

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

1650<sup>th</sup> Meeting

October 17, 2019

The 1650<sup>th</sup> 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, October 17, 2019 at 9:08 a.m. in the 12th floor Conference Room of 7 E. Redwood Street, Baltimore, MD 21202.

**Attendance:** *Board Members* – John Beasley, Doris Y. Brightful, Dorothy L. Bryant, Joan Carter Conway, Helen Holton, Deborah F. Moore-Carter, Joan M. Pratt and Henry Raymond. *Consultants* – Judy Chambers of Meketa Investment Group and Nichole Roman-Bhatty of Marquette Associates (by phone). *Legal* – Ellen Williams, General Counsel. *Staff* – David A. Randall, Nichelle Lashley, Donna S. Bowen, Adetutu Talabi, Daniel Young and Rosemary Kourdoglou.

Employees' Retirement System

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

Nichole Roman-Bhatty of Marquette Associates reviewed annual performance as of September 30, 2019. She presented a new summary page that showed returns, percentages and cash flows for the month of September 30, 2019. Ms. Roman-Bhatty then reviewed manager performance as of September 30, 2019 and the current Watch List, explaining that next month she would present recommendations on the Watch List.

Ms. Roman-Bhatty then provided a review of the Elected Officials' Retirement System Portfolio as of September 30, 2019.

At this point in time, Mr. Randall provided an update on the name change request that the investment manager Invesco had requested. He explained that Invesco was requesting personal information from Mr. Randall to prove his appointment as Executive Director. Mr. Randall explained that both Legal and Administrative departments had been working with Invesco to clear up this confusion, but that Invesco had in response locked the account. He explained that he was considering a full redemption from the Invesco fund. On motion made by Trustee Brightful, seconded and unanimously carried, the Board approved a full redemption from Invesco if necessary. Ms. Roman-Bhatty said that she would bring in information on where funds could go if the redemption occurred.

Ms. Roman-Bhatty then provided a review of the OPEB Trust Portfolio as of September 30, 2019.

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

On motion made by Trustee Beasley, seconded and unanimously carried, the Board ratified the decisions taken in the September 19, 2019 Board Meeting. The decisions were;

- To hire Cheiron, Inc. as the Actuary in the Actuary RFP Search,
- To approve the Administrative Expenses of August 2019,

- To take \$90M from the Mellon Large Cap Index to fund the Low Volatility Manager, Analytic, and
- To approve the minutes of the Open and Closed ERS Meetings of August 15, 2019.

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 September 19, 2019.

The Board noted receipt of the ERS Cash Flow Projection Schedule. Adetutu Talabi, Accounting Manager, reviewed the schedule with the Board, explaining that \$35M was required to meet Cash Requirements for November 2019. Ms. Roman-Bhatty recommended taking the \$35M from Mellon Large Cap.

The Board noted receipt of the EOS Cash Flow Projection Schedule. Ms. Talabi reviewed the schedule with the Board, explaining that \$350,000 was needed for November 2019. Ms. Roman-Bhatty recommended taking the \$350,000 from the Mellon Large Cap Stock Index.

The Board noted receipt of the OPEB Trust Cash Flow Projection Schedule. Ms. Talabi reviewed the schedule with the Board, explaining that a ratification was needed for \$500,000 that had been taken from Baird to cover cash requirements and that an additional \$2M was needed for November 2019. After brief discussion, the Board determined that \$6M would be adequate to cover cash requirements for the OPEB Trust for the remainder of the year.

On motion made by Trustee Beasley, seconded and unanimously carried, the Board approved the cash requirements based on the recommendations of the Consultant.

Judy Chambers of Meketa Investment Group then provided a review of the Private Equity Portfolio as of March 31, 2019. She reported that June numbers would be coming in and would be presented at the November meeting due to the delay in Private Markets. Ms. Chambers then provided an update on the OPEB Alternatives Portfolio as of March 31, 2019 and Risk Premia and Hedge Funds as of September 30, 2019.

At this point in time, Ms. Roman-Bhatty left the meeting.

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 Brightful, seconded and unanimously carried, the Board entered into Closed Session.

At 11:39 a.m., the Open Meeting reconvened. Present were those stated above.

On motion made by Trustee Beasley, seconded and unanimously carried, the Board approved the following decisions taken in the Closed Meeting;

- To bring in Black Rock, DIF Capital Partners and Tailwater Capital LLC for Private Equity manager interviews at the December Board Meeting,
- To accept the ERS Experience Study and adopt the assumption changes as presented by Cheiron, and

- To accept the EOS Experience Study and adopt the assumption changes as presented by Cheiron.

The Board noted receipt of the Statement of Changes in the Plan Net Assets as of September 30, 2019 and Pro-Forma vs. Actual Asset Allocation reports for the ERS, EOS and OPEB Trust.

Deputy Director Nichelle Lashley provided a review of the Benefits Listing. The Board noted receipt of and accepted the Retirement Benefits Listing for the November 1 payroll, and noted the Decisions and Findings of Facts rendered by the Panel of Hearing Examiners.

The Board noted receipt of the Status Report for the Active and Retired Trustee Elections. Ms. Donna Bowen provided an update on both the Active and Retired Trustee Elections. She explained that Trustees Dorothy L. Bryant and Deborah F. Moore-Carter were the only two candidates to complete their petitions and therefor on motion made by Trustee Brightful, seconded and unanimously carried, the Board declared Trustees Bryant and Moore-Carter as the Active Member trustees for new four-year terms from January 1, 2020 to December 31, 2023.

Ms. Bowen then reviewed the Retired Trustee Election Timeline, reporting that a ballot election will be held in November-December 2019 for the Retired Member Trustee position.

The Executive Director updated the Board on various items. He reported that contracts are up to date and provided a staffing update. On motion made by Trustee Brightful, seconded and unanimously carried, the Board approved administrative expenses for September 2019.

The Executive Director provided an update on Ethics Training, explaining that new Trustees would need to complete the training. Trustee Pratt suggested organizing an Ethics Training session for the entire Board, to be conducted during an upcoming Board Meeting and it was decided that the training would be scheduled after the Retired Trustee Election.

The Board collectively noted receipt of the September 12, 2019 Edgar Lomax Value Fund News Release, the Trustee Educational Conferences and Program Informational Listing and the System Comparison Chart for ERS, EOS and OPEB.

There being no further business, the meeting was adjourned.

**APPROVED: November 21, 2019**



David A. Randall, Executive Director