



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

BOARD OF TRUSTEES MEETING MINUTES

Tuesday, February 7, 2023; 10:00 a.m.

Kenilworth Office Building, Riverdale, MD

(Virtual Meeting via Microsoft Teams)

The Maryland-National Capital Park and Planning Commission ("Commission") Employees' Retirement System ("ERS") Board of Trustees ("Board") met virtually through Microsoft Teams with CHAIR SHAPIRO leading the call on Tuesday, February 7, 2023. The meeting was called to order at 10:07 a.m. by CHAIR SHAPIRO.

Board Members Present

Peter A. Shapiro, Board of Trustees Chair, Prince George's County Commissioner
Amy L. Presley, Board of Trustees Vice Chair, Montgomery County Commissioner
Asuntha Chiang-Smith, M-NCPPC Executive Director, Ex-Officio
Gavin Cohen, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio
Pamela F. Gogol, Montgomery County Public Member
Caroline McCarthy, Montgomery County Open Trustee
Sheila Morgan-Johnson, Prince George's County Public Member
Theodore J. Russell III, Prince George's County Open Trustee
Elaine A. Stookey, Bi-County Open Trustee
Howard Brown, FOP Represented Trustee
Lisa Blackwell-Brown, MCGEO Represented Trustee

Arrived at 10:09am

ERS Staff Present

Andrea L. Rose, Executive Director
Sheila Joynes, Accounting Manager
Alicia C. Stanford, Administrative Specialist

Presentations

Debra Borden – M-NCPPC, General Counsel
Ben Rupert – M-NCPPC, Principal Legal Counsel

ITEM 1. APPROVAL OF THE FEBRUARY 7, 2023, CONSENT AGENDA

ACTION: VICE CHAIR PRESLEY made a motion, seconded by MS. MCCARTHY to approve the Consent Agenda of February 7, 2023 with minor changes to the Open Session Minutes of December 6, 2022 suggested by Mr. Cohen. The motion PASSED (11-0) (Motion # 23-1).

ITEM 2. CHAIR'S ITEMS - Conference and Training Summary 2023 was presented by CHAIR SHAPIRO. No comments or inquiry from the Board.

ITEM 3. MISCELLANEOUS - No items to report.

ITEM 4. CONSULTATION/MANAGER PRESENTATIONS

ITEM 4.A. M-NCPPC Office of the General Counsel- Presentation by Debra Borden, General Counsel and Ben Rupert, Principal Counsel

Debra Borden, General Counsel, and Ben Rupert, Principal Counsel, presented the 2023 Ethics and Fiduciary Responsibility Workshop. Trustees of the ERS Board of Trustees and Commission's 115 Trust were provided 2023 Fiduciary Ethics Workshop Background Materials for review prior to the training. The training included a discussion of the legal requirements as a Trustee (States and Trust Article – 14.5 of the Maryland Code), the 5 rules of public trust, proper conduct, ethical traits, the 6 key fiduciary duties, decisional standards, compliance obligations, prohibited transactions, whistleblowing, co-fiduciary responsibility, conflicts of interest, corporate governance, acting objectively, and how to navigate wearing two hats. ERS Ethics training is mandatory and provided annually to Trustees.

ITEM 5. COMMITTEE REPORTS/RECOMMENDATIONS

ITEM 5.A. Investment Monitoring Group

Ms. Morgan-Johnson provided an overview of the Investment Monitoring Group (“IMG”) meeting of December 20, 2022. At the meeting, Bradley Baker, Wilshire Advisors LLC, presented a manager review of HarbourVest Partners Credit Opportunities Fund (COF) II. COF II is a diversified portfolio of sponsor backed debt securities (60-70%) and credit securities with equity appreciation (30-40%). Target net returns are 13-16%. COF II has total committed capital of approximately \$833 million. COF II is expected to make its final investment in the 4th quarter of 2022. COF II is presently on pace to meet its target net return.

The IMG, Wilshire Advisors and staff began a comprehensive review of the Statement of Investment Policy back in September 2022. Major updates included revisions to the target exposures and expected ranges to reflect the revised asset allocation approved in April 2022, authority for the Executive Director, in consultation with the Investment Consultant to rebalance asset class exposures, and distinct roles and responsibilities, as recommended by Wilshire Advisors. The IMG recommended the revised Statement of Investment Policy to the Board for approval.

ACTION: MR. RUSSELL made a motion, seconded by MS. GOGOL to approve the revised Statement of Investment Policy, as recommended by Wilshire Advisors. The motion PASSED (11-0) (Motion # 23-2).

