



EMPLOYEES' RETIREMENT SYSTEM
The Maryland-National Capital Park and Planning Commission

BOARD OF TRUSTEES MEETING MINUTES
Tuesday, May 3, 2022; 10:00 a.m.
Kenilworth Office Building, Riverdale, MD
(Due to COVID -19 Attend via Microsoft Teams)

Due to COVID-19, the Maryland-National Capital Park and Planning Commission (“Commission”) Employees’ Retirement System (“ERS”) Board of Trustees (“Board”) met virtually through Microsoft Teams on Tuesday, May 3, 2022. The meeting was called to order at 10:01 a.m. by GERALD R. CICHY.

Board Members Present

Gerald R. Cichy, Board of Trustees Chairman, Montgomery County Commissioner
Peter A. Shapiro, Board of Trustees Vice Chairman, Prince George’s County Commissioner
Asuntha Chiang-Smith, M-NCPPC Executive Director, Ex-Officio Arrived at 10:10 a.m.
Gavin Cohen, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio
Pamela F. Gogol, Montgomery County Public Member
Caroline McCarthy, Montgomery County Open Trustee
Amy Millar, MCGEO Represented Trustee
Sheila Morgan-Johnson, Prince George’s County Public Member
Theodore J. Russell, III, Prince George’s County Open Trustee
Elaine A. Stookey, Bi-County Open Trustee

Board Members Absent

Howard Brown, FOP Represented Trustee

ERS Staff Present

Andrea L. Rose, Administrator
Sheila S. Joynes, Accounting Manager

ITEM 1 APPROVAL OF THE MAY 3, 2022 CONSENT AGENDA

ACTION: MS. GOGOL made a motion, seconded by MS. STOOKEY to approve the Consent Agenda. The motion PASSED (9-0). MS. CHIANG-SMITH was absent. (Motion #22-25)

ITEM 2 CHAIRMAN’S ITEMS

The Board welcomed new trustees Peter A. Shapiro, Prince George’s County Planning Board Chairman, and Theodore J. Russell, III, Cost Recovery Manager for Prince George’s County Parks and Recreation Department, to the Board of Trustees. At its April 20, 2022 meeting, the Maryland-National Capital Park and Planning Commission approved Resolution 22-06 appointing Peter A. Shapiro as the Prince George’s County Planning Board representative for the remainder of the term ending June 30, 2022 and Resolution 22-07 acknowledging Theodore J. Russell, III as the Prince George’s County Open Trustee for the remaining term ending June 30, 2024.

ITEM 3 MISCELLANEOUS

ACTION: MS. MILLAR made a motion, seconded by MS. GOGOL to approve a Resolution to appoint Gerald R. Cichy as Chairman and Peter A. Shapiro as Vice Chairman of the Board of Trustees for the remaining term ending June 30, 2023. The motion PASSED (9-0). MS. CHIANG-SMITH was absent. (Motion #22-26)

MS. CHIANG-SMITH arrived.

ITEM 4 COMMITTEE REPORTS/RECOMMENDATIONS

MR. COHEN presented the Administration & Personnel Oversight Committee (“Personnel Committee”) report of April 19, 2022.

A joint Request for Proposal (RFP) for Actuarial Consulting Services was issued with the Maryland-National Capital Park and Planning Commission on March 4, 2022. Bolton Partners, Inc., Buck, Cheiron, Inc., Segal Company, and The Howard E. Nyhart Company submitted responses.

Each firm was required to meet minimum requirements and submit certain documents as part of the RFP. The Personnel Committee evaluated each firm’s qualifications and relevant experience, key personnel and allocation of hours, methodology and approach, and proposed fees. The Personnel Committee overwhelmingly believed continuing the relationship with Cheiron was critical and in the best interests and benefit of the ERS. Subsequent negotiations with Cheiron resulted in an additional reduction in fees.

ACTION: MS. CHIANG-SMITH made a motion, seconded by MS. GOGOL to award the actuarial consulting services agreement to Cheiron, Inc. effective May 3, 2022 – May 3, 2025 with the option to renew for two additional one-year terms. The motion PASSED (10-0). (Motion #22-27)

The Personnel Committee examined each category for the proposed FY2023 Operating Budget which included funding for two additional positions to address increased work program demands and initiatives, single points of failure and succession planning. The Personnel Committee recommended approval of the FY2023 Operating Budget in the amount of \$2,777,596 which is a 1.9% increase from FY2022.

ACTION: MS. CHIANG-SMITH made a motion, seconded by MR. RUSSELL to approve the FY2023 Operating Budget in the amount of \$2,777,596. The motion PASSED (10-0). (Motion #22-28)

Staff recommended approval of an amendment to the FY2022 Operating Budget to add \$325,100 in capital outlay for a total FY2022 Operating Budget of \$3,049,785. The costs for document imaging were budgeted in FY2021 but due to delays, the milestones were not completed until FY2022. The Amended FY2022 Operating Budget of \$3,049,785 includes an increase of \$325,100 in capital outlay. While there may be savings in other areas (i.e., salary lapse, benefits, training, etc.), staff do not anticipate enough to cover the entire \$325,100. The funding source is the ERS Trust Fund, so no additional funds are required from the Commission.

ACTION: MS. GOGOL made a motion, seconded by MR. SHAPIRO to approve an amendment to the FY2022 Operating Budget to add \$325,100 in capital outlay for a total FY2022 Operating Budget of \$3,049,785. The motion PASSED (10-0). (Motion #22-29)

ITEM 5 ADMINISTRATOR'S REPORT

Andrea Rose presented the Administrator's Report dated April 25, 2022.

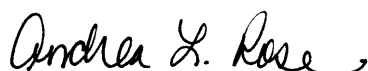
Staff are implementing Wilshire's recommended rebalancing as a result of the new asset allocation policy as follows:

- A \$40 million reduction in the non-U.S. equity allocation as follows:
 - \$15 million from Capital Guardian
 - \$25 million from Earnest Partners
- A \$40 million increase to the core fixed income, high yield fixed income and cash allocations as follows:
 - Core Fixed Income: \$7.5 million each to Eaton Vance and CSM Advisors
 - High Yield: \$10 million each to Neuberger Berman and Loomis Sayles
 - Cash: \$5 million to cover benefit payments and expenses until the employer contribution is received in July.

At its November 2, 2021 meeting, the Board approved updating the actuarial equivalence assumptions used for optional forms of benefit and for actuarial deficiency calculations. As a result, the actuarial equivalence factors used to convert from one form of benefit to another based on the member's and spouse's ages, using mortality and the interest rate assumptions were revised. Implementation of the actuarial equivalence factors required 6-9 months of lead time for the vendor to load the factors and program the software to be effective date driven; and for staff to test. The factors will be loaded into production within the next couple of weeks which will allow staff to begin providing estimates with a January 1, 2023 effective date using the new actuarial equivalence factors.

The Board meeting of May 3, 2022 adjourned at 10:32 a.m.

Respectfully,



Andrea L. Rose
Administrator