



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

BOARD OF TRUSTEES MEETING MINUTES
Tuesday, February 4, 2025; 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, February 4, 2025. The meeting was called to order at 10:03 a.m. by VICE CHAIR HEDRICK.

Board Members Present

James Hedrick, Board of Trustees Vice Chair, Montgomery County Commissioner
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
William Spencer, M-NCPPC Acting Executive Director, Ex-Officio
Caroline McCarthy, Montgomery County Open Trustee

Board Members Absent

Peter A. Shapiro, Board of Trustees Chair, Prince George’s County Commissioner
Gavin Cohen, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio
Lisa Blackwell-Brown, MCGEO Represented Trustee

ERS Staff Present

Jaclyn F. Harris, Executive Director
Alicia C. Stanford, Administrative Specialist
Sheila Joynes, Accounting Manager

Others Present

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

Presenters

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

ITEM 1. APPROVAL OF FEBRUARY 4, 2025 CONSENT AGENDA

ACTION: MR. SPENCER made a motion, seconded by MS. GOGOL to Approve the Consent Agenda of February 4, 2025. The motion PASSED. (8-0) (Motion # 25-1).

ITEM 2. CHAIR’S ITEMS – No notable discussion from the Board.

ITEM 3. CONSULTANT/MANAGER PRESENTATIONS**ITEM 3.A. OFFICE OF THE GENERAL COUNSEL**

The Board is committed to completing annual training on ethics and fiduciary responsibilities. Mr. Aniton presented a training session, which included a discussion on the requirements as a Trustee under Maryland's Code Governing Fiduciary Responsibilities and Maryland's Code of Public Ethics Laws, as well as adherence to the ERS Ethics Policy included in the Governance Manual. The training also highlighted three (3) key fiduciary duties (Care, Obedience and Loyalty), prohibited transactions, whistleblowing, conflicts of interest, rules surrounding gifts, disclosure and resolving conflicts of interest, Trustee liability, enforcement and penalties, and confidentiality.

ITEM 3.B. MEKETA INVESTMENT GROUP

Regarding market performance, Ms. Mustard stated that the U.S. equity market reacted positively to Trump's win in the fourth quarter, driven by expectations of pro-growth policies, such as changes to tariffs, immigration, and tax cuts. This resulted in a 2.6% 4Q24 return in domestic equity markets (Russell 3000) and a 2.4% return on the S&P 500. In December 2024, the Federal Reserve reduced its policy rate by an additional 0.25%. Meanwhile, the strength of the U.S. dollar led to declines in non-U.S. developed stocks (MSCI EAFE) and emerging markets (MSCI Emerging Markets), which fell by -8.1% and -8.0%, respectively, in the fourth quarter.

Mr. Lally reviewed ERS performance, highlighting that total assets were \$1.18 billion as of December 31, 2024. The ERS Total Fund return for the quarter was -0.7% (net of fees), surpassing the Target Policy index return of -1.6% by 90 basis points. For the year-to-date, three, and five-year periods ending December 31, 2024, the ERS Total Fund return stood at 6.7%, 2.9%, and 6.4%, respectively, compared to the Target Policy index returns of 8.9%, 3.3%, and 5.9%, respectively. While the Total Fund underperformed for the year-to-date and trailing three-year periods, the portfolio outperformed the Target Policy index for the quarter and the trailing five-year period.

ITEM 4. COMMITTEE REPORTS/RECOMMENDATIONS**ITEM 4.A. Investment Monitoring Group**

Ms. Morgan-Johnson shared that during the December 17, 2024 IMG meeting, Meketa delivered an educational presentation on the infrastructure asset class, covering its fundamentals and emphasizing key characteristics that may offer diversification to the current portfolio structure. The IMG also reviewed the proposed work program for 2025. On January 21, 2025, the IMG convened and Meketa led an educational session on their asset-liability process. This session focused on the basics of an asset-liability study, Meketa's process for conducting these studies, ERS investment objectives and constraints, and a proposed timeline for both the IMG and the Board to review the results of the study.

ITEM 4.B. Administration and Personnel Oversight Committee

Ms. Harris reported that during the December 17, 2024 meeting, the Personnel Committee reviewed a second round of revisions to the Executive Director Contingency Policy and reached a consensus to recommend its inclusion in the Governance Manual. The policy was updated to clarify the role of the Secretary-Treasurer in approving payment instructions for ERS investment activities and contractual services through Northern Trust during the Executive Director's extended absence and when the Deputy Executive Director is unavailable.

ACTION: MR. WHITE made a motion, seconded by MS. GOGOL to Approve the Governance Manual dated February 2025, which Incorporates the Executive Director Contingency Policy. The motion PASSED. (8-0). (Motion # 25-4).

Lastly, the Personnel Committee reviewed the proposed 2025 work program.

ITEM 5. EXECUTIVE DIRECTOR'S REPORT

Ms. Harris provided an update on ERS staffing vacancies, noting that the talent acquisition firm, CBIZ/EFL Associates, provides weekly updates on the Deputy Executive Director search. The Senior Retirement Analyst position will close on February 6, 2025 and the review of potential candidates will begin. She also mentioned that MemberDirect currently has 784 active members enrolled, with staff observing a decrease in retirement estimate requests from members not yet eligible for retirement, while requests from eligible members have remained unchanged. Additionally, beta testing for the rollout of MemberDirect to retirees is underway, with a target launch date in Spring 2025. ERS Managers are participating in an online training session to refresh their mentoring and management skills. Finally, Ms. Harris informed the Board that the FOP Represented, MCGEO Represented, and Prince George's County Commissioner Trustee positions will expire on June 30, 2025, staff will begin the administrative process to prepare for these position expirations and their fulfillment.

ITEM 6. CLOSED SESSION

ACTION: At 11:06 a.m., MR. WHITE made a motion, seconded by MS. STOOKEY to go into closed session under authority of the General Provisions Article of the Annotated Code of Maryland 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 such investments under the authority of this Board. The motion PASSED (7-0). Ms. McCarthy was absent from this vote. (Motion # 25-2).

Board of Trustees in Closed Session: Vice Chair Hedrick, Sheila Morgan-Johnson, Theodore Russell III, Elaine Stookey, Caroline McCarthy, Pamela Gogol, Anton White, and William Spencer.

ACTION: MR. SPENCER made a motion, seconded by MS. MCCARTHY to Approve the Side Letter Agreement and Proceed with the Investment in Polen Capital Opportunistic High Yield Fund as recommended by Groom Law Group. The motion PASSED. (8-0). (Motion # 25-3).

The Board meeting of February 4, 2025, adjourned at 11:15 a.m.

Respectfully,

Alicia C. Stanford

Alicia C. Stanford
Administrative Specialist

Jaclyn Harris

Jaclyn F. Harris
Executive Director