

**MINUTES OF THE  
MEETING OF THE PENSION OVERSIGHT COMMISSION  
August 16, 2022**

A meeting of the Pension Oversight Commission (POC) for the Howard County Retirement Plan and the Howard County Police and Fire Employees' Retirement Plan was held Tuesday, August 16, 2022 at 11:30 a.m. via WebEx online event. Present for all or part of the meeting were the following voting members of the Commission:

Jae Chon  
Lou Hutt  
Dave Jordan  
Michelle RhodesBrown  
Mitchell Stringer

Also present for all or part of the meeting were Ms. Ann Sturner and Mr. Jordan McClane from Bolton, and Scott Southern, Karen Gerald and Nike Yahaya from the Office of Human Resources.

The meeting started at 11:38 a.m.

Mr. Stringer chaired the meeting while Ms. Gerald served as secretary.

The minutes from the August 3, 2022 POC meeting were approved. Mr. Chon abstained in light of his absence on August 3<sup>rd</sup>.

Mr. Southern introduced Bolton actuaries Ann Sturner and Jordan McClane, and both provided details on their professional backgrounds and history working with the Howard County plans.

The Commission members opened the discussion by inquiring about key assumptions that are typically made during the annual valuation process, and if there have been years where the retirement plan committee may have disagreed with the key assumptions. Ms. Sturner commented that the key assumptions are best estimates and feedback from the retirement plan committee and county investment advisors may result in a change to a key assumption. For example, the proposed FY21 discount rate decreased from 7.3% to 7.25% following discussions with the retirement plan committee and the investment advisors.

Ms. Sturner also commented that Bolton prepares an experience study every 4 years, and that the results of the current experience study will be presented to the retirement plan committee in September. The experience study results are a driving factor in setting the key assumptions.

The Commission members asked for insight on instances where the actuarial recommended county contribution percentage to the retirement plan, may be increased or decreased for a specific fiscal year. Mr. Southern and Ms. Sturner noted that the county has always met or

exceeded Bolton's plan funding recommendations. As budget conditions permit, the county may increase the retirement contribution percentage as a hedge against future years where extra funds may not be available. The fact that the county funds the plans with a percentage of payroll instead of a specified dollar amount was noted as a positive feature, because salary increases during the fiscal year will be reflected in the county contribution.

The Commission members inquired about either a 15-year or 30-year amortization goal for any unfunded pension liability. Ms. Sturner noted that for FY21 the Howard County Retirement Plan was 100.5% funded and the Police & Fire plan was 90% funded. The unfunded liability for the Police & Fire plan is amortized for 1 - 15 years. Bolton is happy the HCRP has also adopted the tenure, since it is a good funding policy.

Mr. McClane shared details on the personnel data used to prepare the annual valuation report, and resources used during the experience study such as national surveys. These surveys look at trends for the past 20 years as well as into the future.

Regarding the draft POC annual report, Mr. Jordan asked if there were any benchmarks on typical administrative costs. Mr. Southern will research this and supply the information to the Commission members.

With no further issues to discuss, the meeting was adjourned at 12:16 p.m.

Respectfully Submitted,

DocuSigned by:

*Karen Gerald*

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Karen Gerald

Office of Human Resources