



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

**REGULAR BOARD OF TRUSTEES MEETING
MINUTES**

Tuesday, January 7, 2020; 10:00 a.m.

ERS/Merit Board Conference Room

or

Via Conference Call

The Maryland-National Capital Park and Planning Commission Employees' Retirement System Board of Trustees ("Board") met in the ERS/Merit Board Conference Room at its office in Riverdale, Maryland on Tuesday, January 7, 2020 and was called to order at 10:00 a.m. by CHAIRMAN HEWLETT.

Board Members Present In-Person

Elizabeth M. Hewlett, Board of Trustees Chairman, Prince George's County Commissioner
Howard Brown, FOP Represented Trustee
Asuntha Chiang-Smith, M-NCPPC Executive Director, Ex-Officio
Elaine A. Stookey, Bi-County Open Trustee
Joseph C. Zimmerman, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio

Board Members Present Via Conference Call

Gerald R. Cichy, Board of Trustees Vice Chairman, Montgomery County Commissioner
Melissa D. Ford, Prince George's County Open Trustee
Pamela F. Gogol, Montgomery County Public Member
Amy Millar, MCGEO Represented Trustee
Sheila Morgan-Johnson, Prince George's County Public Member

Board Members Not Present

Vacant, Montgomery County Open Trustee

ERS Staff Present

Andrea L. Rose, Administrator
Heather D. Van Wagner, Senior Administrative Specialist
Sheila S. Joynes, ERS Accounting Manager

Presentations

Wilshire Associates - Bradley A. Baker, Managing Director
Groom Law Group - Alexander P. Ryan, Counsel

Others Present

M-NCPPC Legal Department - William C. Dickerson, Principal Counsel

ITEM 1 APPROVAL OF THE JANUARY 7, 2020 CONSENT AGENDA

- A. Approval of the January 7, 2020 Board of Trustees Meeting Agenda
- B. Minutes of Open Session, December 3, 2019
- C. Minutes of Closed Session, December 3, 2019 **(Trustees Only)**
- D. Disbursements Granted Reports - November 2019

Confidential

ACTION: MS. GOGOL made a motion, seconded by MS. CHIANG-SMITH to approve the Consent Agenda. The motion PASSED unanimously (10-0). (Motion #20-01)

ITEM 2 CHAIRMAN'S ITEMS

- A. Board of Trustees Conference Summary

CHAIRMAN HEWLETT reminded Board members that attending training events is a requirement.

ITEM 3 MISCELLANEOUS

No miscellaneous reported.

ITEM 4 COMMITTEE REPORTS/RECOMMENDATIONS**Investment Monitoring Group - Report of December 17, 2019 Meeting**

In October 2019, Eaton Vance requested permission to include Agency Credit Risk Transfer Securities (CRTs) in the eligible investment universe. Eaton Vance believes an allocation to CRTs would provide the portfolio with improved diversification and exposure to areas of the U.S. economy with better credit fundamentals. The Investment Monitoring Group (IMG) reviewed Eaton Vance's proposed changes to the investment guidelines with Wilshire Associates' (Wilshire), Brad Baker, who recommended approval of the revised investment guidelines to permit inclusion of a maximum of 5% in CRTs.

ACTION: MS. CHIANG-SMITH made a motion, seconded by VICE CHAIRMAN CICHY to Approve the Revised Investment Guidelines for Eaton Vance to Permit Inclusion of a Maximum of 5% in CRTs. The motion PASSED unanimously (10-0). (Motion #20-02)

On November 21, 2019, C.S. McKee informed the ERS of an expected sale to CSM Advisors, LLC, an affiliate of North Square Investments. C.S. McKee is being rebranded as CSM Advisors, LLC and is requesting the ERS consent to the assignment of their Investment Management Agreement to CSM Advisors, LLC to continue receiving investment advisory services. C.S. McKee manages approximately 6% of the ERS' fixed income portfolio.

In a Memorandum dated December 17, 2019, Wilshire recommended retention of C.S. McKee (CSM Advisors, LLC) as a core fixed income manager. The IMG and Wilshire's Brad Baker expressed concerns about the backing by Estancia Capital, a private equity fund, and eventual exit strategy for Estancia Capital; pressure to grow assets; loss of focus and/or taking more risk; and a change to the investment strategy.

MS. MORGAN-JOHNSON recommended developing a Watch List Policy and placing CSM Advisors, LLC on watch with frequent in-person performance reviews to the IMG.

ACTION: MR. ZIMMERMAN made a motion, seconded by MS. CHIANG-SMITH to Approve C.S. McKee's Request to Consent to the Assignment of the Investment Management Agreement to CSM Advisors, LLC, and to place CSM Advisors, LLC on watch. The motion PASSED unanimously (10-0). (Motion #20-03)

ITEM 5 CLOSED SESSION

At 10:15 a.m. CHAIRMAN HEWLETT requested a motion to go into Closed Session under authority of the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(7) to consult with counsel to obtain legal advice on a legal matter.

ACTION: MS. GOGOL made a motion, seconded by MS. CHIANG-SMITH to go into Closed Session. The motion PASSED unanimously (10-0). (Motion #20-04)

During Closed Session, the following action was taken:

1. The Board approved recommendations for amendments to the Investment Management Agreement with C.S. McKee

The Board moved back into Open Session at 10:28 a.m.

ACTION: MS. CHIANG-SMITH made the motion, seconded by MR. ZIMMERMAN to ratify the actions taken in Closed Session. The motion PASSED unanimously (10-0). (Motion #20-07)

The Board meeting of January 7, 2020 adjourned at 10:30 a.m.

Respectfully,

Heather D. Van Wagner
Senior Administrative Specialist

Andrea L. Rose
Administrator