



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

BOARD OF TRUSTEES MEETING MINUTES
Tuesday, November 4, 2025; 10:00 a.m.
6611 Kenilworth Avenue - Merit Board Conference Room,
Riverdale, MD 20737
(Hybrid Meeting via Microsoft Teams)

The Maryland-National Capital Park and Planning Commission ("Commission") Employees' Retirement System ("ERS") Board of Trustees ("Board") met in-person and via TEAMS on Tuesday, November 4, 2025. The meeting was called to order at 10:00 a.m. by CHAIRMAN BARNES.

Board Members Present

Darryl Barnes, Chairman, Prince George's County Planning Board, Prince George's County Commissioner
James Hedrick, Vice Chair, Board of Trustees, Montgomery County Commissioner
Gavin Cohen, M-NCPPC Secretary-Treasurer, Ex-Officio
William Spencer, M-NCPPC Acting Executive Director, 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
Lisa Blackwell-Brown, MCGEO Represented Trustee
Sgt. Anton White, FOP Represented Trustee

Board Members Absent

Caroline McCarthy, Montgomery County Open Trustee

ERS Staff Present

Jaclyn F. Harris, Executive Director
Leslie Harmon, Deputy Executive Director
Alicia C. Stanford, Administrative Specialist

Presenters

Cheiron - Patrick Nelson, FSA, CERA, EA, MAAA, Consulting Actuary
Cheiron - Janet Cranna, FSA, FCA, EA, MAAA, Principal Consulting Actuary
Cheiron – Jana Bowers, FSA, EA, MAAA, Associate Actuary
Meketa Investment Group, Inc. – Aaron Lally, CFA, CAIA, CIPM
Meketa Investment Group, Inc. – Mary Mustard, CFA
Meketa Investment Group, Inc. – Gloria Hazard, CFA

ITEM 1. APPROVAL OF NOVEMBER 4, 2025 CONSENT AGENDA

ACTION: MS. GOGOL made a motion, seconded by MR. WHITE to Approve the Consent Agenda for November 4, 2025. The motion PASSED. (10-0). (Motion #25-33).

ITEM 2. CONSULTANT/MANAGER PRESENTATIONS

ITEM 2.A. CHEIRON

Cheiron presented an educational review on the actuarial valuation process, historical trends, and the identification and assessment of risk to the Plan. They reported that as of June 30, 2025, the Actuarial Value of Assets (AVA) for the ERS increased by 5.33% to total \$1,239,510,702. The Actuarial Value of Assets (AVA) returned 7.93% from June 30, 2024 to June 30, 2025, compared to the actuarial assumed return rate of 6.70%. Plan experience for the fiscal year resulted in a total actuarial liability loss of \$14.6 million and the ERS actuarial liability increased by 4.14% to \$1,405,789,832. As of June 30, 2025, the funded ratio (based on the actuarial value of assets) equaled 88.17%, slightly up from 87.18% in 2024. The source of the actuarial loss can be primarily attributed to salary increases and the retiree COLA being greater than expected. Cheiron recommended an Actuarially Determined Contribution (ADC) of \$41,130,838 (17.37% of covered payroll) which is payable July 1, 2026 for fiscal year 2027.

Mr. Nelson informed the Board that, as of 2025, the ERS Plan has a support ratio of 0.8 compared to 200 public sector pension plans, indicating that the ERS Plan is less mature than peer plans. He also noted that the Plan's assumed rate of return is more conservative than most. Additionally, he reported that the Market Value of Assets (MVA) funded ratio stands at 88.72%, which is higher than most public sector pension plans.

Mr. Nelson then reviewed historical inflation trends, citing a compounded average of 4.6% from 2020 to 2025 and a CPI of 2.7% for the fiscal year ending June 30, 2025. Mr. Russell questioned whether the potential insolvency of Social Security within eight years would impact inflation, to which Ms. Cranna responded that it should not. Mr. Russell noted that changes to Social Security could have a significant impact on the Plan and should be monitored to ensure the health of the ERS.

Mr. Nelson discussed how inflation affects assumptions, noting that three-quarters of pension plans have an automatic COLA. He stated that inflation affects assumptions regarding wage increases, payroll growth, and expense growth. He further noted that the inflation assumption is scheduled for review during the next experience study, which will take place in early 2026.

Finally, Mr. Cohen observed that contributions have doubled from \$20 million to \$40 million over the past decade and asked if they are expected to rise by \$7 million annually. Mr. Nelson replied that they are not.

Vice Chair Hedrick logged off the meeting at 10:50 a.m.

