



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

**BOARD OF TRUSTEES MEETING MINUTES**  
**Tuesday, October 1, 2024; 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 with CHAIR SHAPIRO leading the meeting on Tuesday, October 1, 2024. The meeting was called to order at 10:01 a.m. by CHAIR SHAPIRO.

**Board Members Present**

Peter A. Shapiro, Board of Trustees Chair, Prince George’s County Commissioner

James Hedrick, Board of Trustees Vice Chair, Montgomery County Commissioner

*Left at 10:56 a.m.*

Gavin Cohen, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio

Pamela F. Gogol, Montgomery County Public Member

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

Sgt. Anton White, FOP Represented Trustee

Lisa Blackwell-Brown, MCGEO Represented Trustee

**Board Members Absent**

Asuntha Chiang-Smith, M-NCPPC Executive Director, Ex-Officio

Caroline McCarthy, Montgomery County Open Trustee

**Others Present**

Michael “Wes” Aniton, M-NCPPC Office of the General Counsel, Deputy General Counsel

**ERS Staff Present**

Andrea L. Rose, Executive Director

Jaelyn Harris, Deputy Executive Director

Alicia C. Stanford, Administrative Specialist

Sheila Joynes, Accounting Manager

**Presentations**

Meketa Investment Group – Mary Mustard, CFA and Aaron Lally, CFA, CAIA, CIPM

**ITEM 1. APPROVAL OF THE OCTOBER 1, 2024 CONSENT AGENDA**

**ACTION:** MR. RUSSELL made a motion, seconded by VICE CHAIR HEDRICK to Approve the Consent Agenda of October 1, 2024. The motion PASSED. (9-0). (Motion # 24-28).

**CLOSED SESSION**

At 10:03 a.m. the Board went into Closed Session pursuant to the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(1), to discuss the compensation of an employee, over whom this public body has

jurisdiction; 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 a legal matter related to the compensation of an employee.

**ITEM 2. CHAIR'S ITEMS**

**ITEM 2.A. Conference and Training Summary 2024** - No notable items discussed.

**2.B. Resolution for the Appointment of Jaclyn Harris to Executive Director**

CHAIR SHAPIRO introduced the Resolution for the Appointment of Jaclyn Harris as the ERS Executive Director effective November 1, 2024. CHAIR SHAPIRO congratulated Ms. Harris on her promotion, noting he is pleased with her work at the ERS thus far and believes the ERS will be in good hands under her leadership. She is professional, committed, personable, and deeply understands the business, he remarked. Next, CHAIR SHAPIRO congratulated Ms. Rose on her upcoming retirement from the ERS effective November 1, 2024 as Executive Director. CHAIR SHAPIRO thanked her for her invaluable contributions during 34 years of service to the Maryland-National Capital Park & Planning Commission (M-NCPPC) Employees' Retirement System, noting her professionalism, ability to facilitate operations, and exemplary leadership. Each Trustee also provided their remarks and well wishes to Ms. Rose on her retirement. CHAIR SHAPIRO presented Ms. Rose with a crystal award acknowledging her service to the ERS. Ms. Rose commented that she enjoyed her tenure with the ERS and is looking forward to her retirement and joining the M-NCPPC Retirees Association.

**ACTION:** MR. RUSSELL made a motion, seconded by VICE CHAIR HEDRICK to Approve the Resolution for the Appointment of Jaclyn Harris as the ERS Executive Director effective November 1, 2024. The motion PASSED. (9-0). (Motion # 24-31).

**2.C. Resolution for Contingency**

Ms. Harris presented a Resolution for Contingency in the event the Executive Director or Deputy Executive Director is not available due to expected and unexpected circumstances. The resolution would grant authority to the Secretary-Treasurer to exercise signature authority on matters or transactions requiring immediate attention to avoid interference with normal activities of the ERS. Ms. Gogol inquired about the formal action if the contingency plan is exercised. Ms. Rose replied that a formal procedure for execution can be added to the Governance Manual. Mr. Aniton advised that language should be added to the Governance Manual that coincides with the Resolution for Contingency to formalize this process and procedure. As follow up, staff will draft a policy to incorporate into the Governance Manual.

**ACTION:** VICE CHAIR HEDRICK made a motion, seconded by MS. STOOKEY to Approve the Resolution for the Contingency Plan for the Continued Operations of the ERS in the Event the Executive Director or Deputy Executive Director is unavailable. The motion PASSED. (9-0). (Motion # 24-32).

**ITEM 3. MISCELLANEOUS** - No items to report.

**ITEM 4. CONSULTANT/MANAGER PRESENTATIONS**

Ms. Mustard discussed the August 2024 Investment Update, noting a very volatile month, although most asset classes posted gains. She explained that volatility was mainly due to a weak US job market which caused some speculation

about the timing of the Fed rates cut. The best performers for August were REITs, Russell 2000, International Stocks, and Fixed Income. Ms. Mustard stated that all asset classes performed in-line with policy. Ms. Morgan-Johnson inquired whether Meketa believes that the Fed will cut rates again in the near future given employers are adding less jobs, indicating a shaky job market. Ms. Mustard replied that she believes the job market is shrinking and that she expects the Fed to cut rates. She added that there is typically a lag in the Fed's response to the economy. Due to this lag in response time, the Central Bank tends to overshoot or undershoot in their execution to stabilize the markets.

