

AGENDA ITEM #3B
March 3, 2009

Action

MEMORANDUM

February 26, 2009

TO: County Council

FROM: Justina J. Ferber, Legislative Analyst 

SUBJECT: Board of Investment Trustees – Recommendation to County Executive –
Mr. J. Lodge Gillespie, Jr. as Council Representative

The term of Council representative J. Lodge Gillespie, Jr. on the Board of Investment Trustees expires March 1, 2009. Mr. Gillespie has applied for reappointment. The Board is responsible for overseeing the investment of pension assets for active and retired members. The Board sets investment policy, hires investment managers, and monitors investment performance. The Council advertised for applicants from January to February 2009 for this expiring term on the Board. The Council received two applications. The Management and Fiscal Policy Committee reviewed the applications. Resumes of applicants are attached.

The Board, which meets quarterly, consists of thirteen trustees appointed by the County Executive and confirmed by the County Council. Trustees serve for three-year terms. Trustees include: the Directors of the Office of Human Resources; Office of Management and Budget; Department of Finance; and County Council Staff; two representatives of the County Council; one active member of the retirement plans who is not a member of a collective bargaining unit; one retired member of a County plan; two members of the public; and individuals recommended by each of the three County employee collective bargaining units.

The Council representative position on the Board of Investment Trustees is for a person who is knowledgeable in pensions, investments, or financial matters. The name of the nominee recommended by the Council will be forwarded to the County Executive for appointment and submitted back to the Council for confirmation. The Executive cannot appoint any person who furnishes, or is employed by a firm that furnishes, to pension funds and other institutional investors the kind of investment services purchased by the Board. Candidates must complete a financial disclosure statement. Within ten days after confirmation, each Trustee must sign a certificate stating that the Trustee accepts the fiduciary responsibility of the Trust and will administer the affairs of the Trust with care, skill, prudence, and diligence.

Recommendation

The Council's Management and Fiscal Policy Committee reviewed the applications and recommends Mr. J. Lodge Gillespie, Jr. for reappointment by the County Executive as a County Council representative on the Board of Investment Trustees.

Council Action

Approval of the Council President's memorandum to the County Executive recommending the appointment of Mr. J. Lodge Gillespie, Jr. to the Board of Investment Trustees for the position of County Council representative ©A.

<u>This packet contains:</u>	<u>Circle #</u>
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Mr. John Gillespie, Jr © 1	
Mr. Mr. H. Giles Knight © 4	

Attachments

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MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MEMORANDUM

March 3, 2009

TO: Isiah Leggett, County Executive
FROM: Phil Andrews, Council President
SUBJECT: Nominee for a Council Representative on the
Montgomery County Board of Investment Trustees

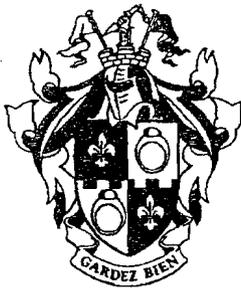
County law stipulates that County Council representatives to the Board of Investment Trustees for the Montgomery County Employees' Retirement System will be selected by the County Executive from a nominee recommended by the County Council. The term of Mr. J. Lodge Gillespie, Jr. on the Board of Investment Trustees expired March 1, 2009.

The County Council recommends Mr. J. Lodge Gillespie, Jr. for reappointment by the County Executive as a County Council representative on the Board of Investment Trustees.

If you or your staff have any questions, please contact Justina Ferber at x77938.

<u>This packet contains:</u>	<u>Circle #</u>
News Release	A-B
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Resume of J. Lodge Gillespie, Jr.	1-3

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Montgomery County Council

For Immediate Release

January 8, 2009

CONTACT: Justina Ferber 240-777-7938
justina.ferber@montgomerycountymd.gov

Montgomery Council Seeks Applicants for County Board of Investment Trustees

*Deadline Is Feb. 6 for Position of Council Representative on
Board that Oversees Investments for Employee Retirement Plans*

ROCKVILLE, Md., Jan. 8, 2009—The Montgomery County Council is seeking applicants for the position of Council representative on the Board of Investment Trustees for Montgomery County Employee Retirement Plans. The board is responsible for overseeing the investment of approximately \$3 billion in assets for nearly 11,000 active and retired members of the three retirement plans: defined benefit, defined contribution and deferred compensation. The Board sets investment policy, hires investment managers, and monitors investment performance.

Applications must be received no later than 5 p.m., Friday, Feb. 6.

The term of Council representative J. Lodge Gillespie, Jr. expires March 1, 2009, and he has indicated that he will apply for reappointment. The appointee may not furnish or be employed by a firm that furnishes to pension funds and other institutional investors the kind of investment services purchased by the board. Members of County boards, committees and commissions may not serve on more than one such group at a time.

The Board consists of thirteen trustees appointed by the County Executive and confirmed by the County Council. Trustees include: the directors of the Office Human Resources, Office of Management and Budget, Department of Finance and the County Council staff; two representatives of the County Council; one active member of the retirement plans who is not a member of a collective bargaining unit; one retired member of a County plan; two members of the public; and individuals recommended by each of the three County employee collective bargaining units.

