

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

MINUTES – OPEN SESSION

July 27, 2012

101 Monroe Street, 9th floor
Rockville, Maryland

Board Members Present: Joseph Adler
Jennifer Barrett
Joseph Beach
Jeffrey Buddle
Arjan Berkelaar
Stephen Farber
Jennifer Hughes
Sunil Pandya
Gino Renne
Jeffrey Sharpe
Kelda Simpson
George Willie

Staff: Linda Herman
Marc Esen
Stuart Potter
Brad Stelzer
Akiko Kawashima
John Feketekuty

Others Present: Mark Brubaker, Wilshire Associates
Mike Dudkowski, Wilshire Associates
Brad Atkins, Franklin Park
Narayan Chowdhury, Franklin Park
Amy Moskowitz, Counsel to the Board

CALL TO ORDER

Mr. Sharpe called the open session of the Board to order at 8:36 a.m.

DETERMINATION OF MEETING

The Board unanimously approved a motion to move into closed session at 8:36 a.m. and 10:45 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, State Government Article, 10-508(a)(5).

Mr. Sharpe called the open session of the Board to order at 1:25 p.m.

Approval of the Minutes: Mr. Renne moved, and Mr. Buddle seconded, and the Board unanimously approved, the minutes of the May 18, 2012 meeting.

Discussion-Due Diligence and Continuing Education Policy: Ms. Herman presented a summary of the issues discussed at the Committee meeting related to travel and attendance at conferences. Ms. Moskowitz discussed the results of her survey of other public plans. After discussion, Mr. Farber moved, and Ms. Hughes seconded, and the board unanimously approved the following resolution:

1207-06 ***Resolved, that the Board approves the amendment of the Due Diligence and Continuing Education Policy by:***

- **requiring Board members to take any necessary training or education opportunities and to keep current on pension and investment developments and to provide an annual reporting of their efforts in this regard.**
- **restricting the payment of a Board member's expenses including meals, travel and lodging by third parties but permitting the payment for conference registration, if the payment is extended to all public plans.**
- **limiting non-local conferences/seminars to 2 per fiscal year, subject to budget limitations.**
- **creating a separate budget for Trustee continuing education.**

Continuing Education Requests: Ms. Herman presented two continuing education requests. After further discussion, Mr. Buddle moved, and Mr. Renne seconded, and the Board unanimously approved the requests.

Discussion Governance Documents: Ms. Herman presented to the Board the recommended Governance Manual and the Statement of Investment Policy and Objectives which consolidates the Board's investment and administrative policies into two governing documents. After discussion, Mr. Renne moved, and Mr. Farber seconded, and the Board unanimously approved, the following resolution:

1207-07 ***Resolved, that the Board approves the Statement of Investment Policy & Objectives and the Governance Manual as presented.***

Sudan- Annual Report to Council: The Board proposed a change to the report as presented and approved transmittal to the Council.

Compliance and Audit Committee Meeting Report: Ms. Herman discussed the compliance and audit committee report noting that the auditors did not have any recommendations related to internal controls and there was no management letter issued. She discussed the County's management letter comments related to the ERS.

2011 Proxy Voting Report: Ms. Kawashima presented the annual record of proxies voted by the Board's investment managers.

Workplan: The Board made no changes to the workplan.

There being no further business of the Board, the open meeting session adjourned at 1:47 p.m.

Respectfully submitted,

Sunil Pandya, Secretary