

**MINUTES OF THE
MEETING OF THE PENSION OVERSIGHT COMMISSION
January 27, 2020**

A meeting of the Pension Oversight Commission (POC) for the Howard County Retirement Plan and the Howard County Police and Fire Employees' Retirement Plan was held Monday, January 27, 2020 at 8:30 a.m. in the Columbia room of the Ascend One Building at 8930 Stanford Blvd. Columbia, MD 21045. Members also participated via conference call. Present in person and on the phone for all or part of the meeting were the following voting members of the Commission:

Ken Barnes
Jae Chon
Todd Snyder

Also present in person for all or part of the meeting was Scott Southern from the Office of Human Resources. Mr. Snyder chaired the meeting and Mr. Southern served as secretary.

The meeting was called to order at 8:28 a.m. The first order of business was to review the minutes from the commission's previous meeting on December 9. The commission members reviewed and approved the minutes after addressing a few minor changes.

The Commission expressed disappointment that they have not yet received a response from the Retirement Plan Committee about its request to schedule meetings with the Plan's auditor, actuary, and a subcommittee of the Joint Retirement Plan Committee. The Commission also requested a meeting with the investment advisor, NEPC. Mr. Southern explained that the request was discussed at the Retirement Plan Committee's meeting on January 23, 2020 and the committee is waiting upon the response from the Office of Law regarding the role of the Pension Oversight Commission before deciding about the meetings.

Commission members discussed the difficulty of assessing the appropriateness the assumptions for the annual report if they are unable to speak with the actuary about the assumptions. One of the assumptions that they must evaluate is the reasonableness of the investment return assumption. To achieve this the Commission should have access to information on each of the asset classes, to measure the risk of the investment portfolio.

The Commission expressed the desire to understand the evaluation process of the alternative investments including the role that management plays and what role NEPC plays. The Commission discussed the desire to obtain information on the underlying fees of the investments to determine if the fees are reasonable. The Commission expressed that if the commission was provided access to information on the alternative investments, it would have been up to speed on the different managers and would be able to focus more time on new investments that the plan makes.

The Commission discussed writing a letter to the Retirement Plan Committee and presenting it at the February 27, 2020 joint committee meeting so the letter would be a public document. The letter would express the commission's opinion that its role has less meaning without having

access to all the investments in the portfolio, including alternative investments. The Commission agreed to have Mr. Snyder write the letter on behalf of the Pension Oversight Commission.

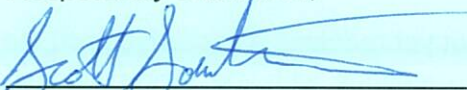
Mr. Barnes led a discussion on an article he recently read from NEPC concerning the risk of investing in private debt, which the Retirement Plan Committee recently started investing in [is it the RPC that invests in this and makes the decision here]. Mr. Barnes agreed to draft an email to NEPC with the question he has about the private debt investments.

The Commission discussed delaying a discussion on the actuarial analysis until the completed actuarial valuation report is received. Mr. Snyder proposed documenting a process and procedures outline for the future of the Pension Oversight Commission. The other Commission members agreed that it would be a good document to have. Mr. Snyder agreed to start composing the outline.

The Commission asked if there was any update on the appointment for the vacant position on the Commission. Mr. Southern had no new information at this time

With no further issues to discuss, the meeting was adjourned at 9:16 a.m.

Respectfully Submitted,



Scott Southern
Office of Human Resources