



EMPLOYEES' RETIREMENT SYSTEM
The Maryland-National Capital Park and Planning Commission

BOARD OF TRUSTEES MEETING MINUTES

Tuesday, March 4, 2025; 10:00 a.m.

Kenilworth Office Building, Riverdale, MD

(Virtual Meeting via Microsoft Teams)

The Maryland-National Capital Park and Planning Commission ("Commission") Employees' Retirement System ("ERS") Board of Trustees ("Board") met virtually with CHAIR SHAPIRO leading the meeting on Tuesday, March 4, 2025. The meeting was called to order at 10:01 a.m. by CHAIR SHAPIRO.

Board Members Present

Peter A. Shapiro, Board of Trustees Chair, Prince George's County Commissioner

Gavin Cohen, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio

Pamela F. Gogol, Montgomery County Public Member

Sheila Morgan-Johnson, Prince George's County Public Member

Theodore J. Russell III, Prince George's County Open Trustee

Elaine A. Stookey, Bi-County Open Trustee

Sgt. Anton White, FOP Represented Trustee

William Spencer, M-NCPPC Acting Executive Director, Ex-Officio

Joined at 10:05 a.m.

Caroline McCarthy, Montgomery County Open Trustee

Board Members Absent

Lisa Blackwell-Brown, MCGEO Represented Trustee

James Hedrick, Board of Trustees Vice Chair, Montgomery County Commissioner

ERS Staff Present

Jaclyn F. Harris, Executive Director

Alicia C. Stanford, Administrative Specialist

Sheila Joynes, Accounting Manager

Presenters

Meketa Investment Group – Mary Mustard, CFA

ITEM 1. APPROVAL OF MARCH 4, 2025 CONSENT AGENDA

ACTION: MR. RUSSELL made a motion, seconded by MS. GOGOL to Approve the Consent Agenda of March 4, 2025. MR. SPENCER was absent from this vote. The motion PASSED. (8-0) (Motion # 25-5).

ITEM 2. CHAIR'S ITEMS – No notable discussion from the Board.

ITEM 3. CONSULTANT/MANAGER PRESENTATIONS

MEKETA INVESTMENT GROUP

Ms. Mustard gave a presentation on the Asset-Liability Study to the Board, beginning by emphasizing that asset allocation is the key decision in the Asset-Liability Study, as it greatly influences performance. She explained that the distribution of funds across various asset classes has a significant impact on the overall return behavior of the portfolio, both in the short and long term. Ms. Mustard also noted that the asset allocation process essentially determines the types and amount of risk one is willing to take. She highlighted that every January, Meketa updates its capital market expectations, which forecast returns, risk (standard deviation), and correlations for more than 100 asset classes. These assumptions form the basis for the asset allocation modeling. Ms. Mustard also mentioned that Meketa uses the Mosaic Approach, which incorporates various tools such as stress tests, mean-variance optimization, risk budgeting, tracking error comparisons with peers, and economic regime analysis to address different risks. She compared ERS's current policy to those of public pension peers, noting that the ERS is underweight in both public and private equity and overweight in credit. Finally, she stated that, based on feedback from the February IMG meeting, Meketa will present more refined policy options at the March IMG meeting.

Ms. Mustard provided a summary of the January 2025 Investment Report. She began by noting that performance in the market was largely positive. The ERS Total Fund return for January 2025 was 1.5% (net of fees), compared to the Target Policy index return of 2.0%, underperforming by 40 basis points. For the fiscal year-to-date, three, and trailing five-year periods ending January 31, 2025, the ERS Total Fund return stood at 5.3%, 4.3%, and 6.8%, respectively, compared to the Target Policy index returns of 6.0%, 4.9%, and 6.3%, respectively. While the Total Fund underperformed for the fiscal year-to-date and trailing three-year periods, the portfolio outperformed the Target Policy index for the trailing five-year period.

ITEM 4. COMMITTEE REPORTS/RECOMMENDATIONS

ITEM 4.A. Investment Monitoring Group

Ms. Harris presented the IMG report from February 18, 2025, informing the Board that Meketa Investment Group provided three portfolio options (Mix A, B, and C) as part of the preliminary asset allocation/liability analysis. She explained that Mix A simplifies the current ERS portfolio by removing two asset classes: Low Volatility Equity and Public Natural Resources. Mix B builds on Mix A by adding Core Infrastructure and TIPS, to provide income and inflation protection. Mix C more closely aligns with the peer portfolio, with larger allocations to Private Equity, U.S. and Foreign equities, and the inclusion of Hedge Funds, but has less credit exposure compared to the other options. Ms. Harris also shared that Meketa will meet with the IMG in March to discuss adjustments to the asset allocation policy based on feedback from the February 18, 2025 meeting. Additionally, she noted that during the IMG meeting, Meketa presented their white paper, "What We Are Watching in 2025."

ITEM 5. EXECUTIVE DIRECTOR'S REPORT

Ms. Harris reported that staff calculated a Cost-of-Living Adjustment (COLA) using data from the December 2024 Consumer Price Index for All Urban Consumers (CPI-U). The change in the CPI-U for December 2024 was 2.9%. COLAs are applied annually on July 1st based upon the change in the CPI-U at year end. Staff recommended a COLA of 2.9% for Tier 1 Service and 2.5% for Tier 2 Service effective July 1, 2025 for eligible retirees and beneficiaries in accordance with the ERS Plan Document.

ACTION: MS. GOGOL made a motion, seconded by MS. MCCARTHY to Approve a Cost-of-Living Adjustment of 2.9% for Tier 1 Service and 2.5% for Tier 2 Service effective July 1, 2025 for eligible

retirees and beneficiaries in accordance with the ERS Plan Document. The motion PASSED. (9-0).
(Motion # 25-6).

Ms. Harris provided an update on the Senior Retirement Analyst vacancy, noting that after phone screenings, staff selected three finalists and plan to conduct in-person interviews during the week of March 10th. She also reported that the search for the Deputy Executive Director is still underway, with EFL Associates currently interviewing candidates. Ms. Harris mentioned that more than 40 applicants have applied for the position.

Ms. Harris reported that staff successfully concluded Beta testing for the rollout of MemberDirect to retirees on February 14, 2025, with no critical issues identified. Retirees involved in the testing process provided positive feedback, particularly praising the portal's user-friendly and informative design. She also informed the Board that the Annual Disaster Recovery Test is scheduled for April 3, 2025. This test will assess server failover, application functionality at the disaster recovery site, and access to the production environment. Finally, Ms. Harris notified the Board that the 2024 Financial Disclosure Statement is due to the Commission Executive Director's Office by April 30, 2025, with a copy also to be sent to ERS.

The Board meeting of March 4, 2025, adjourned at 10:40 a.m.

Respectfully,

Alicia C. Stanford

Alicia C. Stanford
Administrative Specialist

Jaclyn Harris

Jaclyn F. Harris
Executive Director