

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

**JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES
June 23, 2022**

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, June 23, 2022 at 9:00 a.m. via WebEx conference and in-person.

Police and Fire Plan:

Members Present:

Human Resources Administrator: Anju Bennett
Director of Finance: Rafiu Ighile
Budget Administrator: Holly Sun
Representative, Police Department Supervisory Employees:
Jason Luckenbaugh (voting Member in Fiscal Year 2022)
Representative, Fire and Rescue Supervisory Employees: Vince Baker (non-voting Member in Fiscal Year 2022)
Representative, Howard County Police Officers' Association, Lodge 21:
Nicolas Holocker
Representative, International Association of Firefighters, Local 2000:
Richard Ruehl

Member Absent

Chief Administrative Officer: Lonnie Robbins (proxy given to Holly Sun)

Employees Plan:

Members Present:

Human Resources Administrator: Anju Bennett
Chief Administrative Officer Designee: John Peterson
Deputy Director of Finance: Angela Price
Budget Administrator Designee: Angela Cabellon
Employee Representative: Jeff Bronow
Representative, American Federation of State, County and Municipal Employees Local 3085: Dale R. Chase (disconnected at 11:15)

Members Absent

Representative, American Federation of State, County and Municipal Employees
Local 3080: Nika Willis

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

Scott Southern, Retirement Coordinator
Karen Gerald, Assistant Retirement Coordinator
Sima Taghavi, Department of Finance
Margaret Belmondo, NEPC; Francesca LoVerde, NEPC; Kevin Leonard, NEPC
Jamar Herry, Office of Law
Mary Claire Chesshire, Whiteford, Taylor & Preston L.L.P.
Brandee Ganz, Chief Information Officer

Anju Bennett acted as Chair of the meeting; Mary Claire Chesshire acted as Secretary.

Ms. Bennett advised the meeting that Nika Willis has been appointed to replace Melanie Avery as a member of the Retirement Plan Committee for the Employees Plan representing Local 3080.

Ms. Bennett referenced an email communication she recently sent to Committee members advising of a change within the investment advisor NEPC. While Margaret Belmondo will continue to be the primary consultant, Will Forde has taken a new position within NEPC handling equity initiatives. He will be replaced on the NEPC Howard County team by Kevin Leonard. NEPC requested a change in meeting dates and Ms. Bennett requested input of the Committees. The Committees agreed to move future meeting dates to the third Wednesday of each month. The Committees agreed with the scheduling change. The next meeting date is scheduled for July 20, 2022.

A HCRP appeal hearing is scheduled for July 13, 2022.

Ms. Bennett informed the Committees that Dale Chase was approached by BlackRock about conducting a no-fee peer review of the Plans' investments. She asked NEPC and Mr. Ighile to provide insight on the matter. Ms. Belmondo provided the Committees with an overview of the peer review process. As of now, the universe of peers identified by BlackRock are ten. Ms. Belmondo recommended that the County wait to have this peer review conducted until the universe is larger or to ask that the universe be broadened. Mr. Ighile noted that he receives requests from various consultants and investment advisory firms like BlackRock to participate in a peer review on a weekly basis. Ms. Belmondo stressed that the report generated by the process is valuable and

that NEPC will support and assist with the response. The Committees agreed with Ms. Bennett's recommendation to table the topic for one or two meetings and asked Mr. Ighile and NEPC for ideas as to what groups can provide a conflict-free peer review.

Upon motion made by Jason Luckenbaugh and seconded by Rafiu Ighile, the minutes of the May 26, 2022 meeting of the Committees were unanimously approved.

Bhaskaran Swaminathan then joined the meeting in person and Scott Kemper joined virtually to present their report on the performance of the LSV U.S. Large Cap Value investment. Dr. Swaminathan and Mr. Kemper provided an overview of LSV's process and an economic overview noting the impact of inflation and the war in Ukraine on the investments. Since the Master Trust's investment on May 4, 2000, the \$20.4 million invested has grown to \$106 million, including a \$4.1 million withdrawal. Since inception, the investment has returned 9.9% compared to the index performance of 7.5%, annualized. 2018 through 2021 were the most difficult years relative to the index, but 2022 is looking up for large cap value investments. Dr. Swaminathan and Mr. Kemper provided an overview of the performance on a quarterly basis and an overview of the sector weighting, compared to the Russell 1000 and S & P 500 Indices.

Dr. Swaminathan and Mr. Kemper left the meeting at 10:07 a.m.

Alex Simcox and Peter Riviello then joined the meeting to present on the performance of the Mondrian International Equity Fund, L.P. Mr. Simcox and Mr. Riviello provided an overview of the methodology and performance in this income-oriented, value discipline. The drivers of performance are stock selection within well-performing sectors such as energy. The United Kingdom and Japan are undervalued. China's inability to vaccinate has had a negative impact on the supply chain. Mr. Simcox and Mr. Riviello reviewed for the Committees the portfolio holdings as of March 31, 2022 comparing the geographic allocations, price/earnings ratio, sector allocation, and dividend yield to the MSCI EAFE index.

