

**BOARD OF INVESTMENT TRUSTEES
MONTGOMERY COUNTY EMPLOYEES' RETIREMENT SYSTEM**

MINUTES – OPEN SESSION

Friday, July 26, 2024

**100 Maryland Avenue, 6th Floor, Rockville, MD 20850
ZOOM Video Conference**

Board Members Present:

**Joseph Beach
Jennifer Bryant
Jeff Buddle (Zoom)
Michael Coveyou
James Donaldson
Jennifer Harling (Zoom)
Lee Holland
Barry Kaplan
Christine Kelleher
Gino Renne (Zoom)
Deborah Snead (Zoom)
Brian Swain (Zoom)
Caven West**

Staff:

**Eli Martinez
Kevin Killeavy
Marc Esen
John Feketekuty
Darrin Arbaugh
Benjamin Merrill
Benjamin Holthus
Min Tang
Priti Mehta
Denise Kropp
Inna Halay**

Others Present:

**Benjamin Legum, Office of the County Attorney
Brad Atkins, Franklin Park
Melanie Fraind, Franklin Park
Margaret Belmondo, NEPC
Phil Nelson, NEPC
Jennifer Yeung, Albourne**

CALL TO ORDER

Mr. Holland called the open session of the Board meeting to order at 11:42 a.m.

Approval of Consent Agenda: Mr. Donaldson moved, Mr. Beach seconded, and the Board approved the items listed on the Consent Agenda.

DETERMINATION OF MEETING

The Board unanimously approved a motion to move into closed session at 11:42 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, General Provisions Article, 3-305(b)(5).

The Board moved back into open session at 12:03 p.m.

Executive Director Updates: Mr. Martinez introduced Inna Halay, the Senior Executive Administrative Aide, provided an update on the Board retreat, and updated the Board on the ESG presentation to the Government Operations and Fiscal Policy Committee (GO).

Approval of Proposed Governance Changes: Mr. Killeavy and Mr. Martinez presented the proposed governance improvements around Compliance and Audit Committee meetings, semi-annual risk reporting, vendor evaluations, Board education, conflicts of interest, and service provider referral. Following discussion by the Board, Mr. Buddle moved, Mr. Beach seconded, and the Board approved the following Resolutions:

2407-01 *Resolved that the Board approves the proposed edits to the governance manual, including changes to the Compliance and Audit Committee meeting requirement, Semi-Annual Risk Reporting, and Annual Vendor Disclosure.*

Sustainability and Best Practice Memo: Mr. Martinez presented the Sustainability and Best Practices Memo. Mr. Beach moved, Ms. Kelleher seconded, Mr. Coveyou abstained, and the Board approved the following Resolutions:

2407-02 *Approved developing an implementation plan to recommend to the Montgomery County Government County Council that includes 1) giving the Boards the ability to set actuarial assumptions and selecting and hiring a Consulting Actuary and service providers for the Plans, 2) selecting, hiring, overseeing, and setting a compensation structure for the Boards executive director and exploring options for providing a more competitive salary for staff while still maintaining merit system protections, and 3) determining how the Boards can obtain legal advice that supports their fiduciary responsibilities and focuses on how best to protect members, beneficiaries, participants, and dependents—which could require independent legal counsel to determine the relative roles and responsibilities of the County Attorney and Counsel to the Boards. Additionally, the Boards approved creating a committee empowered to act on behalf of the Boards, composed of Lee Holland, Elizabeth Greaney, Caven West, Joseph Beach, and Michael Coveyou, intended to assist in developing an implementation plan and coordinating with Montgomery County Government to accomplish the necessary code changes and developing a memorandum of understanding with the County Attorney that satisfies the needs of the Boards. The committee, through the executive director, will report milestones to the Boards to keep all trustees informed. Furthermore, the Executive Director may secure, on behalf of the Board, industry experts at a cost of approximately \$75,000, split 50/50 between ERS and CRHBT plans, to assist in the development of the implementation plan and long-term*

strategic plan.

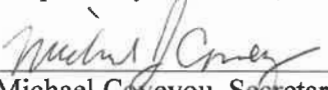
Emerging Managers Annual Reporting: Mr. Arbaugh presented the emerging manager report identifying each emerging investment manager used during the fiscal year, the percentage and dollar value of assets of the trust fund under management, and the effort made to include managers in the procurement process Mr. Donaldson moved, Mr. Kaplan seconded, and the Board unanimously approved transmitting the report to the County Council.

Annual Report – Sudan: As required by law, Mr. Merrill presented the annual report to the County Council on Sudan-related investments, describing the actions taken by the Board related to investment companies doing business in Sudan by the Employees' Retirement System (ERS). Mr. Renne moved, Mr. Beach seconded, and the Board unanimously approved transmitting the report to the County Council.

Travel Debrief: Mr. Donaldson presented a travel debrief on his attendance at the National Conference on Public Employee Retirement Plans (NCPERS). Mr. Kaplan moved, Mr. Beach seconded, and the Board unanimously approved Mr. Donaldson's request to attend the next session at NCPERS related to legal and risk oversight duties and human capital.

There being no further business of the Board, the open meeting session adjourned at 12:06 p.m.

Respectfully submitted,


Michael Coveyou, Secretary