

DRAFT MINUTES OF THE
MEETING OF THE PENSION OVERSIGHT COMMISSION
November 3, 2017

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 Friday, November 3, 2017 at 10:00 a.m. in the Reisterstown room of the Ascend One Building at 8930 Stanford Blvd. Columbia, MD 21045. Members also participated via conference call. Present in person and on the phone for all or part of the meeting were the following voting members of the Commission:

Ken Barnes
Toshie Kabuto
Todd Snyder

Peter Hong and Mitchell Stringer were absent. Also present for all or part of the call were Cynthia Peltzman from the Office of Law; Wanda Hutchinson, John Peterson and Dale Chase, from the Howard County Retirement Plan Committee and Scott Southern from the Office of Human Resources.

Mr. Snyder chaired the meeting and Mr. Southern served as secretary.

The meeting was called to order at 10:15 a.m. Mr. Snyder went over the agenda of the meeting which included:

- Discussion of the annual report for the fiscal year ending 2017
- A review of the plans investment performance
- Discussion of industry trends
- The response to the commission's annual report ending fiscal year 2016
- Comments from the October 26, 2017 Retirement Plan Committee meeting
- Open Meetings act training

Mr. Snyder began the discussion by providing an overview of what the commission was to cover each year in their annual report. He identified the three main documents that the POC would need to compile their report as the investment performance review, the auditor's report on the plans financials and the actuarial valuation. In an effort to begin the process sooner the commission has agreed to establish meetings in January and February for discussions with both Summit Strategies, the investment consultant, and Bolton Partners, the plans' actuary. The members present then discussed the division of duties for writing the report.

Mr. Snyder brought up that the retirement plan has a new auditor this year. The Commission members wanted to know process of selecting a new auditor and if the Retirement Plan Committee has any input on that decision.

The next item discussed was the investment performance review. Overall the performance has been strong. There were questions if they should look at the implementation index for some of the asset classes.

The meeting moved on to the topic of industry trends. The feeling amongst the commissioners was that the industry is cautioning that there could be lower returns in the future and that the market is due for a correction. They may want to review the amount of liquidity in the plan.

The commissioners then wanted to review the response that they received from their recommendations made in the fiscal year 2016 annual report. They noted that the Retirement Plan Committee discussed the report in the July 27, 2017 meeting but not much was stated in the minutes. The commission made a motion to:

Delegate Todd Snyder to request and schedule meetings with The Joint Retirement Plan Committee, The County Executive and the Howard County Council.

The POC members would like to meet with the retirement plan committee first to get their feedback on the recommendations before meeting with the County Executive and County Council.

Mr. Snyder reviewed his experience while attending the last retirement plan committee meeting on October 26, 2017. While he was not able to stay for the whole meeting, one observation he made was that he felt that some of the committee members were unaware of the change to the retirement plan's auditor.

Mr. Snyder summarized the memo sent out by Gary Kuc regarding recent changes in the Open Meetings act. Mr. Snyder and Mr. Barnes agreed to take the training so the commission could go into a closed session if they need to in the future.

Mr. Snyder asked those in attendance if they had anything else that they would like to discuss. Dale Chase wanted to make a few comments. Mr. Chase felt that the Pension Oversight Commission does some valuable work for the county. He proposed that instead of having a discussion with the retirement plan committee, the commission should have a presentation of their annual report. He informed the commission that the plan does not have a liquidity issue at all and that they can afford to take some liquidity risk. He would like the commission to compare how the Howard County Retirement Plans are doing when compared among their peers. Mr. Chase stated that he has a personal issue with fund of funds and knowing the different layers of fees that must be paid. Lastly he stated he wants the commission to

understand the role the retirement plan committee plays and the duties and roles of the pension oversight commission.

Mr. Snyder feels that the role of the Pension Oversight Commission is as an advisory board. They make suggestions to help the Retirement Plan Committee make improvements to the retirement plan.

With no further issues to discuss, the meeting was adjourned at 11:32 a.m.

Respectfully Submitted,

Scott Southern,
Office of Human Resources