



**EMPLOYEES' RETIREMENT SYSTEM**  
The Maryland-National Capital Park and Planning Commission

***REGULAR BOARD OF TRUSTEES MEETING  
MINUTES***

***Tuesday, April 6, 2010; 10:00 A.M.  
ERS/Merit Board Conference Room***

The regular meeting of the Board of Trustees convened in the ERS/Merit Board Conference Room on Tuesday, April 6, 2010 at 10:00 a.m. Voting members present were: Khalid Afzal, Richard Bucher, Ph.D., Barbara A. Funk, Elton King, Samuel J. Parker, Jr., and Alfred Warfield. Patricia Barney arrived at 10:23 a.m. Joseph Alfandre, Guy Jones and Gino Renne were not present.

ERS staff included: Andrea L. Rose, Administrator; Heather D. Brown, Administrative Assistant; and, Sheila S. Joynes, Accounting Manager.

Presentations made by Lord, Abbett & Company - Milton Ezrati Partner and Senior Economist and Market Strategist and Steve Hanson, Director of Public Fund Services.

1. Approval of the April 6, 2010 Board of Trustees Meeting Agenda

MS. FUNK made a motion, seconded by DR. BUCHER to approve the April 6, 2010 Board of Trustees Meeting Agenda, as submitted. The motion PASSED unanimously (6-0). (Motion #10-41)

2. Minutes of Regular Meeting, March 2, 2010

MS. FUNK made a motion, seconded by DR. BUCHER to approve the Minutes of Regular Meeting, March 2, 2010, as submitted. The motion PASSED unanimously (6-0). (Motion #10-42)

3. Minutes of Executive Session, March 2, 2010

MS. FUNK made a motion, seconded by DR. BUCHER to approve the Minutes of Executive Session, March 2, 2010, as submitted. The motion PASSED unanimously (6-0). (Motion #10-43)

4. Chairman's Items

5. Miscellaneous

6. Disbursements Granted Report – February 2010

DR. BUCHER made a motion, seconded by MS. FUNK to ratify the Disbursements Granted Report – February 2010. The motion PASSED unanimously (6-0). (Motion #10-44)

7. Board of Trustees Conference Summary

8. Economic Update  
Presentation by Lord, Abnett & Company - Milton Ezrati Partner and Senior Economist and Market Strategist and Steve Hanson, Director of Public Fund Services

MS. BARNEY arrived at 10:23 a.m.

9. Report of the Administrator  
Presentation by Administrator, Andrea L. Rose
  - a. Northern Account Balance – March 19, 2010
  - b. Recommendation for Approval of Investment Manager Guidelines for Earnest Partners
  - c. Recommendation for Approval of Revised Investment Manager Guidelines for Western Asset Management

MR. AFZAL made a motion, seconded by MS. BARNEY to approve the Investment Manager Guidelines for Earnest Partners. The motion PASSED unanimously (7-0). (Motion #10-45)

MS. FUNK made a motion, seconded by MS. BARNEY to approve the revised Investment Manager Guidelines for Western Asset Management. The motion PASSED unanimously (7-0). (Motion #10-46)

10. Investment Monitoring Group  
Presentation by Committee Chairman, Patricia Barney
  - a. Regular Report of March 16, 2010
    - i. Recommendation for Approval of the Revised Statement of Investment Policy that Incorporates the ACWI-Ex U.S. Allocation, as well as, Updated 2010 Asset Class Assumptions
    - ii. Recommendation for Approval of Extension of Wilshire Associates' Contract with Expiration June 30, 2011

MS. BARNEY made a motion, seconded by MR. AFZAL to approve the Revised Statement of Investment Policy that incorporates the ACWI-Ex U.S. Allocation, as well as, updated 2010 asset class assumptions. The motion PASSED unanimously (7-0). (Motion #10-47)

DR.BUCHER made a motion, seconded by MR. WARFIELD to approve the extension of Wilshire Associates' contract with expiration June 30, 2011. The motion PASSED unanimously (7-0). (Motion #10-48)

11. Audit Committee  
Presentation by Richard H. Bucher, Ph.D.
  - a. Regular Report of April 1, 2010

Audit Committee Chairman, Alfred Warfield, requested that Richard H. Bucher, Ph.D. replace him on the Audit Committee for evaluation and selection of an auditor. Mr. Warfield had a conflict of interest; his daughter is employed by McGladrey & Pullen.

The Maryland-National Capital Park and Planning Commission and the Employees' Retirement System issued a joint Request for Proposal (RFP) for Auditing Services on February 1, 2010. Responses were due by March 8, 2010. Responses were received from the following firms: Lindeire & Company, SB & Company, LLC, Clifton Gunderson, LLP, and McGladrey & Pullen.

The firms were evaluated based upon key personnel and allocation of hours; qualifications and relevant experience of the auditing firm; government and/or retirement experience and training of staff assigned to the audit; proposed fees; and methodology and approach. Following discussion of the four firms, the Committee awarded the incumbent, Clifton Gunderson, LLP, the contract for 3 years with the option for an additional 2 years.

The Board of Trustees meeting of April 6, 2010 adjourned at 11:45 a.m.

Respectfully,

Heather D. Brown  
Administrative Assistant

Andrea L. Rose  
Administrator