

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

1651<sup>st</sup> Meeting

November 21, 2019

The 1651<sup>st</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, November 21, 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, Dorothy L. Bryant, Helen Holton, Deborah F. Moore-Carter, Joan M. Pratt and Henry Raymond. *Consultants* – Judy Chambers of Meketa Investment Group and Nichole Roman-Bhatty and David Hernandez of Marquette Associates. *Legal* – Ellen Williams, General Counsel. *Staff* – David A. Randall, Nichelle Lashley, Donna S. Bowen, Adetutu Talabi, Daniel Young, Aja Jackson 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 manager performance as of October 31, 2019 and introduced the current Watch List, explaining that David Hernandez would provide a more detailed review.

At 9:06, Chair Raymond noted that a quorum was present.

Mr. Hernandez provided a review of Lazard Asset Management, who had been on Watch Status as of October 18, 2018. Mr. Hernandez recommended taking Lazard off Watch Status and on motion made by Ms. Moore-Carter, seconded and unanimously carried, the Board moved Lazard from Watch Status to In Compliance.

Mr. Hernandez then provided a review of FIS Group, who had not been on the Watch List. Mr. Hernandez recommended putting FIS Group on Watch Status, and on motion made by Trustee Holton, seconded and unanimously carried, the Board approved Mr. Hernandez's recommendation to put FIS Group on Watch Status.

Ms. Roman-Bhatty then provided a review of the Elected Officials' Retirement System Portfolio as of October 31, 2019.

Ms. Roman-Bhatty then provided a review of the OPEB Trust Portfolio as of October 31, 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 October 17, 2019.

The Board noted receipt of the ERS Cash Flow Projection Schedule. Adetutu Talabi, Accounting Manager, reviewed the schedule with the Board, explaining that there were no Cash Requirements for the ERS.

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. Ms. Roman-Bhatty recommended taking the \$350,000 from the Mellon Large Cap Stock Index. On motion made by Trustee Pratt, seconded and unanimously carried, the Board approved the decision to take \$350,000 from the Mellon Large Cap Stock Index to fund EOS Cash Requirements.

The Board noted receipt of the OPEB Trust Cash Flow Projection Schedule. Ms. Talabi reviewed the schedule with the Board, explaining that a contingent approval was needed of \$2M monthly for the next three months, for a total of \$6M. Ms. Roman-Bhatty recommended taking \$4M from Baird Advisors and \$2M from the Mellon Large Cap Index. On motion made by Trustee Holton, seconded and unanimously carried, the Board approved the OPEB Cash Requirements for a total of \$6M, with \$4M from Baird Advisors and \$2M from the Mellon Large Cap Index.

Ms. Roman-Bhatty then provided an update on the Cooke & Bieler sector reallocation, explaining that Cooke & Bieler had requested a temporary waiver to sector guidelines, and that Marquette recommended granting the waiver. On motion made by Trustee Moore-Carter, seconded and unanimously carried, the Board approved Cooke & Bieler's temporary waiver.

Judy Chambers of Meketa Investment Group then provided a review of the Private Equity Portfolio as of June 30, 2019. David Randall presented the memo from Meketa Investment Group regarding reimbursement for travel expenses for Due Diligence, and on motion made by Trustee Pratt, seconded and unanimously carried, the Board approved the reimbursement for Due Diligence travel expenses. Ms. Chambers then provided an update on the OPEB Alternatives Portfolio as of June 30, 2019 and Risk Premia and Hedge Funds as of October 31, 2019.

Sarah Baulch, Brian Hock, Michael McDermott and Robin Brown of BNY Mellon presented their annual performance review to the Board. After careful examination and discussion, the Board accepted the report.

Jason Ostroski of CliftonLarsonAllen LLP presented the Independent Auditor's Reports for the ERS and EOS for FY2019 on internal control over Financial Reporting and Compliance and Other Matters based on an Audit of Financial Statements in according with Government Auditing Standards. He reviewed that the result of the audit was an unmodified clean opinion. After careful examination and discussion, the Board accepted the report.

Mr. Randall then presented the 2020 Proposed Meeting Schedule to the Board. On motion made by Trustee Moore-Carter, seconded and unanimously carried, the Board accepted the 2020 Proposed Meeting Schedule.

Mr. Randall presented the Investment Analysis of the ERS, EOS and OPEB Trust. He explained that the following documents; The Summary of Compliance as of September 30, 2019, the Asset Allocation and Pro-Forma as of October 31, 2019 and the Chart of Statement of Net Assets as of October 31, 2019 had all been created and compiled by Daniel Young, the Investment Analyst for the BCERS. The Board noted receipt of the Investment Analysis documents.

Deputy Director Nichelle Lashley provided a review of the Benefits Listing. The Board noted receipt of and accepted the Retirement Benefits Listing for the December 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 Retired Trustee Election. Mr. Randall provided an update on both the Retired Trustee Election, reporting that a ballot election was in progress and the results would be presented at the December 19, 2019 Board Meeting.

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 Pratt, seconded and unanimously carried, the Board approved administrative expenses for October 2019.

The Executive Director provided an update on Ethics Training, explaining that new Trustees would need to complete the training and that the training would be conducted at the January 16, 2020 Board Meeting, with all trustees attending.

The Board collectively noted receipt of the following items;

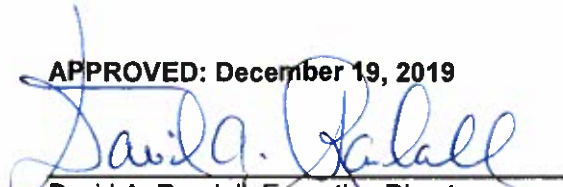
- "Oaktree moves up to presenting sponsor of Make-A-Wish gala," October 28, 2019 Pensions & Investments Article;
- "Investment industry grieves for a 'father'," October 28, 2019 Pensions & Investments Article; and
- The Trustee Educational Conferences & Program information.

Trustee Beasley asked if it was possible for there to a presentation of how members can access the website. Ms. Lashley offered a one on one presentation while Trustee Holton requested a Board-wide presentation. Mr. Randall said that the Communications Director would make a presentation to the Board at the next Board Meeting.

Trustee Moore-Carter expressed interest in attending the Opal Public Funds Summit in January 2019, and on motion made by Trustee Pratt, seconded and unanimously carried, the Board approved her request.

There being no further business, the meeting was adjourned.

**APPROVED: December 19, 2019**



David A. Randall, Executive Director