

**BOARD OF INVESTMENT TRUSTEES  
MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS**

**MINUTES – OPEN SESSION**

January 24, 2014

101 Monroe Street, 9<sup>th</sup> floor  
Rockville, Maryland

Board Members Present: Joseph Adler  
Joseph Beach  
Arjan Berkelaar  
Jeffrey Buddle  
Stephen Farber  
David Locke  
Sunil Pandya  
Kelda Simpson (via telephone)  
George Willie (via telephone)

Staff: Linda Herman  
Marc Esen  
Stuart Potter  
Brad Stelzer  
John Feketekuty  
Akiko Kawashima  
Pat Paoli  
David Crow

Others Present: Mark Brubaker, Wilshire Associates  
Brad Atkins, Franklin Park  
Jim Gasperoni, FLAG Capital Management  
Ryan Sullivan, FLAG Capital Management  
Steve Kennedy, Albourne (via telephone)  
Amy Moskowitz, Counsel to the Board

***CALL TO ORDER***

Mr. Pandya called the open session of the Board to order at 10:55 a.m.

Ms. Herman introduced Mr. David Crow who will assume the position of Chief Operating Officer on February 24, 2014.

**Approval of Consent Agenda:** Mr. Beach moved, and Mr. Adler 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 10:56 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, State Government Article, 10-508(a)(5).

The Board moved back into open session at 12:20 p.m.

**FY 14 Estimated and FY 15 Requested Budgets:** Ms. Herman presented the annual budget for the three retirement plans. She noted that the actual FY 13 expenses were 15.5% lower than the approved budgeted amounts due to a staff vacancy, and less due diligence and use of outside legal services for private investments. FY 14 costs are projected to be 4.9% lower than the approved FY 14 budget. The FY15 requested budget is 6.4% higher than the FY14 approved budget. After discussion, Mr. Adler moved, and Mr. Buddle seconded, and the Board unanimously approved the following resolution:

***1401-05      Resolved, That the Board approves the Board-related expenses associated with the Employees' Retirement System, Retirement Savings Plan, and Deferred Compensation Plan budgets for FY13 and FY14, to be updated for salary and benefit changes by the Office of Management and Budget.***

**FY RSP Administrative Fee:** Ms. Herman discussed the administrative fee for the Retirement Savings Plan. After discussion, Mr. Adler moved, and Mr. Pandya seconded, and the Board unanimously approved the following resolution:

***1401-06      Resolved, That the Board approves no administrative fee for the RSP for Fiscal Year 2015.***

**Compliance & Audit Committee Report:** Ms. Herman presented the report of matters discussed at the Compliance & Audit Committee meeting. The Committee received presentations from the retirement plans' external auditor, Clifton Larsen Allen, and the ERS actuary, GRS. Ms. Herman noted that there were no recommendations from the auditors and no management letter was issued.

**Governance Documents:** Ms. Herman referenced the process of changing meeting agendas and Board education in the meeting materials. The Board decided no changes were needed.

**Trustees Annual Ethics Disclosure:** Ms. Herman requested that the Trustees complete the annual ethics disclosure.

**Open Forum/Workplan:** Ms. Herman discussed the Board's workplan.

Mr. Pandya presented a plaque to Mr. Stelzer recognizing his valuable service to the Board, noting that Mr. Stelzer is leaving the County to pursue other employment.

There being no further business of the Board, the open meeting session adjourned at 12:30 p.m.

Respectfully submitted,

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Gino Renne, Secretary