



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

**REGULAR BOARD OF TRUSTEES MEETING**  
**MINUTES**

**Tuesday, February 5, 2019; 10:00 A.M.**  
**ERS/Merit Board Conference Room**

The Maryland-National Capital Park and Planning Commission Employees' Retirement System Board of Trustees met in the ERS/Merit Board Conference Room at its office in Riverdale, Maryland on Tuesday, February 5, 2019. In the absence of the Chairman and at the request of the Vice Chairman who was participating via conference call, the meeting was called to order at 10:00 a.m. by JOSEPH C. ZIMMERMAN.

**Board Members Present:**

1. Gerald R. Cichy, Board of Trustees Vice Chairman, Montgomery County Commissioner (*via conference call*)
2. Anju A. Bennett, M-NCPPC Acting Executive Director, Ex-Officio
3. Howard Brown, FOP Represented Trustee
4. Melissa D. Ford, Prince George's County Open Trustee
5. Pamela F. Gogol, Montgomery County Public Member
6. Rick Liu, Montgomery County Open Trustee In 10:09 a.m.
7. Amy Millar, MCGEO Represented Trustee
8. Sheila Morgan-Johnson, Prince George's County Public Member
9. Barbara Walsh, Bi-County Open Trustee
10. Joseph C. Zimmerman, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio

**Board Members Not Present:**

1. Elizabeth M. Hewlett, Board of Trustees Chairman, Prince George's County Commissioner

ERS staff present: Andrea L. Rose, Administrator; Heather D. Brown, Senior Administrative Specialist; Sheila S. Joynes, Accounting Manager; and, Ann McCosby, Software Manager.

Presentations by: Groom Law Group - Alexander P. Ryan, Counsel and David Levine, Counsel and M-NCPPC Legal Department – William Dickerson, Principal Counsel.

**1. CONSENT AGENDA**

The following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

- A. Approval of the February 5, 2019 Board of Trustees Meeting Agenda
- B. Minutes of Open Session, December 4, 2018
- C. Disbursements Granted Reports – November and December 2018

**ACTION:** MS. GOGOL made a motion, seconded by MS. BENNETT to approve the Consent Agenda, as submitted. The motion PASSED unanimously (9-0). (Motion #19-1)

**2. CHAIRMAN'S ITEMS**

- A. Board of Trustees Conference Summary

**3. MISCELLANEOUS**

No miscellaneous reported.

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#### 4. **TRUSTEE EDUCATION**

##### A. Groom Law Group

Presentations by Alexander P. Ryan, Counsel and David Levine, Counsel

- i. Ethics & Fiduciary Training: An Update and Investment Fund Advisory Boards

MR. LIU arrived at 10:09 a.m.

Alexander P. Ryan and David Levine presented the annual Ethics & Fiduciary Responsibility Training.

#### 5. **CLOSED SESSION**

Pursuant to the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter, namely the Maryland Public Information Act General Provisions 4-335 which prevents public disclosure of confidential commercial or financial information and Section 3-305(b)(7) to consult with counsel to obtain legal advice.

At 12:00 p.m. MR. ZIMMERMAN 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)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosure about a particular proceeding or matter and to discuss matters that are subject to Section 4-335 of the General Provisions Article of the Maryland Annotated Code, which prevents public disclosure of confidential commercial or financial information to discuss proprietary information of Wilshire Private Markets' M-NCPPC Employees Retirement System Global, L.P. Series II; and, Section 3-305(b)(7) to consult with counsel to obtain legal advice on particular legal matters and to preserve attorney-client privilege.

ACTION: MS. FORD made a motion, seconded by MS. WALSH to go into Closed Session.  
The motion PASSED unanimously (10-0). (Motion #19-2)

During Closed Session, the following matters were discussed:

1. The Investment Monitoring Group's Confidential Report of January 15, 2019 regarding the Wilshire MNCPPC Employees Retirement System Global, L.P. Series II fund.
2. The Administration & Personnel Oversight Committee's Confidential Report of February 4, 2019.
3. Consultation with legal counsel on particular legal matters.

MS. GOGOL left the meeting at 12:42 p.m.

MS. MORGAN-JOHNSON left the meeting at 12:46 p.m.

At 12:55 p.m. MR. ZIMMERMAN requested a motion to leave Closed Session.

