschner and seconded by Erin White, this motion was unanimously passed. Michael Bird was not present for this vote.

A Staff Report will be drafted and submitted to the County Executive, then to the County Council for approval and accounted for in the FY2023 budget.

Due to time limits, The Chair did not allow public comment.

The Committee will continue discussing whether to continue with the 1% annual COLA's and possible ad hoc COLA's or change the COLA to be based on a change in the CPI.

The next Committee meeting will be a virtual meeting held on Tuesday, January 11, 2022, at 1:00pm via Microsoft Teams.

There being no further business, a motion was made to end the meeting by Erin White and seconded by John Neary, this motion was unanimously passed and the meeting adjourned at 3:34 p.m. Michael Bird was not present for this vote.

Respectfully submitted,



Shanna Gibbons
Recording Secretary