

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

1659th Meeting

June 18, 2020

The 1659th 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, June 18, 2020 at 9:02 a.m. in the 12th floor Conference Room of 7 E. Redwood Street, Baltimore, MD 21202.

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

Chair Raymond called the meeting to order.

The Board considered, and on motion made by Trustee Holton, seconded and unanimously carried, the Board approved the minutes of the Open and Closed Meetings held May 21, 2020.

Nichole Roman-Bhatty of Marquette Associates presented the May 2020 Investment Summary and Market Review, including updates on the impact of COVID-19 on the market. She then reviewed manager performance as of May 31, 2020 and made the recommendation to put Edgar Lomax on the Watch List. On motion made by Trustee Atkinson, seconded and unanimously carried, the Board approved the recommendation to put Edgar Lomax on Watch Status due to organizational reasons.

The Board noted receipt of the ERS Cash Flow Projection Schedule. Ms. Talabi reviewed the schedule with the Board, reporting that \$92M had been received from Baltimore City and Baltimore City Schools, and that \$60M of that amount would be set aside for investments. Ms. Roman-Bhatty recommended investing \$30M in the Mellon EB Agg Bond Index Fund and \$30M to Analytic. On motion made by Trustee Holton, seconded and unanimously carried, the Board approved Ms. Roman-Bhatty's recommendation.

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 July. On motion made by Trustee Bryant, seconded and unanimously carried, the Board approved Ms. Roman-Bhatty's recommendation to take \$350,000 from Mellon Large Cap to meet 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 \$2M in Cash Requirements contingent on capital calls. No motion was required.

Judy Chambers of Meketa Investment Group then provided a review of the Private Equity Portfolio as of December 31, 2019. Ms. Chambers then provided an update on the OPEB Alternatives Portfolio as of December 31, 2019 and Risk Premia and Hedge Funds as of May 31, 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 April 30, 2020, the Asset Allocation and Pro-Forma as of May 31, 2020, the Chart of Statement of Net Assets as of May 31, 2020 and the Statement of Changes in Plan Net Assets as of May 31, 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 July 1 payroll, and noted the Decisions and Findings

of Facts rendered by the Panel of Hearing Examiners. On motion made by Trustee Pratt, seconded and unanimously carried, the Board approved the Retirement Benefits Listing for July 1.

The Executive Director updated the Board on various items. Ms. Ellen Callahan, General Counsel, provided an update on contracts and other legal matters. Mr. Randall presented the Administrative Expenses for May 2020. On motion made by Trustee Holton, the Board approved the administrative expenses for May 2020. Deputy Director Nichelle Lashley provided an update on the impact of COVID-19 on office procedures.

At this point in time, Gar Chung left the meeting.

At this point in time, 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 12:24 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 decision taken in the Closed Meeting to:

- Hire Pugh Capital as a Core Fixed Income Manager for an allocation of \$64M;
- Terminate PIMCO; and
- To invest an additional \$24M from ERS and \$4M from the OPEB Trust in ISquared Capital.

There being no further business, the meeting was adjourned.

APPROVED: August 20, 2020



David A. Randall, Executive Director