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Trustees serve for three-year terms without compensation from any source for services rendered to the board. The board meets six times a year from 8:30 a.m. until approximately 1 p.m., usually on Fridays in January, March, May, July, September and November.

This Council representative position is for a person who is knowledgeable in pensions, investments or financial matters. The Council will recommend one applicant to the County Executive for appointment. The Executive may not appoint any person who furnishes, or is employed by a firm that furnishes, to pension funds and other institutional investors the kind of investment services purchased by the board.

After the Executive appoints the Council representative, the appointee's name is submitted to the Council for final confirmation. Within 10 days after confirmation, each trustee must sign a certificate stating that the trustee accepts the fiduciary responsibility of the trust and will administer the affairs of the trust with care, skill, prudence and diligence. Appointees must complete a financial disclosure statement within 15 days of Council confirmation and annually thereafter.

Letters expressing interest in the position, including a resume listing professional and civic experience, should be addressed to Council President Phil Andrews, County Council Office, Stella B. Werner Council Office Building, 100 Maryland Avenue, Rockville, Maryland 20850, and must be received no later than 5 p.m., Friday, Feb. 6. It is the Council's policy not to consider applications received after the deadline.

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Board of Investment Trustees

Applicant List

J. Lodge Gillespie Jr.

H. Giles Knight

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BOARD OF INVESTMENT TRUSTEES

- Created -- Montgomery County Code, Sec. 33-59 through 33-61 (1987, 1998).
- Purpose -- Set policy and monitor the investment program for the assets of the Employee Retirement System and, as needed, retain advisors and vendors to perform services. Evaluate results. Adjust the operation of the program to prudently manage the assets to help assure the benefit security of the participants and minimize the cost to the taxpayers.
- Membership -- 13 trustees; **all** are appointed by the CE and confirmed by the CC: **three active county employees**, each of whom is a member of a different collective bargaining unit and are vested members of the retirement system **or** individuals recommended by each employee organization **(from a list of 3-5 -- methodology for nominations is in the Code)**; **one active County employee** who is a vested member of the retirement system and the Merit System, and not a member of a collective bargaining unit; **one retired County employee** who is a member of the retirement system (the CE should consider a list of 3-5 individuals recommended by the MCREA); **two representatives of the County Council** who are knowledgeable in pensions, investments, or financial matters, **two individuals** knowledgeable in pensions, investments, or financial matters. *The CE must not appoint any person who furnishes, or is employed by a firm that furnishes, to pension funds and other institutional investors the kind of investment services purchased by the Board.* The County Executive must appoint **four ex-officio trustees**: the Directors of the Office of Human Resources; Department of Finance; Office of Management and Budget, and the Staff Director of the County Council.
- Officers -- The Board selects from its members a chair, a vice chair, and a secretary.
- Financial Disclosure -- Confidential disclosure required (with limited public).
- Terms -- Three year terms - no compensation.
- Meetings -- Must meet at least once during each calendar quarter. Currently holds meetings in March, June, September, and December and other times as needed.
- Staff -- Linda Herman, Executive Director
101 Monroe Street, 15th Floor, Rockville, 240-777-8224

MEMBERSHIP

Employee Not Represented by an Employee Organization (1)

Pandya, Sunil S.
7706 Hennepin Court
Hanover 21076 3/1/2011
(first term)

Ex-Officio Trustees:

Director of Finance

Barrett, Jennifer
101 Monroe Street
Rockville 20850

Director of Management & Budget

Beach, Joseph
101 Monroe Street
Rockville 20850

Director of Human Resources

Adler, Joseph **SECRETARY**
101 Monroe Street, 7th Floor
Rockville 20850

Council Staff Director

Farber, Stephen B.
Stella B. Werner COB
100 Maryland Avenue
Rockville 20850

Retired Employees' Organization

Representative (1)

Menke, Mary Ellen (Meg)
22500 Old Hundred Road
Barnesville 20838 3/1/2009
(firm term)

Employees' Organization Representatives (3)
MCGEO (Local 1994)

Renne, Gino **VICE CHAIR**
6777 Accipter Drive
New Market 21774 3/1/2010
(second term)

International Assn. of Firefighters
(Local 1664)

Buddle, Jeffrey D.
Mont. County Career Fire Fighters Association
932 Hungerford Drive, Suite 33A
Rockville 20850 3/1/2011
(second term)

Fraternal Order of Police Lodge 35

Bader, Walter E.
Montgomery County Lodge 35, Inc.
18512 Office Park Drive
Gaithersburg 20886 3/1/2011
(second term)

Public Members Knowledgeable About Pensions, Investments, Or Financial Matters

Simpson, Kelda J.C. **CHAIR**
15505 Moravia Court
Rockville 20852 3/1/2011
(second term)

Willie, George S.
900 Balboa Drive
Silver Spring 20905 3/1/2011
(first term)

County Council Representatives (2)

Gillespie, Jr., John Lodge
5216 Acacia Avenue
Bethesda 20814 3/1/2009
(first term)

Sharpe, Jeffrey A.
10705 Tuckahoe Way
Rockville 20878 3/1/2011
(first term)