

MINUTES OF THE  
MEETING OF THE PENSION OVERSIGHT COMMISSION  
April 11, 2016

A meeting of the Pension Oversight Commission (POC) for the Howard County Retirement Plan and the Howard County Police and Fire Employees' Retirement Plan was held Monday, April 11, 2016 at 4:05 p.m. via conference call. Present on the phone were the following voting members of the Commission:

Toshie Kabuto  
Peter Hong  
Todd Snyder

Commission members Vananzo Eaton and Mitchell Stringer were absent. Also present on the call was Scott Southern Retirement Assistant. Mr. Snyder Chaired the meeting and Mr. Southern served as Secretary.

Mr. Snyder began the call by going over the material provided by Summit Strategies and the Actuarial Valuation provided by Bolton Partners to the Howard County Retirement Plan Committees. Some of the questions that he thought should be discussed were the risk level of the investments, and the level of funding for the two different retirement plans.

Ms. Kabuto did feel that the assumed discount rate was probably 2% higher than it should be.

Mr. Snyder then focused the discussion on the performance of the investment manager, Summit Strategies. The commission felt that there was underperformance in some of the plans investments. The areas of concern that they wanted to discuss were in real estate, international equities and fixed income. Mr. Snyder felt that Summits performance versus the peer group was low.

Ms. Kabuto described that it is not obtainable to be better than everyone else. She described the role of the investment consultant to help to obtain a policy benchmark, help determine the appropriate asset allocation, recommend investment managers, negotiate fees, and help gain access to private equities that are not available to the general public.

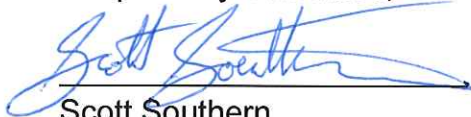
The commission reviewed the performance over the last five years and felt that it was not great. They felt that the investment advisor should be reviewed.

Mr. Hong stated that the goal of a pension plan is to maintain investment returns and not necessarily to pursue excess returns. With investments that could have a potential for larger returns there is also the risk to have significant losses, which a pension plan tries to avoid. He felt it was better to see how the plan was performing against a peer group of pension plans.

Mr. Snyder requested that Mr. Southern check with Summit to see if the commission could get a report to see the fees the investment managers were charging the plan.

With no other issues to discuss, the meeting was adjourned at 4:53 p.m.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Scott Southern", written over a horizontal line.

Scott Southern,  
Office of Human Resources