



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

Commission Meeting
Open Session Minutes
November 19, 2014

The Maryland National Capital Park and Planning Commission met on November 19, 2014, at the Prince George's County Parks and Recreation Auditorium, in Riverdale, Maryland.

PRESENT

Prince George's County Commissioners

Elizabeth M. Hewlett, Chair
Dorothy Bailey (arrived at 10:03 a.m.)
Manuel Geraldo
John Shoaff

Montgomery County Commissioners

Casey Anderson, Vice-Chair
Norman Dreyfuss
Natali Fani-Gonzalez

ABSENT

A. Shuanise Washington

Amy Presley
Marye Wells-Harley

Chair Hewlett convened the meeting at 9:50 a.m.

ITEM 1 APPROVAL OF COMMISSION AGENDA

ACTION: Motion of Geraldo

Second by Dreyfuss

6 Approved the motion (Commissioner Bailey was absent from the vote.)

ITEM 2 APPROVAL OF COMMISSION MINUTES

October 22, 2014 – Open Session

October 22, 2014 – Closed Session

ACTION: Motion of Dreyfuss

Second by Anderson

6 Approved the motion (Commissioner Bailey was absent from the vote.)

ITEM 3

GENERAL ANNOUNCEMENTS (Hewlett)

Chair Hewlett made the following announcements:

- a) She shared Thanksgiving wishes with everyone. She shared information on a number of events to raise awareness and celebrate:
 - Adoption Awareness Month. Vice-Chair Anderson shared support of this occasion by discussing his personal experience with adoption.
 - Native American Heritage Month. The Department of Parks and Recreation planned a wonderful festival honoring Native American Heritage Month.
 - National Peanut Butter Month.
 - The Prince George's Parks and Recreation Trot-for-a-Turkey event takes place on November 22nd. The registration fee is \$30.00 for this event. Donations are accepted as well.
 - The Annual Opening of the Festival of Lights takes place on November 24th at 6:00 p.m. at Watkins Regional Park in Prince George's County. All Commission employees are invited to participate. Canned good donations will be collected for people in need. Montgomery County Parks' Brookside Gardens will not have its annual light display because it is undergoing renovations.
- b) The Health Benefits Office, the Executive Director's Office, and employees who worked on the Wellness Initiative Campaign were commended for their efforts to promote health and wellness. Chair Hewlett shared that male employees over age 40 are invited to participate in the upcoming men's health event. Free PSA testing will be offered in Montgomery County at the following locations on December 1st: Montgomery Regional Office (9:00 a.m. – 12:00 noon), and Shady Grove Maintenance Yard (8:00 a.m. – 11:00 a.m.); they will be offered in Prince George's County on December 5th at the following locations: Randall Farm Maintenance and Development (8:00 a.m. – 11:00 a.m.), and at the Parks and Recreation Auditorium (9:00 a.m. – 12:00 noon). The Commissioners thanked Montgomery County Parks Deputy Director John Nissel for sharing his story to encourage men to get screenings.
- c) Chair Hewlett highlighted the *Update* newsletter article which featured Commissioner Fani-Gonzalez, the newest member of the Commission and Montgomery County Planning Board.
- d) The Parks and Recreation Department were commended for opening up warming centers throughout the County to help the community.
- e) Employees were reminded about the One-Commission holiday party scheduled for December 17, 2014, from 11:00 a.m. to 2:30 p.m., at the Civic Center in Silver Spring. Chair Hewlett and Vice-Chair Anderson discussed the event and how it will showcase downtown Silver Spring and its offerings to the community.

ITEM 4

COMMITTEE/BOARD REPORTS – (For Information Only)

- a) and b) Executive Committee Open and Closed Session Minutes – for November 5, 2014, will be included in the December Commission meeting packet as a Late Delivery (LD) because they were not completed in time for the November 19, 2014 Commission meeting.

- c) Minutes of the Regular Employees' Retirement System Board of Trustees Meeting, October 7, 2014.