Ms. Morgan-Johnson provided an overview of the IMG meeting of January 17, 2023. At the meeting, Bradley Baker, Wilshire Advisors LLC, presented a manager review of Golub Capital Partners (GCP) Opportunistic Fixed Income Funds 9 and 11. GCP focuses on senior, secured loans in the middle market, direct lending segment of the private credit industry. As of September 30, 2022, GCP Funds 9 and 11 had an IRR of 9.5% and 9.3% and TVPI of 1.69x and 1.32x, respectively. GCP 9 outperformed the peer median IRR of 6.7% and TVPI of 1.23x. GCP 11 outperformed the peer median TVPI of 1.20x and matched the peer median IRR of 9.3%.

ITEM 5.B. Administration & Personnel Oversight Committee

Ms. Rose provided an overview of the Administration & Personnel Oversight Committee (“Personnel Committee”) meeting of January 17, 2023. The Personnel Committee held three working sessions on development of a Governance Manual to incorporate language from existing policies, propose revisions to existing language and include new language for certain sections. The Governance Manual dated February 2023 incorporated the Rules of Procedure, Travel Policy, and Conference Attendance Policy; replaced certain terms such as “Chairman” and “Vice Chairman”

with “Chair” and “Vice Chair” and “Administrator” and “Deputy Administrator” with “Executive Director” and “Deputy Executive Director”; created Committee Charters; and included revisions to allow the Board to meet via video conferencing technology. The Personnel Committee recommended the Governance Manual dated February 2023 to the Board for approval.

ACTION: VICE CHAIR PRESLEY made a motion, seconded by MR. COHEN to approve the Governance Manual dated February 2023. The motion PASSED (11-0) (Motion # 23-3).

ITEM 6. ADMINISTRATOR’S REPORT

Ms. Rose presented the Administrator’s Report dated January 25, 2023. Ms. Rose informed the Board that as part of the financial statements review, the auditors, SB & Company, reviewed the Schedule K-1s to determine if additional IRS filing requirements are required based on the underlying activity of the partnership. This review determined no additional IRS filing requirements for the ERS. Ms. Rose informed the Board that candidates have been identified for two (2) new staff positions, a Senior Retirement Benefits Analyst and Deputy Executive Director. Background checks are underway. Lastly, the Bi-County Open Trustee and Montgomery County and Prince George’s County Public Members seats are set to expire on June 30, 2023. Staff are working on a calendar for the election/appointment for each vacant seat and will provide deadlines next month.

ITEM 7. CLOSED SESSION

ACTION: At 11:22 a.m., MS. BLACKWELL-BROWN made a motion, seconded by MS. CHIANG-SMITH to go into Closed Session under authority of the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(1), to discuss the performance evaluation of an employee, and the compensation of a different employee, over whom this public body has jurisdiction, and other personnel matters that affect the specific individuals; Section 3-305(b)(5), to consider matters directly concerning the actual investment of public funds under the authority of this Board; and Section 3-305(b)(7), to consult with counsel on matters related to the compensation of an employee. The motion PASSED (11-0). (Motion #23-4).

During Closed Session, the following action was taken:

1. The Board resolved a member appeal.
2. The Board approved Amendments to Investment Management Agreements for Eaton Vance and Capital International, Inc.
3. The Board discussed the performance evaluation of an employee and approved a recommendation from the Administration & Personnel Oversight Committee.

Board of Trustees in Closed Session: Chair Shapiro, Vice Chair Presley, Gavin Cohen, Lisa Blackwell-Brown, Sheila Morgan-Johnson, Theodore Russell III, Elaine Stookey, Caroline McCarthy, Howard Brown, Asuntha Chiang-Smith, and Pamela Gogol.

ACTION: VICE CHAIR PRESLEY made a motion, seconded by MS. STOOKEY to ratify items taken in Closed Session. The motion PASSED (11-0) (Motion # 23-9).

ITEM 8. ADMINISTRATIVE FUNCTIONS

The Board recessed to perform administrative functions not subject to the Open Meetings Act, pursuant to Section 3-104 of the General Provisions Article of the Annotated Code of Maryland.

The Board meeting of February 7, 2023, adjourned at 12:24 a.m.

Respectfully,

Alicia C. Stanford

Alicia C. Stanford
Administrative Specialist

Andrea L. Rose

Andrea L. Rose
Executive Director