

FREDERICK COUNTY EMPLOYEES RETIREMENT PLAN
FREDERICK COUNTY UNIFORMED EMPLOYEES RETIREMENT PLAN

JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES

MEETING MINUTES

March 12, 2024

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, March 12, 2024, at 1:00 p.m. in the 1st Floor Meeting Room at Winchester Hall. Present in-person were the following members of the Joint Retirement Committees:

- Emily C. Fiftal, Human Resources Division Director
- Erin White, Finance Division Director
- Michael Gastley, Retiree Representative
- Michael Bird, FOP 102A (Corrections) Representative
- Michael Mills, Member at Large

Present via Microsoft Teams were the following members of the Joint Retirement Committees:

- John Neary, IAFF Representative
- Daniel Lewis, Member at Large

Committee Member(s) absent from the meeting:

- Douglas Browning, Retiree Representative
- Jeff Hyatt, FOP 102 (Law Enforcement) Representative

Also present at the invitation of the Committee were: Patrick Wing with Marquette Associates (“Marquette”); and Robert Goff, Susan Keller, Shanna Gibbons, and Angela Baldwin with Frederick County Government, in person. Additionally, Mary Claire Chesshire with Whiteford, Taylor & Preston; Jim Ritchie with Bolton; John Peterson with Frederick County Government; and two guests, virtually via Microsoft Teams. Emily Fiftal was Chairperson and Shanna Gibbons was the Recording Secretary of this meeting.

The Chair opened the meeting at 1:02pm. The Meeting Minutes from the February 13, 2024, meeting was reviewed and approved as presented. Upon a motion duly made by Michael Mills and seconded by Michael Gastley, there being no opposition, this motion was unanimously passed.

Patrick Wing, with Marquette, presented the *Frederick County – Pension | Asset Value Update (Brookfield Funding) dated March 8, 2024*, and the *Frederick County – Pension | Asset Value*

Update (no Brookfield Funding) dated March 8, 2024, with the Committee. As of March 8, 2024, the value of the Plan's assets was \$997,768.973.

Mr. Wing reminded the Committee that 6% of the assets were previously committed to funding the new Infrastructure asset class, which is comprised of two Infrastructure funds selected by the Committee during the October 11, 2022, meeting: IFM Global Infrastructure Fund ("IFM") and Brookfield Super-Core Infrastructure Partners ("Brookfield"). During the November 14, 2022, meeting, it was decided that when our funds is called upon, it would be sourced from US Equity and Fixed Income. At the time of making this commitment, the initial investment to each was \$23M. IFM was funded earlier this year.

It is expected that Brookfield will call on its capital (\$23M commitment) on April 1, 2024. Marquette recommends that the Committee consider a redemption of \$23M from three of the U.S. Equity strategies (\$13M from Vanguard Institutional Index Fund Inst Plus and \$5M each from Neuberger Berman Intrinsic Value R6 and Stephens Small Cap Growth Strategy). By sourcing from U.S. Equity to Infrastructure, the Committee is able to rebalance the assets while funding the call for capital. On the chance that the call for capital is not made April 1, 2024, as anticipated, the following contingency rebalance action will take place: reallocate \$13M from U.S. Equity (Vanguard Institutional Index Fund Inst Plus) to U.S. Fixed Income (\$6.5M to Vanguard ST Corporate Bond Index Fund Inst and \$6.5M Vanguard ST Inf.-Protected Sec. Index Fund Inst).

MOTION: Upon a motion duly made by Michael Mills and seconded by Erin White, per Marquette's recommendation, should the funds for Brookfield's call for capital be made, it will be funded \$23M (from U.S. Equity). However, if the call is not made, a rebalance of \$13M from U.S. Equity to U.S. Fixed Income will be made. This motion unanimously passed.

Mr. Wing then presented the *Frederick County, Maryland – DROP | U.S. Equity Manager Review dated March 12, 2024*. This was a review of the current lineup of plan managers for the DROP, and a high-level overview of potential U.S. Equity managers. The Committee was reminded that the initial lineup was set to largely mirror the 457(b) Plan. There are a few minor differences due to mutual fund availability and investment vehicles. Additionally, the Committee was reminded to consider the following during the review of managers: poor performance is typically not a good reason to make changes; since manager performance tends to move in cycles, many investors succumb to behavioral risks and hire/fire managers at the wrong time; the market environment must be considered; and compare performance of a manager to others that follow similar investment processes to determine whether performance has been stronger weak relative to expectations.

Marquette recommends the Committee review a more detailed analysis of options in the following segments: U.S. Large-Cap Value, U.S. Large-Cap Growth, and U.S. Small-Cap Growth. The Committee agreed to move forward with this recommendation.

The Chair provided an opportunity for public comment. There was none.

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, April 9, 2024, at 1:00pm.

There being no further business, a motion was made to end the meeting by Michael Bird and seconded by Michael Mills, there being no opposition, this motion was unanimously passed, and the meeting adjourned at 2:00pm.

Respectfully submitted,



Shanna Gibbons

Recording Secretary