



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

BOARD OF TRUSTEES MEETING MINUTES

Tuesday, May 6, 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 with CHAIR SHAPIRO leading the meeting on Tuesday, May 6, 2025. The meeting was called to order at 10:02 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
Gavin Cohen, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio
Pamela F. Gogol, Montgomery County Public Member
Theodore J. Russell III, Prince George's County Open Trustee
Elaine A. Stookey, Bi-County Open Trustee
William Spencer, M-NCPPC Acting Executive Director, Ex-Officio
Lisa Blackwell-Brown, MCGEO Represented Trustee
Caroline McCarthy, Montgomery County Open Trustee

Joined at 10:03 a.m.

Board Members Absent

Sgt. Anton White, FOP Represented Trustee
Sheila Morgan-Johnson, Prince George's County Public Member

ERS Staff Present

Jaclyn F. Harris, Executive Director
Alicia C. Stanford, Administrative Specialist
Sheila Joynes, Accounting Manager
Charles M. Curtis Jr., Accountant

Presenters

Cheiron - Patrick Nelson, FSA, CERA, EA, MAAA, Consulting Actuary
Cheiron - Janet Cranna, FSA, FCA, EA, MAAA, Principal Consulting Actuary
Cheiron - Jana Bowers, FSA, EA, MAAA, Associate Actuary
Meketa Investment Group - Mary Mustard, CFA

ITEM 1. APPROVAL OF MAY 6, 2025 CONSENT AGENDA

ACTION: MS. GOGOL made a motion, seconded by VICE CHAIR HEDRICK to Approve the Consent Agenda of May 6, 2025. MS. BLACKWELL-BROWN was absent from this vote. MS. MCCARTHY abstained from the vote of approval of the April 1, 2025 minutes. The motion PASSED. (8-1-0) (Motion # 25-12).

ITEM 2. CHAIR'S ITEMS

ITEM 2.A. CONFERENCE AND TRAINING SUMMARY – No notable discussion from the Board.

ITEM 3. CONSULTANT/MANAGER PRESENTATIONS

ITEM 3.A. CHEIRON

In accordance with the Funding Policy, the Board annually evaluates the reasonableness of the investment return assumption to determine whether a five-basis point reduction is warranted. This assessment is based on the investment portfolio's asset allocation and long-term capital market return forecasts. The current assumed rate of return is 6.70%, effective as of June 30, 2022.

Patrick Nelson, Janet Cranna, and Jana Bowers analyzed the investment return assumption. They assessed the impact of maintaining a 6.70% assumption and a five-basis point decrease to 6.65%, with projected results as of June 30, 2025. The analysis covered changes to actuarial liability, funded ratio, and employer actuarial contributions under both assumptions.

Cheiron has determined that the probability of achieving a 6.70% return based on the target allocation is 55.46%, with an expected risk of 11.72%. According to the most recent data from NASRA, the average return assumption for public pension plans is 6.91%. There has been a significant increase in the number of plans assuming a return of 7% or lower.

Based on the latest Horizon Survey of Capital Market Assumptions, the expected return for the ERS portfolio, considering a 10-year and 20-year time horizon and the portfolio's target asset allocation, is 6.73% and 7.01%, respectively. Cheiron is comfortable in the ERS maintaining the current 6.70% investment return rate.

ACTION: MR. COHEN made a motion, seconded by MS. MCCARTHY to maintain the investment return assumption at 6.70% for the June 30, 2025 actuarial valuation. The motion PASSED (9-0) (Motion # 25-13).

ITEM 3.B. MEKETA INVESTMENT GROUP

Ms. Mustard provided a summary of the Plan's performance as of March 31, 2025, noting a slightly negative month as the announcement of tariffs caused uncertainty in the market and reduced economic confidence. She added that GDP was down -0.3%, the U.S. dollar lost its value, interest rates went up, and equities were sold off. The ERS Total Fund return for the month was -0.9% (net of fees), compared to the Target Policy index return of -1.1%, outperforming by twenty basis points. For the fiscal year-to-date, three, five, and ten-year trailing periods ending March 31, 2025, the ERS Total Fund return stood at 4.9%, 4.0%, 8.9%, and 6.7%, respectively; compared to the Target Policy index returns of 5.6%, 5.0%, 9.0%, and 6.2%, respectively.

ITEM 4. COMMITTEE REPORTS/RECOMMENDATIONS

ITEM 4.A. Investment Monitoring Group

Ms. Harris reported that during the April 15, 2025 meeting, Meketa presented an updated Investment Policy Statement to align with the Board approved new Asset Allocation Policy. Updates included changes to the Total Fund Target Policy benchmark to reflect the new target allocations and modifications were made to the language in certain sections of the document at the request of the IMG.

ACTION: VICE CHAIR HEDRICK made a motion, seconded by MR. RUSSELL to Approve the Changes to the Investment Policy Statement. The motion PASSED. (9-0). (Motion # 25-14).

ITEM 4.B. Administration and Personnel Oversight Committee

Mr. Cohen reported that during the April 15, 2025 meeting, Ms. Harris presented to the Personnel Committee the FY26 Proposed Operating Budget totaling \$3,665,000, representing a 5.5% increase from FY25. Mr. Cohen highlighted that the FY26 Operating Budget included funding for an Actuarial Experience Study for the 5-year period ending June 30, 2025 and an Organizational Study.

ACTION: MR. RUSSELL made a motion, seconded by VICE CHAIR HEDRICK to Approve the FY26 Operating Budget. The motion PASSED. (9-0). (Motion # 25-15).

ITEM 5. EXECUTIVE DIRECTOR'S REPORT

Ms. Harris shared that two new individuals will be joining the ERS team. Mariah Spencer is set to begin on May 12, 2025, as a Senior Retirement Benefits Analyst, while Leslie Harmon will start on May 27, 2025, as the new Deputy Executive Director. She also updated the Board on the successful launch of MemberDirect to retirees. Additionally, she announced that the ERS received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2024. Lastly, she reported that the PensionGold Annual Disaster Recovery Test was completed without any issues on April 3, 2025.

ITEM 6. CLOSED SESSION

ACTION: At 10:44 a.m., VICE CHAIR HEDRICK made a motion, seconded by MS. GOGOL 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. The motion PASSED (9-0). (Motion # 25-16).

Board of Trustees in Closed Session: Chair Shapiro, Vice Chair Hedrick, Theodore Russell III, Elaine Stookey, Caroline McCarthy, Pamela Gogol, Lisa Blackwell-Brown, Gavin Cohen, and William Spencer.

Chair Shapiro ratified the actions taken in the Closed Session with no discussion from the Board.

The Board meeting of May 6, 2025 adjourned at 10:56 a.m.

Respectfully,

Alicia C. Stanford

Alicia C. Stanford
Administrative Specialist

Jaclyn Harris

Jaclyn F. Harris
Executive Director