ITEM 5

ACTION AND PRESENTATION ITEMS

- a) Resolution #14-30, Easement Termination – The Crescents at Largo (Gardner/Mills)
General Counsel Gardner and Associate General Counsel Matt Mills provided background on this Resolution.
ACTION: Motion of Anderson
Seconded by Shoaff
6 Approved the motion (Commissioner Bailey was absent from the vote.)
- b) Recommendation for Appointment of Golub Capital as a New Investment Manager for the Employees' Retirement System (A. Rose)
ACTION: Motion of Anderson
Seconded by Geraldo
6 Approved the motion (Commissioner Bailey was absent from the vote.)
- c) Recommendation for Adoption of the Employees' Retirement System Plan Document Restatement Effective January 1, 2015, Except as Specifically Provided with Section 7.5 Marital Status as Required by IRS Guidance (A. Rose)
ACTION: Motion of Anderson
Seconded by Shoaff
6 Approved the motion (Commissioner Bailey was absent from the vote.)
- d) Presentation: Recommendation to Approve an Employer Contribution in the Amount of \$27,191,305 for Fiscal Year 2016 (A. Rose, Employees' Retirement System Administrator; Dave Boomershine, President and Senior Consulting Actuary; and Greg Stump, Vice-President and Senior Actuary)

Employees' Retirement System (ERS) Administrator Andrea Rose shared that each year an independent actuarial valuation is performed to determine the funding requirements for the ERS in order to ensure sufficient assets are available for future benefits. The actuarial valuation is designed to measure the current and future cost of retiree benefits based on employee demographics, assets and liabilities, plan provisions, and actuarial assumptions and methods. Ms. Rose shared that the ERS actuary, Boomershine Consulting Group, presented its completed valuation report to the Employees' Retirement System (ERS) Board of Trustees on November 4, 2014. The ERS Board of Trustees recommends the Commission approve the actuary's determined employer contribution in the amount of \$27,191,305 (20.14% of the covered payroll) for FY16, which is lower than the FY15 contribution. In order to meet the ERS funding objectives, the recommended employer contribution of \$27,191,305 will be made on July 1, 2015, for FY16. The recommended employer contribution decreased slightly from \$28,149,976 (21.8% of covered payroll) as of July 1, 2013, primarily due to a gain in the actuarial asset value.

The PowerPoint presentation on the valuation was made by Boomershine Consulting Group President/Senior Consulting Actuary Dave Boomershine, and Vice President/Senior Actuary Greg Stump to explain the recommendation.

Boomershine Consulting Group (Actuary) reported that the ERS' funding objective is to meet long-term benefit promises through employee and employer contributions. The July 1, 2014 actuarial valuation indicated the funded ratio of the actuarial value of assets to the actuarial accrued liability for benefits was 87.2%, which is up from 83.1% in 2013. This reflects a greater funding of liability.

The Actuary explained the Baseline Contribution Projection graph on page 157 of the packet which assumes a 7.3% return on future investments. Executive Director Barney commented that in looking at a similar graph for the 2008/2009 timeframes, the outcome was not as favorable. She wanted to ensure that everyone understood that the rate of return on investments is not guaranteed as it will shift when the market drops or changes, and contributions may therefore be much higher than projected.

Vice-Chair Anderson asked if the Actuary has begun to look at adjusting the assumed investment return. Mr. Stump responded that the gradual reduction that the Commission has adopted is the correct way to make the adjustment. The amount was reduced by the Board of Trustees from 7.5% to 7.4% last year and to 7.3% this year.

In response to Commissioner Dreyfuss' question about the source of the contributions reported in the presentation, Mr. Stump clarified that the contributions listed in the report reflect employer contributions. Commissioner Dreyfuss inquired about the trend related to the percentage of the annual operating budget that is attributable to the employer contribution. Mr. Stump and Mr. Boomershine responded that there was a reduction in employer contributions. The dollar amounts associated with the contributions were listed in the Total Employer Cost column on page 155 of the packet. The report did not indicate the percentage of the budget.

