



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

BOARD OF TRUSTEES MEETING MINUTES
Tuesday, November 5, 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 VICE CHAIR HEDRICK leading the meeting on Tuesday, November 5, 2024. The meeting was called to order at 10:02 a.m. by VICE CHAIR HEDRICK.

Board Members Present

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

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

Joined at 10:21 A.M.

William Spencer, M-NCPPC Acting Executive Director, Ex-Officio

Joined at 10:17 A.M.

Caroline McCarthy, Montgomery County Open Trustee

Board Members Absent

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

Others Present

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

Meketa Investment Group – Mary Mustard, CFA and Gloria Hazard

ERS Staff Present

Jaelyn F. Harris, Executive Director

Alicia C. Stanford, Administrative Specialist

Sheila Joynes, Accounting Manager

Antonia Lanier, Member Relations Manager

Annette Silvestri, Member Relations Supervisor

Presenters

Cheiron – Janet Cranna, FSA, FCA, EA, MAAA, Patrick Nelson, FSA, CERA, EA, MAAA, and Jana Bowers, FSA, MAAA

ITEM 1. APPROVAL OF THE NOVEMBER 5, 2024 CONSENT AGENDA

ACTION: MS. STOOKEY made a motion, seconded by MS. GOGOL to Approve the Consent Agenda of November 5, 2024. The motion PASSED. (8-0). (Motion # 24-34).

ACTION: MS. STOOKEY made a motion, seconded by MS. GOGOL to Approve the meeting minutes of the Open Session and Closed Session for October 1, 2024. Ms. McCarthy abstained from voting on the approval of the October 1, 2024 minutes due to being absent from the meeting. The motion PASSED. (7-0-1). (Motion # 24-35).

ITEM 2. CHAIR'S ITEMS

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

2.B. Ratify the Actions taken during the October 1, 2024 Closed Session

ACTION: MS. STOOKEY made a motion, seconded by MR. COHEN to Ratify the Actions Taken during the October 1, 2024 Closed Session. Ms. McCarthy abstained from this vote due to being absent from the October 1, 2024 meeting. The motion PASSED. (7-0-1). (Motion # 24-36).

ITEM 3. MISCELLANEOUS – VICE CHAIR HEDRICK informed the Board that Mr. William Spencer will replace former trustee, Asuntha Chiang-Smith, as the M-NCPPC Executive Director Ex-Officio Board member.

ITEM 4. CONSULTANT/MANAGER PRESENTATIONS

Prior to presenting the June 30, 2024 actuarial valuation results, Cheiron conducted an educational review on the actuarial valuation process, historical trends, and the identification and assessment of risk to the Plan. As of June 30, 2024, the Actuarial Value of Assets (AVA) for the ERS increased by 3.58% to total \$1,176,830,678. Despite achieving asset gains for the fiscal year, the actuarial loss on investments was \$3.1 million. The Actuarial Value of Assets (AVA) returned 6.42% from June 30, 2023 to June 30, 2024, compared to the assumed return rate of 6.70%. Plan experience for the fiscal year and the actuarial loss on investments resulted in a total actuarial liability loss of \$18.8 million and the ERS actuarial liability increased by 4.34% to \$1,349,938,109. As of June 30, 2024, the funded ratio (based on the actuarial value of assets) equaled 87.18%, slightly down from 87.82% in 2023. The source of the actuarial loss can be primarily attributed to salary increases for the year being greater than expected, the retiree COLA being greater than expected, and a large increase in active membership counts (new employees entering the Plan) also contributed to the increased costs of the ERS. Mr. Spencer noted that the Commission filled over 150 vacancies during the fiscal year and there is a strong capacity to fill additional positions over the next 2-3 years. Cheiron stated that they will consider the increasing active population to build into their projections for the next actuarial valuation. To meet the ERS' funding objectives, Cheiron recommended an Actuarially Determined Contribution (ADC) of \$39,551,467 (18.54% of covered payroll) which is payable July 1, 2025 for fiscal year 2026.

Mr. Spencer joined the meeting at 10:17 A.M.

Ms. Blackwell-Brown joined the meeting at 10:21 A.M.

ACTION: MS. MCCARTHY made a motion, seconded by MR. RUSSELL to approve an Actuarially Determined Contribution of \$39,551,467 (18.54% of payroll) payable July 1, 2025 for fiscal year 2026. The motion PASSED (10-0). (Motion # 24-37).

ITEM 5. COMMITTEE REPORTS/RECOMMENDATIONS

ITEM 5.A. Investment Monitoring Group

Ms. Harris presented a summary of the October 15, 2024, IMG Regular Report, focusing on the IMG's review of updates to the ERS Investment Policy Statement and the Investment Manager Monitoring Policy. A key modification was proposed for the Investment Manager Monitoring Policy to transfer authority from the Board to the IMG to add or remove an investment manager from the Watch List. Corresponding updates to the IMG charter in the Governance Manual will be made to reflect this change. All proposed revisions to the policies have received support from Meketa and a legal review has been conducted. The final revisions to the policies and Governance Manual will be discussed at the IMG meeting on November 19, 2024.

ITEM 6. EXECUTIVE DIRECTOR'S REPORT

Ms. Harris announced the completion of the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2024, and that staff are in the final stages of preparing the Popular Annual Financial Report ("Annual Report"). She also informed the Board that staff are collaborating with B.F. Saul on the renewal of the cybersecurity insurance policy, for an effective date of December 1, 2024. Additionally, Ms. Harris notified the Board that staff will begin vetting talent acquisition firms to assist in filling the Deputy Executive Director position.

ACTION: MR. WHITE made a motion, seconded by MR. SPENCER to adjourn the Board meeting of November 5, 2024 at 11:40 a.m. The motion PASSED (10-0). (Motion # 24-38).

Respectfully,

Alicia C. Stanford

Alicia C. Stanford
Administrative Specialist

Jaclyn Harris

Jaclyn F. Harris
Executive Director