

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

**JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES
July 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, July 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
Acting Director of Finance: Angie Price
Budget Administrator: Holly Sun
Representative, Police Department Supervisory Employees:
 Jason Luckenbaugh (Non-voting Member in Fiscal Year 2021)
Representative, International Association of Firefighters, Local 2000:
 Richard Ruehl
Representative, Howard County Police Officers' Association, Lodge 21:
 Nicolas Holocker

Members Absent

Representative, Fire and Rescue Supervisory Employees:
 Vincent Baker (Voting Member in Fiscal Year 2021)

Employees Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer Designee: John Peterson
Acting Director of Finance: Angie Price
Budget Administrator Designee: Janssen Evelyn

Members Absent

Representative, American Federation of State, County and Municipal
Employees Local 3085: Dale R. Chase

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

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
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.
Jamar Herry, Office of Law
Scott Southern, Assistant Retirement Coordinator

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

The minutes of the June 25, 2020 meeting were corrected. The corrected minutes were unanimously approved by the members of each Committee.

Wanda Hutchinson addressed a June 25, 2020 communication from Dale Chase. Wanda indicated that she sent an email to Dale prior to the meeting to inquire if he wanted to read the statement into the record himself. Wanda stated that she did not receive a return e-mail from Dale. Dale was not present for the meeting. Thus she read the statement into the record and asked that it be included in the minutes.

Wanda noted that Dale sent copies of the email to George Gisin, Labor Relations Consultant, AFSMCE Council 67, AFL-CIO; and Howard County Council Member Elizabeth Walsh.

"I am a Trustee on the Howard County Retirement plan, and as of this moment at 9:00 am I am on a phone call to exercise my governance duty's, however the number that I was to use from the plan administrator 16504793207 and meeting number VMRMBj5s39 is not allowing for my participation. I do not have assess to reliable internet and web X is not feasible. Given the last months comment on an open mike scenario there was a comment made by someone that should be working for the board not the County stated " are you sure that you want that" immediately preceding a statement from Jansen can you get a participation phone # to Dale so that he can participate. And now it appears that I am locked out of a meeting that I have a right to participate in despite others having discussions about

my comments in my official duties to this board. I am still waiting on my phone for access. I am demanding that this meeting be postponed until the plan administrators or Chairperson get this straightened out. I further demand that this statement be included into the minutes of today's deliberations."

The Chair requested that the text of her response to Dale's email also be included in the minutes:

"Good afternoon Dale,

In response to your message that was sent during the Joint Retirement Plan Committee please be aware of the following:

- 1) I did not see your message until later this afternoon. I do not check my email during meetings, especially when I am chairing the meeting.
- 2) No one from the County locked you out of the meeting. You were able to participate in the closed and last open sessions once you alerted Scott you were having problems. For the record, several days before, each member received instructions and links to both the open and closed meetings.
- 3) You may bring up this matter at the next meeting for it to be recorded in the minutes.

Regards,
Wanda"

During the discussion of Dale's e-mail, other members of the Committees provided the following additional responses:

- This was a case of user error, Dale dialed into the closed meeting, rather than the open meeting.
- Scott monitored the closed meeting, but was unable to identify the individual who had phoned in.

Margaret Belmondo provided the NEPC June Flash Report. The MSCI EAFE (+3.4%) and the MSCI emerging markets (+7.4%) had the strongest monthly returns although their one-year returns (-5.1% and -3.4% respectively) were in negative territory. The preliminary gross return for the fund was +0.5% for the month and +4.5% for the fiscal year. Margaret believes that the fiscal year returns will be above median as compared with peers.

Will Forde reviewed the emerging markets equity manager search. Howard County has two emerging market equity managers currently managing its 5% policy target of \$60 million. DFA (with 2%) manages an emerging market value strategy. GQG (with 3%) manages an emerging market growth strategy

The goal of NEPC's search is to find a potential replacement for DFA's Emerging Market Value strategy in light of its performance. NEPC included value candidates as well as core/growth candidates in the search.

Will explained NEPC's manager research process and its rating system. NEPC suggested that the Joint Committee appoint a subcommittee to interview two value managers and one growth-core manager. The core/growth emerging markets equity managers are Axiom International, Fidelity Select Emerging Markets Equity and Neuberger Berman Emerging Markets Equity. Each of these managers has a number one rating (the highest) from NEPC. The emerging markets value equity managers recommended by NEPC are ARGA International Diversified Strategy, LSV Emerging Market Value Equity and Pzena Emerging Markets Focused Value. ARGA is not yet rated. LSV and Pzena have number one ratings.

Will suggested that the Fidelity Select Emerging Markets Equity would complement GQG and the Joint Committee decided to include Fidelity among the managers being interviewed. The Joint Committee also decided that the subcommittee should interview all three of the emerging markets value equity managers. After asking for volunteers, the Chair appointed a subcommittee consisting of Richard Ruehl, Holly Sun, Dale Chase, Cole Holocker and John Peterson.

Michael Rohrich and Joe Rooney of State Street joined the meeting. Joe advised the Joint Committee that State Street Bank is now offering an interest demand deposit account (IBDDA) that is indexed to the federal funds rate. Currently, overnight funds are invested in a U.S. Government Short Term Investment Fund (GSTIF). The Master Trust did not earn any interest for the months of June and July on the GSTIF account because the fees exceed the current interest rate. Joe Rooney stated that replacing the GSTIF account with the IBDDA would allow the Master Trust to earn an amount equal to the federal funds rate on overnight funds. After discussion and upon motion duly made, seconded and unanimously approved, the Committees approved the proposed change in the investment of overnight funds from the GSTIF to the IBDDA.

The Chair advised the Joint Committee that the Retirement Coordinator, Terry Reider, will retire on August 31, 2020 and the Scott Southern will be Acting Retirement Coordinator pending search for a replacement. The members of the Committees expressed their appreciation for Terry's service.

There being no further business for the Employees Plan Committee, the meeting of that Committee adjourned.

At 10:50 a.m., a motion was made by Richard Ruehl and seconded by Holly Sun to close the meeting of the Police & Fire Plan Committee pursuant to General Provisions

Article § 3-305(b)(1)(ii) to discuss a personnel matter that affects one or more specific individuals. Wanda Hutchinson, Lonnie Robbins, Holly Sun, Jason Luckenbaugh, Cole Holocker and Richard Ruehl voted in favor of the motion. Vince Baker and Angie Price were absent. There were no abstentions or negative votes.

Representatives of the Howard County Retirement Plan were excused. The Committee for the Police & Fire Plan discussed a proposed suspension of benefits for a disability retiree.

The meeting reopened at 11:15 am. On motion duly made, seconded and unanimously approved, it was:

Resolved: that the suspension of benefits of the disability retiree is approved, effective September 1, 2020; and

Further Resolved: that the suspension of benefits will terminate when the disability retiree provides the required information and documentation to the Coordinator.

There being no further business, the meeting of the Police & Fire Plan Committee 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
May 28, 2020**

1. NEPC Meeting Materials:
 - June Flash Report
 - Private Equity Pacing Plan

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