

# ITEM 3



## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

Commission Meeting  
Open Session Minutes  
December 16, 2015

The Maryland-National Capital Park and Planning Commission met on December 16, 2015, in the Prince George's County Department of Parks and Recreation Auditorium, in Riverdale, Maryland.

### PRESENT

#### Prince George's County Commissioners

Elizabeth M. Hewlett, Chair  
Dorothy Bailey  
Manuel Geraldo

#### Montgomery County Commissioners

Casey Anderson, Vice-Chair  
Norman Dreyfuss  
Marye Wells-Harley

### ABSENT

John Shoaff  
A. Shuanise Washington

Natali Fani-Gonzalez  
Amy Presley

Chair Hewlett convened the meeting at 9:46 a.m.

#### ITEM 1 APPROVAL OF COMMISSION AGENDA

ACTION: Motion of Bailey  
Seconded by Geraldo  
6 approved the motion

#### ITEM 2 APPROVAL OF COMMISSION MINUTES

November 18, 2015 – Open Session  
ACTION: Motion of Bailey  
Seconded by Dreyfuss  
6 approved the motion

#### ITEM 3 GENERAL ANNOUNCEMENTS

Chair Hewlett made the following announcements:

- Thanked those who participated in agency holiday festivities and those who volunteered at the Employee Appreciation Open House. More than 1,600 employees attended the various activities. M-NCPPC collected more food for donations, including 630 turkeys, at this event than any other year. CAS-IT also collected unwrapped toys for the U.S. Marine Corps' Toys for Tots Program.
- Birthday greetings were extended to Commissioner Geraldo, as well as congratulations to his son for passing the bar exam.

- The following individuals were congratulated by the Commissioners and respective Department Head/designee on their retirements:
  - Prince George's County Parks and Recreation Park Police Chief Larry Brownlee
  - Prince George's County Parks and Recreation Administrative Services Division Chief Bill Henaghan
  - Prince George's County Parks and Recreation Police Captain Stanley R. Johnson
  - Prince George's County Parks and Recreation Park Planning & Development Division Chief Lawrence Quarrick
- Congratulations extended to the Prince George's County Department of Parks and Recreation on the success of Art-O-Matic.

**ITEM 4      COMMITTEE/BOARD REPORTS – (For Information Only)**

- a) Minutes – Executive Committee Open Session – December 2, 2015
- b) Minutes – Regular Employees' Retirement System Board of Trustees Meeting – November 3, 2015

**ITEM 5      CLOSED SESSION WAS WITHDRAWN – POLICE MUTUAL AID AGREEMENT FOR PARK POLICE IN BALTIMORE CITY**

**ITEM 6      ACTION AND PRESENTATION ITEMS**

- a) Resolution #15-22, POLICE MUTUAL AID AGREEMENT FOR PARK POLICE IN BALTIMORE CITY (Brownlee)

Chief Brownlee presented for approval Resolution #15-22, Mutual Aid Agreement to provide assistance to the Baltimore City Police Department.

**ACTION:** Motion of Wells-Harley  
 Seconded by Geraldo  
 6 approved the motion

- b) Resolution #15-21, FY 2017 Operating Budget (Kroll)

Corporate Budget Manager John Kroll presented for approval, Resolution #15-21 – Approval of the Fiscal Year 2017 Proposed Operating and Capital Budgets of the Maryland-National Capital Park and Planning Commission. Following approval of the Resolution, separate budgets will be published for the Commission's Montgomery County and Prince George's County operations. The budgets will be presented to the respective counties in mid-January.

Mr. Kroll provided a summary stating that the Proposed Budget Resolution for FY17 reflects the Proposed Budgets approved by each Planning Board, as modified by a decrease in Other Post-Employee Benefit (OPEB) costs and other non-substantial adjustments. The Proposed Budget totals \$445.8 million in funding excluding reserves, ALARF, Capital Projects and Internal Service Funds. Compared to the FY16 Adopted Budget, the FY17 Proposed Budget is \$1.5 million greater, for an increase of 0.3%. He reviewed the budgets for the Montgomery County and Prince George's County operations, and noted a total budget for the agency of \$612 million and with a funded position count of 2,348, per Exhibit A.

**ACTION:** Motion of Anderson  
 Seconded by Wells-Harley  
 6 approved the motion

- c) Public Pension Standards Award for Funding and Administration (Rose)  
Employees' Retirement System (ERS) Administrator Andrea Rose presented an award received by the M-NCPPC's Employees' Retirement System from the Public Pension Coordinating Council. The Public Pension Coordinating Council gave this award to the ERS in recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards. This is the 11<sup>th</sup> consecutive year the agency has received this award. Ms. Rose noted this award is for the Commission, the Board of Trustees, and the ERS staff. The Commissioners and Executive Director Barney offered their congratulations.
- d) Other Post-Employment Benefits Valuation (Boomershine)  
Secretary-Treasurer Joe Zimmerman introduced actuary David Boomershine from Boomershine Consulting Group, LLC. Mr. Zimmerman stated that the Other Post-Employment Benefits (OPEB), also known as the Retiree Health Care Program, requires an annual actuarial valuation to ensure the agency is aware of how much funding is required, and to ensure the expenses of the program are covered.

