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Department of Human Resources
Carroll County Government
225 North Center Street
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Carroll County Defined Benefit Plans
Feb. 10, 2025, 8:45am, Room 124C
Meeting Minutes

In attendance:

Werner Mueller – Retirement Plans Mgr., CCG
Charlie Beckhardt – Technology Services, CCG
Bobbi-Jo Fout – Bureau Chief, Accounting, CCG
Tim League – Dir. Fiscal Affairs, CC College
Rob Burk – CFO, Carroll County Public Schools
Ted Zaleski – Director, Management & Budget, CCG

Kristy Bixler – HR Director, CCG
Jenny Hobbs – Comptroller, CCG
Barbie Lim – Controller, CC College

Unable to attend:

Tim Burke – County Attorney, CCG
Russell Tourangeau – Deputy, Sheriff's Dept.
Ernesto Diaz – HR Director, Carroll County Public Schools

Presenters – Sue Dyer & Greg Stump, Boomershine Consulting Group
Lauren Cellucci, Marquette Associates

Sue & Greg opened the meeting with a review of the two County Pension Plans' annual actuarial valuations (as of 7/1/2024, to determine the FY26 Employer Contribution). Attached is the handout they provided.



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The takeaways:

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- The funding ratios for both plans improved slightly versus last year due to a well performing stock market.
- Unfunded liabilities dropped from \$30M to \$27M in both Plans, combined.
- Carroll County Pension Plan's ADEC is similar to last year. The good news - % of payroll dropped.
- Public Safety Pension Plan ADEC increased due to ramp-up in firefighter and EMS new hires (not unexpected).
- The outlook is for ADEC expected to increase gradually due to increases in normal cost, but relatively stable as a percentage of payroll.
- Each Plan is expected to be in the 90% range within a few years and fully funded long-term.

This outlook does not factor in any future changes to the benefit formulas or assumptions.

Due to time constraints, Lauren was then asked to forego the market/economy Q4 2024 discussion and speak exclusively about the underlying investments in the pension portfolios. Those takeaways include:

- During the prior quarterly meeting, the Pension and OPEB Committees had approved Marquette's recommendation of establishing a Private Credit position. Therefore, over the next 18 months or so, it's anticipated that a \$4.5M investment with Carlyle will be established.
- Only a week or so ago, a \$2M position was established in IFM Infrastructure within the Public Safety Pension Plan, which is why we had a greater-than-normal cash position within that Plan.
- Marquette anticipates recommending a swap out of Harding Loevner International Equity. It has underperformed its benchmark over the past 3 and 12 months and Marquette feels there are better options in that space. This will be further discussed during the next meeting (May, 2025).
- Apart from office space, most of the remainder of the Real Estate asset class has seen a turnaround in recent quarters.
- It's been a difficult time for active managers. Case in point is the Russell 3000 index – if not invested in Large Cap stocks, it's hard to outperform that index.

Attached below is the Q4 2024 pension report.....



Pension 4Q24 -
Book.pdf

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Then, Sue & Greg reviewed the OPEB actuarial valuation with the OPEB Committee. The takeaways:

- Costs are much, much more volatile in this Plan versus the Pension Plans, so there may be some large ADEC swings from valuation to valuation.
- Despite an uptick in the overfunded percentage (134% from 131%), it is now recommended that the County contribute \$ 1,884,592 in FY26. It had been zero the past 2 years.
- Greg had explained that there now is a recommended ADEC due to the difference in calculating Normal Cost. Bolton had understated the Normal Cost in the prior valuation. It's not that Bolton was "wrong" about the calculation, but they did it differently. BCG feels that it should be the cost accrued until the employee is full benefit eligible. Ted had asked Greg if he can provide him with talking points on this, so that it can be better explained to the BCC.

Attached below is the OPEB valuation:



Carroll County
OPEB 7-1-2024.pdf

Lauren than wrapped up the meeting by essentially providing the same investment summary to the OPEB Committee as she had done with the Pension Committee. The portfolio is very similar amongst those Plans.

The next meeting will be in May, 2025. Date, time, and locale is still TBD.