

OPEN MEETING OF THE BOARD OF TRUSTEES
EMPLOYEES' RETIREMENT SYSTEM
ELECTED OFFICIALS' RETIREMENT SYSTEM
RETIREE BENEFITS ("OPEB") TRUST
OF THE CITY OF BALTIMORE

1644th Meeting

March 21, 2019

The 1644th meeting of the Board of Trustees for the Employees' Retirement System, the Elected Officials' Retirement System, and the Retiree Benefits ("OPEB") Trust of the City of Baltimore was held on Thursday, March 21, 2019 at 9:00 a.m. in the 12th floor Conference Room of 7 E. Redwood Street, Baltimore, MD 21202.

Attendance: *Chair* – Henry Raymond *Board Members* – Rosemary H. Atkinson, John Beasley, Doris Y. Brightful, Dorothy L. Bryant, Joan Carter Conway, Helen Holton (by phone), Deborah Moore-Carter and Joan M. Pratt. *Consultants* – Judy Chambers of Pension Consulting Alliance; Nichole Roman-Bhatty of Marquette Associates, Inc. *Staff* – David A. Randall, Donna S. Bowen, Adetutu Talabi and Rosemary Kourdoglou.

Employees' Retirement System

Chair Raymond called the meeting to order, noting that a quorum was not yet present.

Nichole Roman-Bhatty of Marquette Associates, Inc. reviewed manager performance as of February 28, 2019 and the Pro-Forma vs. Actual Asset Allocation Schedule as of February 28, 2019. Ms. Bhatty then reviewed the current Watch List. Ms. Roman-Bhatty reviewed Lazard Asset Management's performance. Mr. Randall explained that FIS Group would be coming to the April 21, 2019 Board Meeting to present on their performance.

At this point in time, it was noted that a quorum was present.

Chair Raymond introduced newly sworn-in Trustee Joan Carter Conway to the Board.

The Board considered, and on motion made by Trustee Pratt, seconded and unanimously carried, the Board approved the minutes of the Open and Closed Meetings held February 21, 2019.

Judy Chambers from Pension Consulting Alliance then reviewed manager performance as of February 28, 2019. The Board noted receipt of the March 13, 2019 Fundfire article, "Brookfield to Buy Oaktree Capital and Zoom to \$475B." and Ms. Chambers explained that the management and investment team would not change.

The Board noted that the agency coordinator had emailed the Board on March 11, 2019 regarding the Baltimore City Ethics Board filing requirements of the annual Financial Disclosure Statements. The deadline for filing online or by paper is April 30, 2019, and the Board noted that forms filed after April 30th are subject to a late fee of \$2 per day.

Chair Raymond then called for a motion to recess the meeting, in accordance with the advanced notice given of the Board's intention to have a closed executive session, as provided in the Open Meetings Act, which is codified in Title 3 of the General Provisions of the Maryland Code, under Section 10-508(a)(14) to discuss, before a contract is awarded or bids are opened, a matter directly related to negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process. On motion made by Trustee Pratt, seconded and unanimously carried, the Board entered Closed session.

At 11:45 a.m., the Open Meeting reconvened. Present were those stated above.

On motion made by Trustee Pratt, seconded and unanimously carried, the Board approved the action taken in the Closed Meeting to hire Chicago Pacific Founders and Vivo Capital as Private Equity Managers for allocations of \$20M each from the ERS and \$4M each from the OPEB Trust.

On motion made by Trustee Beasley, seconded and unanimously carried, the Board approved the action taken in the Closed Meeting to keep Lazard Asset Management on Watch Status.

On motion made by Trustee Pratt, seconded and unanimously carried, the Board approved the action taken in the Closed Meeting to bring in State Street Global Advisors, Lazard Asset Management and Dimensional Fund Advisors for interviews in the Emerging Markets Small Cap Equity Manager Search to the April Board Meeting.

The Board noted receipt of the Statement of Changes in the Plan Net Assets as of February 28, 2019.

The Board noted receipt of and accepted the Retirement Benefits Listing for the April 1 payroll, and noted the Decisions and Findings of Facts rendered by the Panel of Hearing Examiners.

The Acting Executive Director updated the Board on various items including the administrative expenses for February 2019.

The Board noted receipt of the ERS Cash Flow Projection Schedule. Adetutu Talabi, Accounting Manager, reviewed the schedule with the Board, explaining that \$15M would be needed in May. On motion made by Trustee Atkinson, seconded and unanimously carried, the Board approved Ms. Roman-Bhatty's recommendation to take \$15M from PIMCO to satisfy Cash Requirements.

The Board collectively noted receipt of the Trustee Educational Conferences and Program Informational Listing and the System Comparison Chart for ERS, EOS and OPEB.

Elected Officials' Retirement System

The Consultant reviewed manager monthly performance as of February 28, 2019; and the EOS Pro-forma vs. Actual Asset Allocation Schedule as of February 28, 2019.

The Board noted receipt of the EOS Cash Flow Projection Schedule. Adetutu Talabi, Accounting Manager, reviewed the schedule with the Board, explaining that \$350,000 would be needed in April. Ms. Roman-Bhatty recommended taking the full amount from Mondrian – but explained that they must be notified with enough time to make the transfer. She recommended that if Mondrian was unable to transfer the funds, to take \$250,000 from Mid Cap and \$100,000 from Large Cap. On motion made by Trustee Pratt, seconded and unanimously carried, the Board approved taking the full \$350,000 from Mondrian for EOS Cash Requirements. On motion made by Trustee Atkinson, seconded and unanimously carried, the Board also approved Ms. Roman-Bhatty's backup recommendation to take \$250,000 from Mid Cap and \$100,000 from Large Cap if Mondrian was unable to make the transfer.

The Board noted receipt of the EOS Statement of Changes in Plan Net Assets as of February 28, 2019.

Retiree Benefits ("OPEB") Trust

The Consultant reviewed manager monthly performance as of February 28, 2019; and the OPEB Pro-forma vs. Actual Asset Allocation Schedule as of February 28, 2019.

The Board noted receipt of the OPEB Statement of Changes in Plan Net Assets as of January 31, 2019.

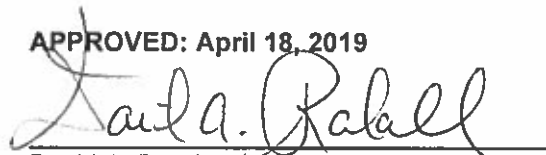
The Board noted receipt of the OPEB Trust Cash Flow Projection Schedule. Adetutu Talabi, Accounting Manager, reviewed the schedule with the Board. It was explained that OPEB Cash Requirements were performed on an "as-need" basis and on motion made by Trustee Atkinson, seconded and unanimously carried, the Board approved to take Cash Requirements for the OPEB Trust from Baird.

Other Business

Trustee Beasley asked about term limits – if there were term limits for the Executive Director position and the Trustees. Chair Raymond said that there were no term limits for the Executive Director. It was explained that there were term limits for Trustees and Board Officers could be discussed in the Personnel Committee. Trustee Moore-Carter said she would schedule a meeting to discuss the topic.

There being no further business, the meeting was adjourned.

APPROVED: April 18, 2019

A handwritten signature in cursive script that reads "David A. Randall". The signature is written in black ink and is positioned above a horizontal line.

David A. Randall, Acting Executive Director