



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

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

***Tuesday, June 1, 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, June 1, 2010 at 10:00 a.m. Voting members present were: Khalid Afzal, Joseph Alfandre, Richard Bucher, Ph.D., Barbara A. Funk, Guy Jones, Samuel J. Parker, Jr., and Alfred Warfield. Patricia Colihan Barney arrived at 10:05 a.m. Elton King and Gino Renne were not present.

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

1. Approval of the June 1, 2010 Board of Trustees Meeting Agenda

Item 5.e was added to the Agenda.

MS. FUNK made a motion, seconded by DR. BUCHER to approve the June 1, 2010 Board of Trustees Meeting Agenda, as revised. The motion PASSED unanimously (7-0). (Motion #10-54)

MS. BARNEY arrived at 10:05 a.m.

2. Minutes of Regular Meeting, May 4, 2010

MS. FUNK made a motion, seconded by DR. BUCHER to approve the Minutes of Regular Meeting, May 4, 2010, as submitted. The motion PASSED unanimously (8-0). (Motion #10-55)

3. Minutes of Executive Session, May 4, 2010

MS. BARNEY pointed out in paragraph 5 – “hand” should be “handed”.

MR. JONES made a motion, seconded by DR. BUCHER to approve the Minutes of Executive Session, May 4, 2010, as amended. The motion PASSED unanimously (8-0). (Motion #10-56)

4. Minutes of Special Meeting, Teleconference, May 18, 2010

DR. BUCHER made a motion, seconded by MS. FUNK to approve the Minutes of Special Meeting Teleconference, May 18, 2010, as submitted. The motion PASSED unanimously (8-0). (Motion #10-57)

5. Chairman's Items

- a. Resolution for Bi-County Trustee, Alfred Warfield

MINUTES, AS APPROVED, AT THE JULY 6, 2010 BOARD OF TRUSTEES MEETING

Bi-County Trustee, Alfred Warfield, is retiring from the Commission on June 30, 2010. CHAIRMAN PARKER presented a Resolution for Mr. Warfield.

b. Approval of Prince George's County Commissioner for term ending June 30, 2013

MS. BARNEY made a motion, seconded by MS. FUNK to approve Samuel J. Parker, Jr. as the Prince George's County Commissioner for the term ending June 30, 2013. The motion PASSED unanimously (8-0). (Motion #10-58)

c. Approval of Municipal County Government Employees Organization Represented Trustee for term ending June 30, 2013

The President of the Municipal County Government Employees Organization (MCGEO) appointed Gail Heath as the new Represented Trustee for the term ending June 30, 2013.

MS. BARNEY made a motion, seconded by MR. JONES to approve Gail Heath as the MCGEO Represented Trustee for the term ending June 30, 2013. The motion PASSED unanimously (8-0). (Motion #10-59)

d. Approval of Fraternal Order of Police Represented Trustee for term ending June 30, 2013

The Fraternal Order of Police (FOP) reelected Guy Jones as the Represented Trustee for the term ending June 30, 2013.

DR. BUCHER made a motion, seconded by VICE CHAIRMAN ALFANDRE to approve Guy Jones as the FOP Represented Trustee for the term ending June 30, 2013. The motion PASSED unanimously (8-0). (Motion #10-60)

e. Approval of Barbara Walsh as the new Bi-County Trustee to complete the term ending June 30, 2011

Due to the retirement of Bi-County Open Trustee Alfred Warfield, a Notice of Election was called. In accordance with election procedures, a Notice of Election was placed in *Update* and on the Commission's website in May 2010. Applications were due in the ERS Office, May 28, 2010 by 5:00 p.m. Barbara Walsh was the only applicant and has been determined to have won by acclamation.

MS. BARNEY made a motion, seconded by MR. JONES to approve Barbara Walsh as the Bi-County Trustee to complete the term ending June 30, 2011. The motion PASSED unanimously (8-0). (Motion #10-61)

6. Miscellaneous

7. Disbursements Granted Report – April 2010

DR. BUCHER made a motion, seconded by MR. AFZAL to ratify the Disbursements Granted Report – April 2010. The motion PASSED unanimously (8-0). (Motion #10-62)

8. Board of Trustees Conference Summary

a. Guy Jones – Conference Report: Wilshire 2010 Client Conference

MINUTES, AS APPROVED, AT THE JULY 6, 2010 BOARD OF TRUSTEES MEETING

9. Report of the Administrator
 - Presentation by Administrator, Andrea L. Rose
 - a. Northern Account Balances – May 20, 2010
 - b. Recommendation to Approve the Transfer of \$6,450,000 to Cover Administrative Expenses and Benefit Payments June – August 2010

MS. BARNEY made a motion, seconded by DR. BUCHER to approve the transfer of \$6,450,000 to cover administrative expenses and benefit payments June – August 2010. The motion PASSED unanimously (8-0). (Motion #10-63)

- c. Robbins Geller Rudman & Dowd letter dated May 12, 2010 re: Name Change of Firm
- d. Capital Guardian letter dated May 17, 2010 re: Non-U.S. equity mandate
- e. Eaton Vance letter dated May 18, 2010 re: Transition Leadership for Institutional and International Distribution

10. Investment Monitoring Group
 - Presentation by Committee Chairman, Patricia Barney
 - a. Regular Report of May 18, 2010

11. Member Education Committee
 - Presentation by Committee Chairman, Khalid Afzal
 - a. Regular Report of May 18, 2010

12. Administration & Personnel Oversight Committee
 - Presentation by Committee Chairman, Richard D. Bucher, Ph.D.
 - a. Regular Report of May 18, 2010
 - b. Special Meeting Report of May 26, 2010
 - i. Recommendation to Approve an Increase in the Limit of Liability for the Fiduciary Liability Insurance to \$7,500,000 with an Annual Premium of \$31,150 and a \$50,000 Deductible

DR. BUCHER reported that a Special Administration and Personnel Committee Meeting convened via conference call to discuss the renewal of the Fiduciary Liability Insurance Policy for the term July 1, 2010 to July 1, 2011. Insurance companies are looking more critically at the underfunding status of pension plans and addressing either through rate increases or higher deductibles. The ERS' Insurance Agent from B.F. Saul, Scott Armstrong, believes that mandatory deductibles will be part of the future landscape for fiduciary liability insurance coverage. Trustees discussed coverage held by comparable plans and determined coverage was on the lower end and should be increased.

DR. BUCHER made a motion, seconded by VICE CHAIRMAN ALFANDRE to approve an increase in the limit of liability for the Fiduciary Liability Insurance to \$7,500,000 with an Annual Premium of \$31,150 and a \$50,000 deductible. The motion PASSED unanimously (8-0). (Motion #10-64)

- c. *Confidential* Report of May 18, 2010

13. Executive Session

DR. BUCHER made a motion, seconded by MR. JONES to go into Executive Session under authority of State Government Article 10-508(a)(7) to discuss investment of public funds. The motion PASSED unanimously (8-0). (Motion #10-65)

MS. BARNEY made a motion, seconded by DR. BUCHER to ratify the actions taken in Executive Session. The motion PASSED unanimously (8-0). (Motion #10-69)

The Board of Trustees meeting of June 1, 2010 adjourned at 11:30 a.m.

Respectfully,

Heather D. Brown
Administrative Assistant

Andrea L. Rose
Administrator