

**OPEN MEETING OF  
EMPLOYEES' RETIREMENT SYSTEM  
OF THE CITY OF BALTIMORE**

1637<sup>th</sup> Meeting

August 28, 2018

The 1637<sup>th</sup> Meeting of the Board of Trustees of the Employees' Retirement System of the City of Baltimore was held on Thursday, August 28, 2018 beginning at 9:20 a.m. in the 12<sup>th</sup> Floor Conference Room of 7 E. Redwood Street, Baltimore, MD 21202.

**Attendance:** *Chair* – Jerome L. Sanders. *Board Members* – Rosemary H. Atkinson, John Beasley, Doris Y. Brightful, Dorothy L. Bryant, Helen Holton (by phone), Deborah F. Moore-Carter and Joan M. Pratt. *Consultants* – Nichole Roman-Bhatty and Greg Leonberger of Marquette Associates; Judy Chambers, David Sancewich and Tad Ferguson of Pension Consulting Alliance. *Legal* – Abe Schwartz. *Staff* –Beverly Mootoo-Balram, Donna Bowen, Rosemary Kourdoglou, David A. Randall and Adetutu Talabi.

Chair Sanders called the meeting to order. Due to there being no quorum for the Investment Committee, the Chair requested a motion to conduct the Investment Committee agenda items in the ERS Meeting. On motion made by Trustee Atkinson, the Board approved the motion to move the vote regarding the allocations of the Small-Mid Buyout and Credit Strategy Searches to the full Board.

Chair Sanders then passed the meeting to Trustee Atkinson, Chair of the Investment Committee Board.

The Board considered, and on motion made by Trustee Pratt, seconded and unanimously carried, the Board approved the minutes of the Open Investment Committee Meeting held July 26, 2018.

Investment Committee Chair Atkinson 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.

At 11:12 a.m., the Open Meeting reconvened. Present were those stated above.

On motion made by Trustee Pratt, seconded and unanimously carried, the Board ratified the following decisions taken in the Closed Session;

- To approve the Closed Minutes of the July 26, 2018 Investment Committee Meeting;
- To hire RLJ Equity as a Small-Mid Buyout Manager for an allocation of \$20M; and
- To hire Oaktree Capital Management as a Credit Strategy Manager for an allocation of \$20M.

The Board considered, and on motion made by Trustee Brightful, seconded and unanimously carried, the Board approved the minutes of the Open Meeting held July 26, 2018.

The Board noted receipt of the Statement of Changes in net Assets as of July 31, 2018.

Judy Chambers of Pension Consulting Alliance provided an update of annual performance as of June 30, 2018.

The Board deferred the discussion of the revised Hedge Fund Guidelines until the September 20, 2018 meeting, as the guidelines had not been made available to the entire Board.

The Board noted receipt of the monthly manager performance as of July 31, 2018. Nichole Roman-Bhatty of Marquette provided an update on the annual performance of the Fund as of June 30, 2018 and went on to address the issues of overweighted and reallocations to the portfolio. On motion made by Trustee Atkinson, seconded and unanimously carried, the Board approved the Consultant's recommendation to make the following reallocations;

- \$55M from the Mellon Bond Index;
- \$32M from Mellon Large Cap;
- \$20M from TimesSquare;

To allocate;

- \$40M to Barings (formerly Cornerstone Real Estate Advisors);
- \$10M to Neuberger Berman;
- \$5M to Lombard Odier; and
- \$1M each to Landmark Equity and ISQ Global Infrastructure Fund II.

The Board noted receipt of the ERS Records Retention Policy and Schedule, that was developed in accordance with Article 1, Subsection 10-1 of the Baltimore City Code. No action was required.

The Board noted receipt of the June 20, 2018 email and paper from Cheiron announcing that Sandra Matheson, Executive Director of the Maine Public Employees' Retirement System and Gene Kalwarski, CEO and founder of Cheiron, won a Society of Actuaries contest for papers about public pension plans.

The Board noted receipt of the Retirement Benefits Listings for September 1, 2018.

The Board noted receipt of the following items;

- Trustee Educational Conferences and Program Information Listing
- System Comparison Chart for ERS

The following interest was expressed by Trustees and staff for upcoming educational opportunities;

- Trustee Moore-Carter: International Foundation of Employee Benefit Plans 64<sup>th</sup> Annual Conference;
- Trustee Pratt: GFOA 113<sup>th</sup> Annual Conference;
- Trustees Atkinson, Beasley and Sanders: Marquette Associates Investment Symposium;
- Trustee Brightful: Opal Public Funds Summit;
- Accounting Manager Adetutu Talabi: P2F2 2018 Conference.

The Board then noted that at the March 15, 2018 Closed Investment Committee Meeting, the Committee approved the ERS International Guidelines, submitted by Marquette Associates. The decision was then ratified in the Open Investment Committee Meeting but had not been ratified in the Open ERS Board Meeting. On motion made by Trustee Atkinson, seconded and unanimously carried, the Board ratified the International Guidelines that had been approved at the March 15, 2018 Meeting.

On motion made by Trustee Moore-Carter, seconded and unanimously carried, the Board approved the decision to change the Due Diligence Meeting Schedule for Managers, to bring managers directly into the Board Meetings in 2019 rather than hold separate Due Diligence Meetings.

There being no further business, the meeting was adjourned.

*Approved: September 20, 2018*

  
Joan M. Pratt, Board Vice-Chair