

**HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN  
HOWARD COUNTY RETIREMENT PLAN**

**JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES  
April 30, 2020**

A joint meeting of the Retirement Plan Committees for the Howard County Police and Fire Employees' Retirement Plan (the "Police and Fire Plan") and the Howard County Retirement Plan (the "Employees Plan") (jointly, the "Plans") was held on Thursday, April 30, 2020 at 9:00 a.m. via a WebEx conference.

**Police and Fire Plan:**

**Members Present:**

Human Resources Administrator: Wanda Hutchinson  
Chief Administrative Officer: Lonnie Robbins  
Director of Finance: Janet Irvin  
Budget Administrator: Holly Sun  
Representative, Police Department Supervisory Employees:  
    Jason Luckenbaugh (Voting Member in Fiscal Year 2020)  
Representative, Fire and Rescue Supervisory Employees:  
    Vincent Baker (Non-Voting Member in Fiscal Year 2020)  
Representative, International Association of Firefighters, Local 2000:  
    Richard Ruehl  
Representative, Howard County Police Officers' Association, Lodge 21:  
    Nicolas Holocker

**Members Absent**

None.

**Employees Plan:**

**Members Present:**

Human Resources Administrator: Wanda Hutchinson  
Chief Administrative Officer Designee: John Peterson  
Director of Finance Designee: Deputy Director of Finance: Angie Price  
Budget Administrator Designee: Janssen Evelyn  
Employee Representative: Jeff Bronow  
Representative, American Federation of State, County and Municipal  
    Employees Local 3085: Dale R. Chase

### **Members Absent**

Representative, American Federation of State, County and Municipal Employees Local 3080: Melanie Avery

Also present for all or a portion of the meeting were:

Lori Buchman, Department of Finance  
Sima Taghavi, Department of Finance  
Margaret Belmondo, NEPC  
Will Forde NEPC  
Oliver Fadly, NEPC  
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.  
Jamar Herry, Office of Law  
Teresa Reider, Retirement Coordinator  
Scott Southern, Assistant Retirement Coordinator

Wanda Hutchinson acted as Chair of the meeting and Paul Madden acted as secretary.

The members of each Committee unanimously approved the minutes of the February 27, 2020 meeting.

Next, Margaret Belmondo and Will Forde reviewed the February 2020 and March 2020 Flash Reports and updated the Fund's relative performance through March. Will noted that the markets took a quick turn to the negative during March with COVID-19 fears impacting most asset classes, lower oil prices and high unemployment. NEPC expects shocking numbers during the second quarter.

The Master Trust experienced a return of - 10.9%; however, this placed the fund in the 14<sup>th</sup> percentile within the peer group. NEPC noted that the recent changes in allocation favorably impacted quarterly returns. Active managers struggled during the quarter as the Fund's policy index ranked in the 1<sup>st</sup> percentile of the peer group.

Next, Oliver Fadly of NEPC presented educational information about investments in private credit. Private credit is a source of investment capital provided by institutions and high net worth individuals for the purposes of acquiring interests in companies and/or products. The role of private credit in an investment portfolio is as a return enhancer, with the premium earned over other investment options serving to compensate for the liquidity risk, Private credit represents a large investable universe

with approximately \$400 billion raised annually across all private credit strategies over the past three years. Private credit provides diversification because it is not fully correlated with public fixed income. The structure of private credit is similar to private equity; however, the investment cycle is shorter (5-7 years).

NEPC has some high-conviction managers and has negotiated some fee discounts. NEPC proposes to present a distressed debt private credit manager to the Committees during the May 2020 meeting.

Margaret Belmondo presented the private credit pacing plan. The investment policy statement calls for a five percent allocation to private credit. To achieve this allocation with appropriate diversification across strategies and vintage years, NEPC proposes a \$25 million allocation in 2020 and projects allocations of \$25 million per year from 2021 through 2028. The committee agreed that they would like to have the presentation from Carvel at the next meeting.

Next, Terry Reider gave a report on the cost of living adjustment (COLA) for the 2021 fiscal year. The COLA for both plans will be 1.8425%. This compares with the 1.6% adjustment for social security benefits and the 1.812% adjustment for the State Retirement System.

There being no further business, the meeting adjourned.

Respectfully submitted,

*Paul Madden*

Paul W. Madden  
Secretary of the Meeting

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**EXHIBITS  
TO  
MINUTES OF HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT  
PLAN  
AND HOWARD COUNTY RETIREMENT PLAN  
JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES  
April 30, 2020**

1. NEPC Meeting Materials:
  - February and March Flash Reports
  - Private Credit Education
  - Private Credit Pacing Plan
2. COLA Memo -- Teresa Reider
3. CARES Act Provisions Memo - Paul Madden