

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

**JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES
May 26, 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, May 26, 2022 at 9:00 a.m. via WebEx conference.

Police and Fire Plan:

Members Present:

Chief Administrative Officer: Lonnie Robbins
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

Members Absent

Human Resources Administrator: Anju Bennett

Employees Plan:

Members Present:

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

Member Absent

Human Resources Administrator: Anju Bennett

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
Jamar Herry, Office of Law
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.

In Ms. Bennett's absence, Lonnie Robbins acted as Chair of the meeting; Paul Madden acted as secretary. Mr. Madden explained a proposed change to the minutes of the March 24 meeting. The minutes as presented were approved by the members of each Committee.

Acting Chair Robbins noted that Melanie Avery has resigned as the representative of AFSME Local 3080 because she is no longer a member of the bargaining group. Acting Chair Robbins further stated that a revised military service policy will be presented to the Committees at the June 2022 meeting.

Dale Chase reported on the actions he took as delegate to the NCPERS conference. Mr. Chase reported that the delegates approved a national committee and that he was elected as chair. The delegates did not vote on any policy positions.

Sima Taghavi reported on the Statement of Revenues and Expenses, Budget vs. Actual, as of March 31, 2022 for the Employees Plan. Sima reported that contributions, benefits and expenses were in line with the budget. The Employees Plan had investment losses of \$8.3 million, which was -18% below the budgeted investment income. The Employees Plan experienced a net operating loss of \$11.6 million. The fiduciary net position for the Employees Plan is \$615.5 million as of March 31, 2022.

Next, Sima Taghavi reported on the Statement of Revenues and Expenses, Budget vs. Actual, as of March 31, 2022 for the Police & Fire Plan. Sima reported that contributions, benefits and expenses were close to the budget. The Police & Fire Plan had fiscal year to date investment losses of \$9.4 million, which was -15.4% below the budgeted investment income. The Police & Fire Plan experienced a net operating loss of \$5.8 million. The fiduciary net position for the Police & Fire Plan is \$820 million as of March 31, 2022.

Margaret Belmondo, partner, presented the NEPC performance report for the calendar quarter ending March 31, 2022. The Plans lost 3.8% for the quarter (gross), which

was below median in the 55th percentile in the Public DB peer group. For the trailing one year, the fund gained 6.5% which ranked in the 59th percentile. The fiscal year to date return was 1.0%. Looking at the Plans' risk adjusted returns, the Plans' have achieved slightly lower returns than peers while taking less risk over 3-year and 5 -year periods.

Ms. Belmondo presented the April 2022 Preliminary Performance Report. The total fund lost 4.5% for the month. The fiscal year to date return is -3.6%. The market value of the fund as of April 30, 2022 was \$1.37 billion.

Ms. Belmondo also reviewed the private market performance through December 31, 2021. The private equity allocation continues its strong performance with an internal rate of return since inception of 19.48%.

Under the private debt pacing plan, the Howard County Master Trust should commit \$25 million to private debt strategies in the next 12 months. NEPC recommends a \$25 million commitment to Kennedy Lewis Fund III.

At 10:15 a.m., a motion was made by Angela Cabellon and seconded by Angie Price to close the meeting pursuant to General Provisions Article § 3-305(b) to consider the investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents disclosures about a particular matter or proceeding. John Peterson, Angie Price, Angela Cabellon, Jeff Bronow, and Dale Chase voted in favor of the motion. Anju Bennett was absent; there were no negative votes or abstentions.

At 10:16 a.m., a motion was made by Richard Ruehl and seconded by Jason Luckenbaugh to close the meeting pursuant to General Provisions Article § 3-305(b) to consider the investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosures about a particular matter or proceeding. Lonnie Robbins, Rafiu Ighile, Holly Sun, Jason Luckenbaugh, Vincent Baker, Cole Holocker, and Richard Ruehl voted in favor of the motion. Anju Bennett was absent; there were no negative votes or abstentions.

Margaret Belmondo, Will Forde, Francesca LoVerde, Jamar Herry, Paul Madden, Scott Southern, Karen Gerald and Sima Taghavi also participated in the closed session. During the closed session, David Chene and Ben Schryber made a presentation on behalf of Kennedy Lewis and the Committees discussed a potential investment of \$25 million in the Kennedy Lewis Fund III

When the meeting reopened at 11:25 a.m., the Joint Committee adopted the following resolution:

Resolved: that the Joint Committees accept the recommendations of NEPC to invest \$25 million in Kennedy Lewis Fund III and to select the fee structure with a 1% management fee on committed capital and 12.5% incentive, subject to the completion of legal due diligence and the negotiation of acceptable subscription documents.

Dale Chase voted against the motion.

Next Margaret Belmondo concluded NEPC's presentation on the April 2022 Preliminary Performance Report. Ms. Belmondo noted that Baillie Gifford, which significantly underperformed during the first quarter of 2022, had positive performance for the month of April.

The Committee discussed the timing for a return to in-person meetings. There being no further business, the meeting adjourned.

Respectfully submitted,

Paul Madden

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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
May 26, 2022**

1. Unaudited financial statements as of March 31, 2022 for the Employees Plan.
2. Unaudited financial statements as of March 31, 2022 for the Police & Fire Plan
3. NEPC Open Session Meeting Materials, May 26, 2022:

Q1 2022 Market Environment
Q1 2022 Total Fund Performance
Q4 2021 Private Markets Report
April 2022 Preliminary Performance Report
Private Markets Pacing Plan: Private Debt
Work Plan Review

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