

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

MINUTES – OPEN SESSION

February 1, 2013

101 Monroe Street, 9th floor
Rockville, Maryland

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

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

Others Present: Mark Brubaker, Wilshire Associates
Stephen Marshall, Wilshire Associates
Brad Adkins, Franklin Park
Narayan Chowdhury, Franklin Park
Amy Moskowitz, Counsel to the Board

CALL TO ORDER

Mr. Willie called the open session of the Board to order at 11:57 a.m.

DETERMINATION OF MEETING

The Board unanimously approved a motion to move into closed session at 11:58 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 resumed its open session at 1:18 p.m.

Approval of the Minutes: Ms. Barrett moved, and Mr. Farber seconded, and the Board unanimously approved, the minutes of the November 16, 2012 meeting.

Deletion of Agenda Item: Mr. Buddle moved to delete the agenda item relating to the revision of the governance documents and move it to the agenda for the March meeting. Ms. Barrett seconded the motion. After discussion, the Board approved the resolution with Mr. Pandya opposing.

Quarterly Requested FY 14 and Estimated FY 13 Budgets: Ms. Herman presented the annual budget for the three retirement plans. She noted that the actual FY 12 expenses were 8.8% lower than the approved budgeted amounts due to a staff vacancy, less use of outside legal services, and other cost reductions. FY 13 costs are projected to be on target with the approved FY 13 budget. The FY14 requested budget is 10.5% lower than the FY13 approved budget. After discussion, Ms. Simpson moved and Mr. Beach seconded, and the Board unanimously approved the following resolution:

1302-07 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.

Retirement Savings Plan-FY 14 Administrative Fee: Ms. Herman discussed the administrative fee for the Retirement Savings Plan. After discussion, Mr. Buddle moved, and Mr. Beach seconded, and the Board unanimously approved the following resolution:

1302-08 Resolved, That the Board approves no administrative fee for the RSP for Fiscal Year 2014.

Compliance & Audit Committee-Comprehensive Annual Financial 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, BDO, and the ERS actuary, GRS. Ms. Herman noted that there were no recommendations from BDO and no management letter was issued.

Trustees Annual Ethics Disclosure: Ms. Herman requested the Board sign and return their annual disclosure form.

Continuing Education Request: Ms. Herman presented two requests for continuing education. Mr. Beach moved, and Ms. Simpson seconded, and the Board unanimously approved the requests.

Workplan: Ms. Herman discussed the workplan and noted that addition of the governance item for the March meeting.

There being no further business of the Board, the open meeting session adjourned at 2:48 p.m.

Respectfully submitted,

Jennifer Barrett, Secretary