Mr. Boomershine noted the valuation contains four primary components: census data, assets in the program, plan provisions, and the actuarial assumptions used for future projections. He presented a summary of the Governmental Accounting Standards Board (GASB) Rules that presently apply to M-NCPPC, adding that rules will be changing in a couple of years. Mr. Boomershine stated that agency's pre-funding is significant, and has helped keep the liability on the books closer to zero, and also allows the agency to use a higher discount rate, which is a key driver in the valuation. The agency is currently using a discount rate of 7.25% which is the same as the pension plan. If the plan is not pre-funded the benefits for the plan would be paid from the General Assets and would be restricted to a much lower discount rate, which could mean as much as a 50% increase in cost. The agency adopted the phase-in approach to get up to full funding, paying contributions equal to the annual cost. The plan has been slowly growing and the agency hit full funding ahead of schedule a few years ago.

Mr. Boomershine discussed the cost drivers, what the bond rating agencies are looking for when funding the plan, the market value of assets, and provided a summary of the net OPEB obligation and valuation results, as contained in the meeting packet. He shared that the net OPEB obligation will be going away in the next few years.

He shared that the Annual Required Contribution (ARC) decreased from \$19.0M to \$18.0M and the funded ratio increased from 14% to 16%. The primary reasons for these changes were the decrease in discount rate, increase in assets, and plan experience. He added that a full experience study and assumption review will be conducted in the future.

The Commissioners thanked Mr. Boomershine for the presentation.

## ITEM 7 OPEN SESSION – OFFICERS' REPORTS

- a) Executive Director (For Information Only)  
Employees' Evaluations Not Completed by Due Date – (November 2015)  
Executive Director Barney reported that the number of evaluations that are reflected late on the report, were reduced prior to this meeting. Department Heads are doing a nice job tendering the evaluations on time.

b) **Secretary-Treasurer (For Information Only)**  
**Enterprise Resource Planning (ERP) Briefing**

ERP implementation continues and operations are ongoing. A significant challenge that has been undertaken in recent weeks is the implementation of the Affordable Care Act (ACA) compliance measures for identifying and offering individuals health insurance in line with provisions of the law, as well as the reporting of who has insurance and who does not. The ACA rules, promulgated by the Internal Revenue Service, are very complicated and there are penalties for non-compliance. M-NCPPC has implemented the offering piece and is completing the mandatory reporting. The agency expects to be in full compliance at the appropriate time. Employees will receive the new IRS Form 1095C and a letter explaining the document.

Executive Director Barney thanked the team that worked on the ACA Project and noted that the penalty for not complying with the ACA would have been \$4 million. An article will appear in the employee Update newsletter and on Intranet explaining the purpose of the IRS 1095C form.

In response to a question posed by Chair Hewlett regarding the issue with leave balances, Secretary-Treasurer Zimmerman answered that the leave balances have been corrected.

Executive Director Barney also mentioned that the Vendor Transition Project is on Track, and that there will be a second phase. Chair Hewlett thanked everyone who worked on the Vendor Transition project.

c) **General Counsel (For Information Only)**

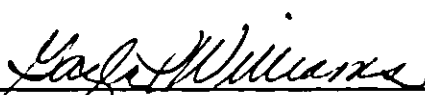
1) **Litigation Report – (November 2015)**

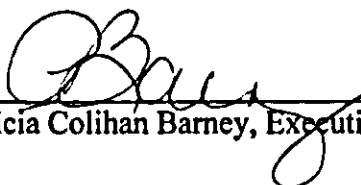
General Counsel Gardner directed the Commissioners to the American Humanist Association vs. M-NCPPC case found on Page 60 of the Commission meeting packet. He noted the plaintiff claimed the agency's ownership of the Peace Cross in Bladensburg was a violation of the establishment clause of the First Amendment. He added that the federal district courts agreed with M-NCPPC's position that the history of the Peace Cross monument did not have a religious purpose in its creation, and M-NCPPC's ownership was not an expression of a religious belief. General Counsel Gardner extended kudos to William Dickerson on the handling of this matter.

2) **Legislative Update**

No discussion.

There being no further business to discuss, the meeting adjourned at 10:40 a.m.

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

  
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Patricia Colihan Barney, Executive Director