

ELECTED OFFICIALS' RETIREMENT SYSTEM
OF THE CITY OF BALTIMORE

605th Meeting

August 18, 2016

The 605th Meeting of the Board of Trustees of the Elected Officials' Retirement System for the City of Baltimore was held on Thursday, August 18, 2016 at 10:09 a.m. in the Employees' Retirement System conference room on the 12th floor at 7 East Redwood Street, Baltimore, Maryland.

Attendance: *Chair* – Deborah F. Moore-Carter. *Board Members* – Rosemary H. Atkinson, Doris Y. Brightful, Dorothy L. Bryant, Gary Gilkey, Joan Pratt and Jerome Sanders. *Consultant* – Nichole Roman-Bhatty, Nat Kellogg and Doug Oest of Marquette Associates, Inc. *Legal* – General Counsel, Ian Berger and Meghan Horn, Senior Counsel. *Staff* – Bernita James, Donna S. Bowen, Beverly Mootoo-Balram and Rosemary Kourdoglou.

Board Vice-Chair and City Comptroller Joan M. Pratt called the meeting to order.

The Board considered for approval the minutes of the Open Meeting of May 19, 2016. On motion made by Ms. Brightful seconded and unanimously carried, the minutes were approved as presented.

On motion made by Ms. Atkinson, seconded and unanimously carried, the Board ratified the decision taken in the Investment Committee meeting to bring in the following three candidates for the Defensive Equity Search; Parametric, Goldman Sachs and Neuberger Berman.

Nichole Roman-Bhatty of Marquette Associates, Inc. reviewed annual performance as of July 31, 2016. She stated that the plan had a strong start to the new fiscal year, ending the month at around \$23.4M in total market value. The Consultant then went on to review performance for the past fiscal year. She explained that the EOS Total Fund Performance had been close to the EOS Policy Benchmark, through exposure to international small-cap equity. The Consultant then reviewed the Pro-Forma vs. Actual Asset Allocation Schedules as of April 30, 2016.

The Board then noted that Mondrian would be presenting their Annual Performance Review during the ERS Board Meeting.

The Board noted receipt of the proposed resolution clarifying the calculation of the reserve guarantee option under the EOS. General Counsel Ian Berger explained that the following changes;

- That effective July 1, 2016, the amount of the benefit under the reserve guarantee option for EOS members under Article 22, subsection (e)(2)(ii) shall equal the balance of the "present value" of the member's monthly retirement at retirement, determined using (i) "regular interest" for valuation purposes, as defined in Article 22, subsection 17A(7)(ii); and (ii) morality assumptions based on the table in effect under the definition of "actuarial equivalent" in Article 22, subsection 17A(18)(ii), after deducting the total amount of monthly benefits paid to the member during his or her lifetime.

On motion made by Ms. Atkinson, seconded and unanimously carried, the Board approved the resolution definition as it refers to the EOS option.

The Board noted receipt of the Cash Requirements Projection Schedule for July – December 2016. \$300,000 was requested to meet Payroll and other expenses through December 2016. The Consultant recommended taking the full amount from Mellon Mid-Cap and on motion by Ms. Atkinson, seconded and unanimously carried, the Board approved the Consultant's recommendation for the Cash Requirements.

The Board noted receipt of the April 20, 2016 letter submitted by Stephen J. Gauthier, of the Government Finance Officers Association notifying the Board that the Elected Officials' Retirement System Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2015 qualifies for the Certificate of Achievement for Excellence in Financial Reporting. The Board deferred recognition of the Accounting department to occur in the ERS meeting.

The Board noted that City Council Bill 16-0634 (Ordinance 16-488) was passed by the City Council on June 13, 2016 and was signed by the Mayor on June 21, 2016. General Counsel explained that there was a July 1 deadline for signature of the Bill, and that the Bill is available online.

The Board noted receipt of the June 24, 2016 article from BNY Mellon, "Cameron Scores Own Goal: U.K. Votes to Exit EU."

The Board noted receipt of the Statement of Changes in the Plan Net Assets for as of July 31, 2016.

There being no further business, on motion duly made and unanimously carried, the meeting was adjourned.

APPROVED: NOVEMBER 17, 2016


Roselyn H. Spencer, Secretary