



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

BOARD OF TRUSTEES MEETING MINUTES

Tuesday, June 3, 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, June 3, 2025. The meeting was called to order at 10:00 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
Sgt. Anton White, FOP Represented Trustee
Sheila Morgan-Johnson, Prince George's County Public Member

Joined at 10:15 a.m.

ERS Staff Present

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

Other Present

Michael "Wes" Aniton, Deputy General Counsel, M-NCPPC OGC
Meketa Investment Group – Gloria Hazard

Presenters

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

ITEM 1. APPROVAL OF JUNE 3, 2025 CONSENT AGENDA

ACTION: VICE CHAIR HEDRICK made a motion, seconded by MS. GOGOL to Approve the Consent Agenda of June 3, 2025. MR. WHITE was absent from this vote. The motion PASSED. (10-0) (Motion # 25-18).

ITEM 2. CHAIR'S ITEMS

Ms. Harris welcomed Leslie Harmon as the new Deputy Executive Director of the ERS. Ms. Harmon expressed her appreciation and enthusiasm for joining the ERS. Ms. Harmon comes to the ERS from Boca Raton, Florida, bringing with her 27 years of experience working with the City of Boca Raton. Ms. Harris also acknowledged William Spencer for his involvement in the hiring process.

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

ITEM 3. CONSULTANT/MANAGER PRESENTATIONS

ITEM 3.A. MEKETA INVESTMENT GROUP

Mr. Lally presented an overview of recent market and economic trends, emphasizing the impact of heightened U.S. tariffs, a contraction in first-quarter GDP due to increased imports, and ongoing inflation concerns. He noted that the annual inflation rate decreased slightly in April 2025, with energy prices rising and food prices declining. Expectations for inflation also eased. The performance of major technology stocks, known as the "Magnificent Seven," declined, while overall S&P and U.S. Aggregate returns were modestly positive. The U.S. dollar weakened amid slower growth and lower yields, and the 10-year Treasury yield stood at 4.4% with projected steady returns for the next five years.

Vice Chair Hedrick commented that the governmental structure and requirements have historically underpinned the consistency of the upward trajectory of the GDP. He then asked if we could expect to continue to see an upward trajectory if the current administration significantly changes that structure and regulatory requirements. Mr. Lally replied that pension plans are created to withstand various market conditions and events. Mr. Lally also noted that the Federal Reserve will take proactive and responsive measures in alignment with market developments.

Regarding market performance in the first quarter of 2025, investment flows rotated out of U.S. stocks to non-U.S. stocks while bond markets rallied on uncertainty related to tariffs and growth. Global investors rotated away from the U.S., with domestic equities in negative territory (particularly small cap), while other asset classes were positive. Commodities led the way during the quarter due to safe havens like gold, while non-US developed markets followed, driven by strong results in Europe.

Ms. Mustard reviewed the ERS first quarter of 2025 performance, noting a Total Fund balance of \$1.18 billion. The ERS Total Fund return for the quarter was 1.2% (net of fees), compared to the Target Policy index return of 1.6%, underperforming by forty 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 5.0%, 4.1%, 9.0%, and 6.7%, respectively; compared to the Target Policy index returns of 5.6%, 5.0%, 9.0% and 6.2%, respectively. She also noted that, quarter-to-date, ERS ranks within the top 15th percentile among its peer group.

Next, Ms. Mustard reported on the ERS Total Fund performance for April 2025. The Total Fund balance as of April 30, 2025 was \$1.16 billion. The Total Fund return for the month was 0.3% (net of fees), compared to the Target Policy Index of 0.9% underperforming by fifty basis points. Ms. Mustard explained that the underperformance was primarily due to the performance lag for the private equity and private real assets strategies. She added that while domestic equity active managers lagged, underperforming for the month of April, international equity managers outperformed. Ms. Morgan-Johnson inquired about Eaton Vance (Morgan Stanley's) status on the Watch list. Ms.

Mustard clarified that the item was initially added to the Watchlist in October 2024 to monitor Morgan Stanley's acquisition, and she will provide an update on its status at the next meeting.

ITEM 4. COMMITTEE REPORTS/RECOMMENDATIONS

ITEM 4.A. Administration and Personnel Oversight Committee

Ms. Harris reported that during the May 20, 2025 meeting, a draft of the MOU between the ERS and the Commission's Office of Chief Information Officer (OCIO) for IT services was shared with the Personnel Committee. The MOU was last updated in 2019. Several questions and suggestions from the Administrative and Personnel Committee were posed regarding the MOU. Staff will follow up with OCIO and the Office of the General Counsel on the questions from the Personnel Committee and provide an update at the June meeting.

ITEM 5. EXECUTIVE DIRECTOR'S REPORT

Ms. Harris shared that 120 retirees enrolled in MemberDirect since its launch last month. Next, she mentioned the ERS anticipates receiving an employer contribution from the Commission in the amount of \$39,551,467 on July 1, 2025. Also, on July 1, 2025 eligible retirees will receive a 2.9% COLA for Tier I Service and 2.5% for Tier II Service. Lastly, Ms. Harris mentioned that staff are working with B.F. Saul to renew the Fiduciary Liability Insurance policy for the period of July 1, 2025 – June 30, 2026. The policy limit amount of \$7,500,000 remains unchanged from the prior year. A Waiver of Recourse will need to be signed and paid for by the Trustees.

ITEM 6. CLOSED SESSION

ACTION: At 10:59 a.m., MS. GOGOL made a motion, seconded by MR. SPENCER 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 personnel actions with regard to the performance evaluation of an employee over whom this public body has jurisdiction. The motion PASSED (10-0-1). (Motion # 25-19).

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, Anton White, and William Spencer.

ACTION: VICE CHAIR HEDRICK made a motion, seconded by MS. GOGOL to Ratify the Action Taken in Closed Session. The motion PASSED. (11-0) (Motion # 25-21).

The Board meeting of June 3, 2025 adjourned at 11:19 a.m.

Respectfully,

Alicia C. Stanford

Alicia C. Stanford
Administrative Specialist

Jaclyn Harris

Jaclyn F. Harris
Executive Director