

**RETIREMENT BENEFIT TRUST OF ST. MARY'S COUNTY (Friday, December 6, 2019)**

Generated by Michelle Rance on Monday, December 9, 2019

**1. CALL TO ORDER**

Meeting called to order at 9:35am.

**2. ROLL CALL****Members present:**

Jeannett Cudmore, Chief Financial Officer

Mary Ann Murray, Community Representative

Dr Rebecca Bridgett, County Administrator (on conference call for the meeting)

**Not Present:**

Catherine Pratson, Human Resources Director

Michael L. Hewitt, Commissioner Member

**Others Present:**

Jody Quasney, Finance Deputy Director

David Saunders, Asset Strategy

Ed Boyer, Asset Strategy

Michelle Rance, Administrator Recorder

**A. Accept the Agenda**

I'll make a motion to accept the agenda for December 6, 2019.

Motion by Mary Ann Murray, second by Dr Rebecca Bridgett.

Final Resolution: Motion Carries

Yea: Mary Ann Murray, Jeannett Cudmore, Dr Rebecca Bridgett

**B. Approve Meeting Minutes of Aug. 30, 2019**

I'll make a motion to approve the meeting minutes of August 30, 2019.

Motion by Mary Ann Murray, second by Dr Rebecca Bridgett.

Final Resolution: Motion Carries

Yea: Mary Ann Murray, Jeannett Cudmore, Dr Rebecca Bridgett

**3. PRESENTATION****A. Asset Strategy Portfolio Update - Quarter Ending September 30, 2019**

David Saunders and Ed Boyer presented the portfolio update. Discussed the general market changes for the quarter ending September 2019 referencing page eight of the St. Mary's County Retirement Trust: Quarterly Investment Analysis. The chart shows that the asset allocation is within the plan policy. We are close to overweight in the area of cash which is due to the selling of investments with the goal of reducing the risk of the portfolio. The overall fund earned 1.58% for the quarter which puts the trust in the top percentile compared to other funds of its size. We reviewed the positive results by asset class on pages ten through thirteen. Next quarter we expect to slightly underperform compared to our target due to holding too much cash. However, we expect to put the cash to work with future recommendations when the managers complete their due diligence.

Turned to pages fourteen and fifteen to review the net IRR, specifically the negative 60% for Accolade Growth I. Mr. Boyer explains that he is not concerned as they have only called \$75k, and they are currently on the J curve. Mary Ann asks how long a J curve lasts and Mr. Boyer confirmed eighteen months to two years depending upon the size and timing of the project.

The discussion concluded with the review of the Market Value Update report dated December 4, 2019. We focused on the strategy of a diversified portfolio along with the portfolio allocation compared to the target. Mary Ann asked whether the committed capital calls could move the portfolio allocation out of target. Mr. Boyer stated that this is closely monitored and quickly mitigated. Additionally, Mr. Saunders stated that the report is based on the trusts pro rata share of market value of the investment regardless of the call commitment.

Motion to approve Consent of Proposed Acquisition of Pennybacker Capital Management

I'll make the motion to allow Dr. Bridgett or whoever needs to sign the consent to accept the changes that Pennybacker is suggesting.

Motion by Mary Ann Murray, second by Dr Rebecca Bridgett.

Final Resolution: Motion Carries

Yea: Mary Ann Murray, Jeannett Cudmore, Dr Rebecca Bridgett

Motion to accept the Asset Strategy Quarterly Reports for September 30, 2019.

So moved.

Motion by Dr Rebecca Bridgett, second by Mary Ann Murray.

Final Resolution: Motion Carries

Yea: Mary Ann Murray, Jeannett Cudmore, Dr Rebecca Bridgett

#### **4. COMMITTEE REPORTS**

##### **A. Plan Administrator Report**

Jody Quasney presented the Plan Administrator's Report for December 6, 2019 with the following information:

- Capital Calls – Transfer of Funds since last meeting: Transactions Totaling \$1,485,761.64
- Administrative – Transfer of Funds since last meeting: Transactions Totaling \$30,179.75
- Future Meeting dates:
  - February 28, 2020
  - May 29, 2020
  - August 28, 2020
  - December 4, 2020

I make a motion to accept the Plan Administrator Report for December 6, 2019.

Motion by Dr Rebecca Bridgett, second by Mary Ann Murray.

Final Resolution: Motion Carries

Yea: Mary Ann Murray, Jeannett Cudmore, Dr Rebecca Bridgett

#### **5. NEW BUSINESS**

##### **A. St. Mary's County Government Actuarial Valuation as of July 1, 2018 - FYE 2020 & 2021**

I'll make a motion to sign contract with Kevin Binder of Bolton Partners to update the report to see how much we can start taking from the trust and still remain in the guidelines.

Motion by Mary Ann Murray, second by Dr Rebecca Bridgett.

Final Resolution: Motion Carries

Yea: Mary Ann Murray, Jeannett Cudmore, Dr Rebecca Bridgett

## **6. ADJOURN**

### **A. Adjourn**

I'll make a motion to adjourn the meeting.

Motion by Mary Ann Murray, second by Dr Rebecca Bridgett.

Final Resolution: Motion Carries

Yea: Mary Ann Murray, Jeannett Cudmore, Dr Rebecca Bridgett

*Michelle Rance, Recorder*

*Minutes approved by the OPEB Board on: 2/28/2020*