

**HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN
HOWARD COUNTY RETIREMENT PLAN**

**JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES
June 24, 2021**

A joint meeting of the Retirement Plan Committees for the Howard County Police and Fire Employees' Retirement Plan (the "Police and Fire Plan") and the Howard County Retirement Plan (the "Employees Plan") (jointly, the "Plans") was held on Thursday, June 24, 2021 at 9:00 a.m. via a WebEx conference.

Police and Fire Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Director of Finance: Rafiu Ighile
Representative, Police Department Supervisory Employees:
 Jason Luckenbaugh (Non-voting Member in Fiscal Year 2021)
Representative, International Association of Firefighters, Local 2000:
 Richard Ruehl
Representative, Howard County Police Officers' Association, Lodge 21:
Nicolas Holocker
Representative, Fire and Rescue Supervisory Employees:
 Vincent Baker (Voting Member in Fiscal Year 2021)

Member Absent

Chief Administrative Officer: Lonnie Robbins
Budget Administrator: Holly Sun

Employees Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer Designee: John Peterson
Deputy Director of Finance: Angela Price
Budget Administrator Designee: Janssen Evelyn
Representative, American Federation of State, County and Municipal
Employees Local 3085: Dale R. Chase
Employee Representative: Jeff Bronow

Member Absent

Representative, American Federation of State, County and Municipal Employees Local 3080: Melanie Avery

Also present for all or a portion of the meeting were:

Owen Clark, County Auditor's Office
Margaret Belmondo, NEPC
Will Forde, NEPC
Francesca LoVerde, NEPC
Lori Buchman, Department of Finance
Jamar Herry, Office of Law
Scott Southern, Retirement Coordinator
Karen Gerald, Assistant Retirement Coordinator
Sima Taghavi, Department of Finance
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.

Wanda Hutchinson acted as Chair of the meeting and Paul Madden acted as secretary.

The minutes of the May 27, 2021 meeting of the Joint Committees were approved by the members of each Committee.

Will Forde presented the May 2021 Preliminary Performance Report. The total fund returned +0.9% for the month. The fiscal year to date return is strong at +24%. The market value of the fund as of May 31 was \$1.39 billion. Will noted that active management was a plus during May and that the HCMT value managers performed well.

Margaret Belmondo provided a detailed review and discussion of the HCMT's performance through March 31, 2021.

Margaret also reviewed the private markets performance as of December 31, 2020. The internal rate of return since inception for private equity remains strong at 17.8%. The IRR for real estate is 5.24%, while the returns for real assets and private debt are 4.09% and -0.25% respectively.

John Peterson presented the report of the investment subcommittee on the search for a high yield fixed income manager. In February 2021, the Joint Committee approved a new investment policy that included a 4% allocation to high yield fixed income. Subsequently, NEPC conducted an investment manager search to fulfill the new

mandate. In April, the Joint Committee agreed to interview a short list of three managers.

On June 4, NEPC and a sub-Committee held a virtual meeting to hear presentations on the following three strategies: Artisan's High Income Strategy, Mesirow Financial High Yield Fixed Income and Wellington Core High Yield Bond. Following the presentations, the subcommittee recommended hiring the Artisan High Income Strategy at a \$55 million commitment. The funding for Artisan should be sourced by from PIMCO Total Return and Dodge & Cox Fixed Income Strategies.

John explained that the subcommittee thought that Artisan, Mesirow and Wellington were all strong options but recommended Artisan because their team demonstrated a long-standing track record of repeatable strong performance and downside protection.

Next, Jason Kezelman and Bryan Krug presented an overview of the Artisan team, discussed their philosophy and process, and reviewed their strategy and performance. Following the presentation, Messrs. Kezelman and Krug left the meeting.

After discussion, and on motion duly made and seconded, the Joint Committee adopted the following resolution:

RESOLVED: That the Joint Committee adopts the recommendation of the investment subcommittee to hire the Artisan High Income strategy at a \$55 million commitment with the funding for Artisan to be sourced from PIMCO Total Return and Dodge & Cox Fixed Income Strategies.

Next, Margaret Belmondo presented the asset rebalance required to add the high yield fixed income mandate. After discussion, and on motion duly made and seconded, the Joint Committee approved the rebalance.

At 10:48 a.m., a motion was made by Dale Chase and seconded by Janssen Evelyn to close the meeting pursuant to General Provisions Article § 3-305(b) to discuss a personnel matter that affects one or more individuals. Wanda Hutchinson, John Peterson, Angie Price, Janssen Evelyn, Jeff Bronow and Dale Chase voted in favor of the motion. Melanie Avery was absent. There were no negative votes or abstentions

At 10:49 a.m., a motion was made by Rafiu Ighile and seconded by Jason Luckenbaugh to close the meeting pursuant to General Provisions Article § 3-305(b) to discuss a personnel matter that affects one or more individuals. Wanda Hutchinson, Jason Luckenbaugh, Cole Holocker, Rafiu Ighile, Vince Baker and Richard Ruehl voted in favor of the motion. Lonnie Robbins and Holly Sun were absent; there were no negative votes or abstentions.

Paul Madden, Scott Southern, Karen Gerald and Jamar Herry participated in the closed sessions. During the closed sessions, each Committee discussed the annual disability review process and disability offsets.

When the meeting reopened, the Joint Committee the Committees congratulated Wanda Hutchinson on her retirement and thanked her for her service as chair of the Committees.

There being no further business, the meeting adjourned.

Respectfully submitted,

Paul Madden

Paul Madden

Secretary of the Meeting

11820479

**EXHIBITS
TO
MINUTES OF HOWARD COUNTY POLICE AND FIRE EMPLOYEES'
RETIREMENT PLAN
AND HOWARD COUNTY RETIREMENT PLAN
JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES
June 24, 2021**

1. NEPC Meeting Materials:
 - Q1 2021 Market Environment
 - May 2021 Preliminary Performance Report
 - Q1 2021 Performance Report
 - Q4 2020 Private Markets Performance Report
2. Report of Investment Subcommittee: High Yield Fixed Income Manager search
3. Presentation Materials: Artisan High Income Strategy.
4. Asset Allocation Rebalance.

11820479