Mr. White asked about the impact of unemployment. Ms. Cranna responded that vacancies are starting to be filled following retirements and resignations related to COVID. Mr. Spencer noted that approximately 70% of Commission positions are currently filled. Ms. Morgan-Johnson questioned why refunds had risen by 6%. Mr. Nelson explained that refund percentages vary depending on when members submit applications. Ms. Bowers reviewed employer contributions by Plan and the reconciliation process, emphasizing that changes were driven by higher-than-expected payroll increases. Ms. Morgan-Johnson requested that Cheiron provide a yearly contribution chart along with detailed explanations for the source of the changes to liability.

ACTION: MR. RUSSELL made a motion, seconded by MR. SPENCER to approve an Actuarially Determined Contribution of \$41,130,838 (17.37% of payroll) payable July 1, 2026 for fiscal year 2027. The motion PASSED (9-0). (Motion # 25-34)

ITEM 2.B. MEKETA INVESTMENT GROUP

Mr. Lally briefly summarized the ERS's performance for the month ending September 30, 2025. Plan assets stood at approximately \$1.3 billion and slightly outperformed for the month relative to the Target Policy Index. The asset

exposure is currently outside the policy limits due to the ongoing rebalancing of assets to align with the updated policy targets that took effect on June 1, 2025. The portfolio was adjusted to meet these targets in October.

Ms. Hazard gave a summary of recent fund transfers resulting from the asset allocation study conducted earlier in 2025. As part of the changes, the ERS terminated investments in Public Real Assets, Capital Guardian International Equity, SSgA Real Assets Strategy, and BlackRock Minimum Volatility Equity strategy. New allocations were made to index funds, U.S. TIPS and the MSCI ACWI ex USA index.

ITEM 3. COMMITTEE REPORTS/RECOMMENDATIONS

ITEM 3.A. Administration and Personnel Oversight Committee

Mr. Cohen shared that Staff presented a recommendation to the Personnel Committee to reallocate funds from the recently vacated IT Systems Manager position to a new role, a Communication & Digital Specialist. The position is intended to strengthen the ERS's digital engagement, support transparency, facilitate internal and external communications that meet ADA standards, and lead efforts to advance the member self-service portal, MemberDirect.

ACTION: MS. GOGOL made a motion, seconded by MR. WHITE to Approve a new Communication & Digital Specialist job position. The motion PASSED. (9-0). (Motion #25-35).

ITEM 3.B. Audit Committee

Mr. Cohen shared brief details of auditor, SB & Company's, presentation to the Audit Committee on their independent audit of the June 30, 2025 financial statements for the ERS. He noted that SB & Company plan to issue an unmodified opinion on the ERS financial statements. Lastly, Mr. Cohen informed the Board that the Audit Services agreement with SB & Company is set to expire on May 4, 2026 and the Committee and Staff plan to collaboratively work with the Commission to issue a joint RFP for Audit Services.

ITEM 4. EXECUTIVE DIRECTOR'S REPORT

Ms. Harris reported that the State of Maryland received settlement distributions of \$18.2 million from the Royal Bank of Scotland and \$20 million from Wells Fargo. The funds stem from legal cases involving violations of Maryland laws related to the creation, pooling, and sale of residential mortgage-backed securities to public investors in the state. The ERS received a total claim amount of \$991,581 for losses related to Wells Fargo and Royal Bank of Scotland RMBS. Ms. Harris also updated the Board on the Organizational Assessment RFP, noting that nine proposals were submitted. An evaluation committee—comprising members of the Personnel Committee and staff—will review, score, and assess the submissions. Finally, Ms. Harris informed the Board that staff are working with B.F. Saul to renew the existing \$5 million cyber insurance policy, which is set to take effect on December 1, 2025.

ITEM 5. CLOSED SESSION

At 11:49 a.m., MR. WHITE made a motion, seconded by MR. RUSSELL to go into closed session under the authority of the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(5) to consider matters directly concerning the actual investment of public funds under the authority of this Board. The motion PASSED (9-0). (Motion #25-36).

Board of Trustees in Closed Session Chairman Barnes, Theodore Russell III, Elaine Stookey, Gavin Cohen, Pamela Gogol, Sheila Morgan-Johnson, Lisa Blackwell-Brown, Anton White, and William Spencer.

ACTION: MR. WHITE made a motion, seconded by MR. SPENCER to Ratify the Action taken in the Closed Session. The motion PASSED. (9-0). (Motion #25-38).

The Board meeting of November 4, 2025 adjourned at 12:01 p.m.

Respectfully,

Alicia C. Stanford

Alicia C. Stanford
Administrative Specialist

Jaclyn Harris

Jaclyn F. Harris
Executive Director