

FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN
FREDERICK COUNTY UNIFORMED EMPLOYEES RETIREMENT PLAN

JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES

MEETING MINUTES

June 14, 2022

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, June 14, 2022 at 1:00 p.m. in the Winchester Room at Winchester Hall. Present in person were the following members of the Committee:

1. Human Resources Director: Wayne C. Howard
2. Finance Director: Erin White
3. IAFF Representative: John Neary
4. Member at Large: Michael Mills

Committee Members present via Microsoft Teams were:

5. Retiree Representative: Michael Marschner
6. Member at Large: Diane Fox

Absent from the meeting were FOP 102 (Law Enforcement) Representative: Jeff Hyatt, and FOP 102A (Corrections) Representative: Michael Bird.

Present at the invitation of the Committee were Patrick Wing with Marquette Associates (“Marquette”); Ann Sturner, Jordan McClane and Jim Ritchie with Bolton, in person; and Mary Claire Chesshire with Whiteford, Taylor, & Preston via Microsoft Teams. Also present were Robert Goff and Shanna Gibbons in person, and Susan Keller, Shannon Powell and Catherine DiGennaro with Frederick County Government and one guest via Microsoft Teams. Wayne Howard was Chair and Shanna Gibbons was the Recording Secretary.

The Chair opened the meeting. Minutes from the May 10, 2022, meeting were reviewed and approved as is. Upon a motion duly made by Michael Marschner and seconded by Michael Mills, this motion was unanimously passed. Diane Fox abstained. John Neary was absent for this vote.

Patrick Wing from Marquette reviewed preliminary changes made to the *Frederick County Employees Retirement Plan – Investment Policy Statement* with the Committee. Committee agrees with most changes and has suggested additional changes. A revised copy will be presented at the next meeting.

Mr. Wing then presented the *Frederick County, Maryland – Employee’s Retirement Plan Trust | Asset Value Update dated June 10, 2022*. As of June 10, 2022, the value of the Plan’s assets was \$815,502,385. The following rebalancing recommendation was made: liquidating \$3 million from the US Fixed Income (Vanguard Short-Term Bond Index Fund Inst) and move it to Cash & Equivalents (Wilm. US Gov’t Money Market Fund) to generate a cash balance for the Non-Uniformed Plan.

MOTION: The Committee agreed to the rebalance recommended by Marquette. Upon a motion duly made by Erin White and seconded by Michael Mills, this motion was unanimously passed.

Ann Sturner, Jim Ritchie and Jordan McClane with Bolton presented the revised *Frederick County Employees Retirement Plan and Frederick County Uniformed Employees Retirement Plan – Study to Revise the Cost-of-Living Adjustment (COLA) Provisions of the Plans* dated May 6, 2022, Revised June 3, 2022. Continuing the discussion of the proposing a COLA equal to increase in CPI, capped at 3%, floor of 0% to the County Executive, the Retirement Committee asked Bolton to prepare projections similar to those provided in Section III, but assuming the funding policy contribution development was modified in one of two of the following ways:

- Modification 1: Component (c)¹ of the funding policy is modified to provide for a 100% funded ratio within a seven-year (rather than a five-year) timeline
- Modification 2: The funded ratio and any additional contribution required under component (c)¹ of the funding policy is based on the liability associated with the current 1% fixed COLA. Added to this amount is the annual installment of a 15-year amortization of the change in liability associated with implementing the CPI COLA with a 3% cap. The 15-year amortization period is the same amortization period used for plan changes in the development of the ADC.

MOTION: The Committee agreed to include Modification 2 in the proposal to the County Executive. Upon a motion duly made by Wayne Howard and seconded by Erin White, this motion was unanimously passed.

Erin White then suggested the Committee consider a second retiree representative sit on the Committee to be discussed at a later time. However, the Committee agreed to discuss it at this time.

MOTION: The Committee recommends to propose an amendment to add a second retiree to the Committee. Upon a motion duly made by Michael Marschner and seconded by Michael Mills, this motion was unanimously passed.

¹ If the funded ratio is less than 95%, the ADC plus an amount that is estimated to provide for a 100% funded ratio within a five-year timeline.

Michael Marschner reminded the Committee that his term officially ends June 30, 2022. An advertisement will be sent out by the County Executive's office within the next month or so. The Committee has asked Mr. Marschner to remain on the Committee until a replacement is appointed.

John Neary reviewed his proposal of the *Proposed Members of Uniformed Retirement Committee*. After much discussion and due to time constraints, the Committee agreed to continue this conversation at a future meeting.

The next Committee meeting will be in-person at Winchester Hall (12 E Church St, Frederick, MD 21701) with a virtual call-in option on Tuesday, July 12, 2022, at 1:00pm.

There being no further business, a motion was made to end the meeting by Michael Mills and seconded by Erin White, this motion was unanimously passed and the meeting adjourned at 3:25 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Shanna Gibbons', with a stylized flourish at the end.

Shanna Gibbons
Recording Secretary