

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

1655th Meeting

March 19, 2020

The 1655th 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 19, 2020 at 9:01 a.m. in the 12th floor Conference Room of 7 E. Redwood Street, Baltimore, MD 21202.

Attendance: *Board Members* – Rosemary Atkinson, John Beasley, Dorothy Bryant, Helen Holton, Deborah F. Moore-Carter, Joan M. Pratt, Henry Raymond and Patricia Roberts (all by phone) *Consultants* – Nichole Roman-Bhatty and Ben Mohr of Marquette Associates, Judy Chambers of Meketa Investment Group (all by phone) *Legal* – Ellen Callahan, General Counsel and Etzion Brand, Senior Counsel. *Staff* – David A. Randall, Nichelle Lashley, Donna S. Bowen, Adetutu Talabi, Daniel Young, Aja Jackson and Rosemary Kourdglou

Chair Raymond called the meeting to order.

The Board considered, and on motion made by Trustee Atkinson, seconded and unanimously carried, the Board approved the minutes of the Open and Closed Meetings held February 20, 2020.

Nichole Roman-Bhatty of Marquette Associates reviewed manager performance as of February 29, 2020 and reviewed the Current Watch List. She and Mr. Ben Mohr of Marquette Associates provided a view on COVID-19's impact on the Bond Market, explaining that COVID-19 has accelerated the slowdown of the markets. Mr. Mohr then reviewed Fixed Income Manager Performance.

At this point in time, to keep with scheduling, Chair Raymond then called for a motion to recess the meeting, in accordance with 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 Holton, seconded and unanimously carried, the Board entered Closed session.

At 12:04 p.m., the Open Meeting reconvened. Present were those stated above.

On motion made by Trustee Holton, seconded and unanimously carried, the Board ratified the following decisions taken during the Closed Meeting:

- To approve Semper Capital Management's request to take the restriction on 144A Securities from 50% to 75%.
- To place PIMCO on Watch Status for organizational reasons;
- To approve the Criteria for a Fixed Income Manager Search;
- To table the Custodian Bank Search until questions regarding the RFP were answered; and
- To hire Stellex Capital Management as Private Equity Manager for an allocation of \$30M from the ERS and \$4M from the OPEB Trust.

Ms. Roman-Bhatty then provided a review of the Elected Officials' Retirement System Portfolio as of February 29, 2020. Finally, Ms. Roman-Bhatty provided a review of the OPEB Trust Portfolio as of February 29, 2020.

The Board noted receipt of the ERS Cash Flow Projection Schedule. Ms. Talabi reviewed the schedule with the Board, explaining that \$35M would be needed in April. Ms. Roman-Bhatty recommended taking \$20M from the Mellon Bond Index, \$7.5M from Semper and \$7.5M from PIMCO.

The Board noted receipt of the EOS Cash Flow Projection Schedule. Ms. Talabi reviewed the schedule with the Board, explaining that \$350,000 would be needed in April. Ms. Roman-Bhatty recommended taking the full amount from Invesco. On Mr. Randall's request, Ms. Roman-Bhatty recommended taking the full amount from the Mellon Bond Index as an alternative if Invesco had complications with the request.

On motion made by Trustee Holton, seconded and unanimously carried, the Board approved Ms. Roman-Bhatty's recommendations for the ERS and EOS Cash Requirements.

The Board noted receipt of the OPEB Trust Cash Flow Projection Schedule. Ms. Talabi explained that there was a standing motion for Cash Requirements contingent on capital calls, an on motion made by Trustee Atkinson, seconded and unanimously carried, the Board approved the request.

Judy Chambers of Meketa Investment Group then provided a review of the Private Equity Portfolio as of September 30, 2019. Ms. Chambers then provided an update on the OPEB Alternatives Portfolio as of September 30, 2019 and Risk Premia and Hedge Funds as of February 29, 2020.

Mr. Randall presented the Summary of Proposed Changes to Article 22 of the Baltimore City Code, explaining this item would be held for discussion until a later meeting.

The Board noted the receipt that Ms. Bowen, agency coordinator for Financial Disclosures, emailed the Board on February 26, 2020 regarding the Baltimore City Ethics Board filing requirements of the annual Financial Disclosure Statements. Mr. Randall explained that the filing process for this year is different because everyone was required to file paper forms. Mr. Randall reviewed that the filing deadline was April 30, 2020.

The Board noted receipt of the Investment Analysis of the ERS, EOS and the OPEB Trust. This included the Summary of Compliance as of January 31, 2020, the Asset Allocation and Pro-Forma as of February 29, 2020, the Chart of Statement of Net Assets as of February 29, 2020 and the Statement of Changes in Plan Net Assets as of February 29, 2020.

Deputy Director Nichelle Lashley provided a review of the Benefits Listing. 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 Executive Director updated the Board on various items, including the impact of COVID-19 on office procedures. Mr. Randall then presented the Administrative Expenses for February 2020. On motion made by Trustee Holton, the Board approved the administrative expenses for February 2020. Mr. Randall provided an update on the 13th Floor Office wall system changes, explaining that the project was put on hold.

The Board noted receipt of the Trustee Educational Conferences & Program Information and Mr. Randall recommended putting all travel on hold until June 30, 2020. On motion made by Trustee Bryant, seconded and unanimously carried, the Board approved the decision to put all Trustee Educational Travel on hold until June 30, 2020.

There being no further business, the meeting was adjourned.

APPROVED: April 16, 2020



David A. Randall, Executive Director

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

1656th Meeting

March 26, 2020

The 1656th 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 26, 2020 at 10:00 a.m via conference call.

Attendance: *Board Members* – Rosemary Atkinson, Joan Carter-Conway, Helen Holton, Deborah F. Moore-Carter, Joan M. Pratt, Henry Raymond and Patricia Roberts *Legal* – Ellen Williams, General Counsel. *Staff* – David A. Randall, Nichelle Lashley, Donna S. Bowen, Adetutu Talabi, Daniel Young, Aja Jackson and Rosemary Kourdoglou

Vice-Chair Pratt called the meeting to order.

Mr. Randall reviewed that at the March 19, 2020 Board Meeting, Marquette Associates had presented the Custodian Bank Search and made the recommendation to keep BNY Mellon as the Custodian Bank for the Employees' Retirement System. The Trustees had questioned whether or not an RFP was required if they made the decision to keep BNY Mellon as the Custodian Bank.

Ms. Ellen Williams, General Counsel reviewed that pursuant to Article 22, subsection 43 (a) (b),

- (a) That subject to approval of the Board of Estimates, the Board of Trustees of the respective retirement systems under this Article 22 may hire, employ or retain qualified persons or other legal entities as investment advisors... *et al.*
- (b) Nothing herein contained shall be construed to limit in any manner the authority heretofore conferred by this article on the said Boards of Trustees over the investment and management of the said systems funds... *et al.*

Ms. Williams explained that an RFP was not needed for the Board to hire BNY Mellon, as BNY Mellon was the current Custodian Bank of the Employees' Retirement System. She explained that with the recommendation from the Board to the Director of Finance, BNY Mellon can be appointed as investment custodian bank manager, pursuant to Board of Estimates approval.

On motion made by Trustee Carter-Conway, seconded and unanimously carried, the Board approved the decision to hire BNY Mellon as the investment custodian bank manager.

There being no further business, the meeting was adjourned.

APPROVED: April 16, 2020



David A. Randall, Executive Director