ACTION: MS. MILLAR made the motion, seconded by MS. WALSH to leave Closed Session.  
The motion PASSED unanimously (8-0). (Motion #19-5)

ACTION: MS. FORD made the motion, seconded by MS. WALSH to ratify the actions taken in Closed Session. The motion PASSED unanimously (8-0). (Motion #19-6)

## 6. **COMMITTEE REPORTS/RECOMMENDATIONS**

### A. Investment Monitoring Group Committee

Presentation by Committee Chairman, Sheila Morgan-Johnson

- i. Regular Report of December 18, 2018
- ii. Confidential Report of December 18, 2018 (For Information Only)
- iii. Regular Report of January 15, 2019
  - a. Recommendation to Approve the Securities Lending – Required Adherence to Resolution Stay-Consent Amendment, subject to legal review

At its January 15, 2019 meeting the Investment Monitoring Group (IMG) discussed changes required to agreements governing transactions with certain securities lending borrowers to comply with regulatory requirements.

Following the financial crisis, jurisdictions developed special resolution regimes (“SRRs”) to ensure financial institutions can continue to trade and meet obligations to counterparties even after getting into financial difficulties. A key feature is the temporary suspension of a counterparty’s termination and default rights which is usually up to two business days. This gives regulators time to implement an efficient resolution of a failing financial institution and to allow an orderly unwinding of its trading positions to avoid defaults which would have an adverse impact on financial stability. By authorizing Northern Trust to make the changes, the ERS will be able to lend securities to borrowers located in jurisdictions that are subject to resolution regimes (such as US, UK, Germany and Japan). There is minimal risk as there would need to be another 2008/2009 -level crisis. The new regulations are effective July 1, 2019; however, Northern Trust requires clients execute a Consent Amendment by March 1, 2019. The IMG recommends the Board approve the Securities Lending- Required Adherence to Resolution Stay- Consent Amendment, as recommended by Wilshire Associates, subject to legal review. The consent amendment was reviewed by legal counsel.

**ACTION:** MS. BENNETT made the motion, seconded by MS. WALSH to Approve the Securities Lending – Required Adherence to Resolution Stay-Consent Amendment. The motion PASSED unanimously (8-0). (Motion #19-7)

### B. Administration & Personnel Oversight Committee

Presentation by Committee Chairman, Barbara Walsh

- i. Regular Report of December 18, 2018
- ii. Confidential Report of December 18, 2018
- iii. Regular Report of January 22, 2019
  - a. Recommendation to Approve the Memorandum of Understanding with the M-NCPPC effective January 1, 2019 as amended
- iv. Confidential Report of January 22, 2019
- v. Regular Report of February 4, 2019
- vi. Confidential Report of February 4, 2019

At its January 22, 2019 meeting, the Administration & Personnel Oversight Committee (“Personnel Committee”) reviewed the revised Memorandum of Understanding (MOU) between the ERS and the Commission to facilitate Information Technology support to the ERS which was reviewed by legal counsel. The Personnel Committee recommends the Board approve the MOU effective January 1, 2019.

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Ms. Rose recommended one final edit on page 4, number 3, add the language “within 30-days of receipt of an invoice from the Commission’s Finance Office”.

ACTION: MS. WALSH made the motion, seconded by MS. MILLAR to Approve the Memorandum of Understanding with the M-NCPPC effective January 1, 2019 as amended. The motion PASSED unanimously (8-0). (Motion #19-8)

**7. REPORT OF THE ADMINISTRATOR**

Presentation by Administrator, Andrea L. Rose

A. Administrator’s Report dated January 24, 2019

Andrea Rose presented the Administrator’s Report dated January 24, 2019.

**8. ADMINISTRATIVE FUNCTIONS**

The Board will recess to perform administrative functions not subject to the Open Meetings Act, pursuant to Section 3-104 of the General Provisions Article of the Annotated Code of Maryland.

ACTION: MS. FORD made the motion, seconded by MR. LIU to adjourn the Board of Trustees Meeting. The motion PASSED unanimously (8-0). (Motion #19-9)

The Board of Trustees meeting of February 5, 2019 adjourned at 1:08 p.m.

Respectfully,

Heather D. Brown  
Senior Administrative Specialist

Andrea L. Rose  
Administrator