Executive Director Barney explained that the employer contribution as a percentage of the total budget has been declining. She stated that several years ago, the contribution was between \$32 million and \$34 million. The agency's employer contribution is now \$27,191,305. She shared that additional details can be provided to the Commissioners if desired. She also stated the numbers contained in the report reflect retirement statistics and that the Other Post Employment Benefit (OPEB) presentation will be made next month.

Executive Director Barney mentioned that the lower contributions are in part, related to the Commission adopting a number of recommended changes to the pension program, some of which included greater employee sharing of contributions, 5 year averaging for benefit calculations, and changes in vesting. Changes affecting collective bargaining members were negotiated with the

Unions. As a result, M-NCPPC reduced costs while providing a reasonable benefit so employees can afford to retire.

Commissioner Dreyfuss inquired whether the Actuary is seeing public employers moving to defined contribution plans versus a defined benefit plan. Mr. Boomershine responded that there are very few public employers that have moved to a defined contribution plan design. He shared that defined contribution plans are more common in the private sector because of the changes in federal law, changes in accounting, and a significant amount of artificial intervention.

The Actuary shared that there have been a number of changes in governmental accounting standards for pensions, and changes are also expected in healthcare. The Actuary briefly reviewed some changes that are in process (contained on pages 158 and 159 of the Commission packet). Commissioner Geraldo suggested a footnote be added to the report to explain the funding ratio for GASB.

Executive Director Barney thanked the Employees' Retirement System (ERS) Board for recommending the contribution. She thanked the Commissioners as plan sponsors for the funding and authorizing decisions for the pension program. The ERS staff was commended for their work.

ACTION: Motion of Geraldo

Second by Bailey

7 Approved the motion

ITEM 6 OPEN SESSION – OFFICERS' REPORTS

a) Executive Director (For Information Only)

Employee Evaluations Not Completed by Due Date (October 2014)

Executive Director Barney stated Directors are doing fine with completing evaluations and that the report is in the packet.

b) Secretary–Treasurer (For Information Only)

Enterprise Resource Planning (ERP Briefing)

Secretary-Treasurer Zimmerman stated ERP continues to move forward. The Human Resources module is on target for implementation in December to cover the first pay date of January 2015.

c) General Counsel (For Information Only)

1) Litigation Report (October 2014)

2) Legislative Update

General Counsel Gardner distributed two proposed legislative items for vote and provided background/bill numbers.

- House Bill 1334/14 – ECM, MC/PG 109-15 Maryland-National Capital Park and Planning Commission – Regulations to Prohibit Smoking (Gardner). General Counsel Gardner shared a similar bill was proposed last year. M-NCPPC supported the bill in the prior legislative session and it is recommended that the agency support the bill again this year. General Counsel Gardner stated that the operating departments have no concern with implementation of the

bill, and M-NCPPC Park Rules and Regulations will be revised in the near future.

ACTION: Motion of Bailey

Seconded by Geraldo

7 approved the motion

- Montgomery County Delegation and Prince George's County Delegation Bill MC/PG 105-15 (Maryland-National Capital Park and Planning Commission – Montgomery County – Commission Terms
General Counsel Gardner requested a favorable position on Bill MC/PG 105-15 that was requested by the Montgomery County Council. A legal disagreement exists between Commission lawyers and the Council's lawyers over how to interpret the current law. The language in the bill may change; however, the concept of the bill is that the Montgomery County government should be allowed to have a Planning Board Chairperson who can serve two full terms -- even after serving some time as a member of the Commission (but not as Chair). As the law is currently interpreted by the County, it penalizes a member of the Commission who later becomes the Planning Board Chair. Chair Hewlett recommended this bill be monitored to ensure the language does not change during the legislative process.

ACTION: Motion of Geraldo

Seconded by Dreyfuss

7 approved the motion

On a separate matter, Chair Hewlett congratulated General Counsel Gardner for his outstanding argument on the Farm Road Case presented to the Court of Appeals.

At the end of the meeting, Chair Hewlett reminded the attendees of upcoming agency events. These are listed under General Announcements.

There being no further business to discuss, the meeting adjourned at 10:42 a.m.



Gayla L. Williams, Senior Technical Writer/
Senior Management Analyst



Patricia Colihan Barney, Executive Director