Mr. Simcox and Mr. Riviello left the meeting at 10:36.

Margaret Belmondo and Kevin Leonard then provided an overview of the market in general and a review of the Flash Report. NEPC's expectation is that the Fed will continue to raise rates and rising yields will result in the equity markets falling. The total fund performance for May was 0.3 compared to the Policy Index of 0.1. Ms. Belmondo noted that the private equity and private debt allocations report allocations quarterly and not monthly. The performance of the Baillie Gifford EAFE of (26.8) fiscal year to date compared to the MSCI EAFE of (9.4) was noted; however, the more appropriate comparison is to the MSCI EAFE Growth index. Ms. Belmondo will ensure that Baillie presents to the Committees soon. Finally, the hedge funds are "doing their jobs."

Ms. Belmondo noted that LSV is given a “2” rating by NEPC and most of the other funds are rated a “3” for “neutral.” Mondrian is doing well compared to the index.

Howard County CIO Brandee Ganz then provided an overview of the County’s cyber security liability insurance including an overview of steps the County takes on an ongoing basis to ensure the security of the County’s systems. Brandee collaborates with other local governments and intra-County agencies regularly and the County engages third parties to monitor its systems. Finally, the County maintains cybersecurity liability insurance through the Local Government Investment Trust and requires vendors to maintain liability and cybersecurity coverage.

At 11:20 a.m., a motion was made by Angie Price and seconded by Angela Cabellon to close the meeting pursuant to General Provisions Article Section 3-305(b)(1)(ii) to discuss a personnel matter that affects one or more specific individuals. Anju Bennett, John Peterson, Angie Price, Angela Cabellon, Jeff Bronow voted in favor of the motion. Dale Chase and Nika Willis were absent; there were no negative votes or abstentions.

At 11:23 a.m., a motion was made by Richard Ruehl and seconded by Rafiu Ighile to close the meeting pursuant to General Provisions Article Section 3-305(b)(1)(ii) to discuss a personnel matter that affects one or more specific individuals. Anju Bennett, Rafiu Ighile, Holly Sun, Jason Luckenbaugh, Vince Baker, Nicolas Hocker, and Richard Ruehl voted in favor of the motion. Lonnie Robbins was absent; there were no negative votes or abstentions.

Scott Southern, Karen Gerald, Jamar Herry, Sima Taghavi, and Mary Claire Chesshire also participated in the closed session. Members of the Police and Fire Plan Committee did not participate in the closed session.

During the closed session, Scott Southern presented the annual disability re-certification process and the potential suspension of benefits for one participant.

At 12:00, the meeting reopened.

Scott Southern then reviewed the updated policy on military service credit and the change in the repayment requirement of employee contributions when a participant returns to County employment from active-duty military service.

At 12:03 p.m., a motion was made by John Peterson and seconded by Jeff Bronow to close the meeting pursuant to General Provisions Article Section 3-305(b)(7) to consult with legal counsel to obtain legal advice on a legal matter. Anju Bennett, John Peterson, Angie Price, Angela Cabellon, and Jeff Bronow voted in favor of the motion. Dale Chase and Nika Willis were absent; there were no negative votes or abstentions.

At 12:05 p.m., a motion was made by Richard Ruehl and seconded by Rafiu Ighile to close the meeting pursuant to General Provisions Article Section 3-305(b)(7) to consult with legal counsel to obtain legal advice on a legal matter. Anju Bennett, Rafiu Ighile, Holly Sun, Jason Luckenbaugh, Nicolas Hocker, and Richard Ruehl voted in favor of the motion. Lonnie Robbins and Vince Baker were absent; there were no negative votes or abstentions.

Scott Southern, Karen Gerald, Jamar Herry, Sima Taghavi, and Mary Claire Chesshire also participated in the closed session.

At 12:33 p.m., the meeting reopened. During the closed session, the Committees discussed resolution of issues surrounding the Plans' operations with respect to awarding credit for military service and made requests of the Retirement Office for further information.

There being no further business, at 12:34 p.m., John Peterson made a motion to adjourn the meeting, seconded by Jeff Bronow and unanimously approved by Committee members.

Respectfully submitted,

Mary Claire Chesshire

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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
June 23, 2022**

1. Presentation by LSV Asset Management, June 23, 2022
2. Presentation by Mondrian Investment Partners, June 23, 2022
3. NEPC Open Session Meeting Materials, June 23, 2022

May Preliminary Performance Report
Large Cap Value Review
International Developed Large Cap Value Review
Work Plan Review

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