Mr. Lally conducted a high yield asset class education presentation for the Trustees. High Yield bonds have become a mainstay in institutional investor portfolios due to their return potential resulting from increased risk. These bonds offer a higher yield because they entail a higher risk of default. The high yield market is attractive to companies who desire a fundraising option that will bypass banks. Mr. Lally mentioned that high yield bond issuers tend to issue shorter term bonds. Most bonds in the high yield market are rated BB or B, while CCC rated bonds represent 10-15% of the market. The high yield market is less liquid than the investment grade bond market due to a smaller market size and fewer participants. Returns on high yield bonds fall between investment grade bonds and US equity. Mr. Lally stated that for this asset class Meketa recommends investing in one or two managers. For a one manager structure, that manager should implement a "down the middle" traditional "full market" approach. For two managers, each manager should implement an approach that complements each other (i.e. conservative and opportunistic).

*Vice Chair Hedrick left the meeting at 10:56 a.m.*

## **ITEM 5. COMMITTEE REPORTS/RECOMMENDATIONS**

### **ITEM 5.A. Investment Monitoring Group**

Ms. Morgan-Johnson reported that the IMG met on September 17, 2024, with Meketa Investment Group. During the meeting, Meketa presented their recommendations for changes to the ERS Investment Policy Statement (IPS) and Investment Manager Monitoring Policy. Material changes included 1) Changing from the Wilshire 5000 Index to the Russell 3000 Index for the domestic equity benchmark, 2) Changing from the BofAML US High Yield BB-B Rated to the Bloomberg for the US High Yield benchmark, 3) Expanded language on single issuer size to include benchmark relative language, 4) Removal of the language for "representative guidelines" on commingled strategies, 5) Consideration of the removal of the derivatives appendix, and 6) Changing the capital market assumptions to the 2024 Meketa Asset Study. Ms. Morgan-Johnson also reported that Meketa found the Investment Manager Monitoring Policy clear and well thought out but recommended that the IMG put the onus of meeting with investment managers on Meketa, which would result in increasing Meketa's role in the due diligence process and ongoing monitoring of investment managers. Additionally, this would reduce the need for scheduling revolving meetings with the investment managers to present updates to the IMG and the Board. The IMG agreed that Meketa should take the lead in scheduling ongoing due diligence review meetings with the investment managers and report their findings to the IMG on a quarterly basis. The IMG also considered making some additional procedural changes that would streamline current processes and expand the role of the IMG but also align with the IMG Charter. The IMG requested that staff review governing documents and consult legal counsel on the matter of fiduciary responsibility as it relates to the IMG, the Board, and the Investment Services Consultant.

### **ITEM 5.B. Administration and Personnel Oversight Committee**

Ms. Harris informed the Board that the Administration & Personnel Oversight Committee used their September 17, 2024 meeting as a working session to review and discuss the drafts of the Trustee Selection Process and Maryland Public Information Act (MPIA) Policy and Procedures. Both policies were reviewed by legal counsel for legal

sufficiency. After discussion, the Committee came to a consensus to recommend both policies for inclusion in the Governance Manual.

**ACTION:** MR. COHEN made a motion, seconded by MR. RUSSELL to Approve the Governance Manual dated October 1, 2024, which incorporates the Trustee Selection Process and Maryland Public Information Act (MPIA) Policy and Procedures. The motion PASSED. (8-0). VICE CHAIR HEDRICK was absent from this vote. (Motion # 24-33).

**ITEM 5.C. Audit Committee**

Mr. Cohen reported that the Audit Committee met on September 24, 2024 with the auditor, SB & Company, as they presented the ERS June 30, 2024, audit results. SB & Company will issue an unmodified opinion on the June 30, 2024 financial statements. Additionally, SB & Company reported no material weaknesses, no instances of fraud, and obtained full cooperation for the annual reporting process from ERS staff. Lastly, Mr. Cohen reported that there were no issues identified that required any action on the part of the Board.

**ITEM 6. EXECUTIVE DIRECTOR'S REPORT**

Ms. Harris reported that at the November 5, 2024 Board meeting, actuarial consultant, Cheiron, will present the results of the June 30, 2024 actuarial valuation. Staff are in the process of finalizing the Annual Comprehensive Financial Report (ACFR) which will also be made available at the November 5, 2024 Board Meeting. Ms. Harris informed the Board that the Deputy Executive Director posting closed on October 1, 2024. If the third attempt at filling the position is unsuccessful, staff plan to solicit a headhunter to assist in the search to fill the position.

The Board meeting of October 1, 2024, adjourned at 11:23 a.m.

Respectfully,

*Alicia C. Stanford*

Alicia C. Stanford  
Administrative Specialist

*Jaclyn Harris*

Jaclyn F. Harris  
Deputy Executive Director