

***COMMISSION  
MEETING***

*November 20, 2013*

*9:30 a.m. – 11:30 a.m.*

*Montgomery Regional Office*

**MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
MEETING**

**Wednesday, November 20, 2013**

**MRO**

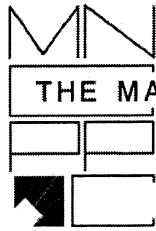
**9:30 a.m. – 11:30 a.m.**

			<u>ACTION</u>	
			Motion	Second
1.	<b>Approval of Commission Agenda</b>	(+*) Page 1		
2.	<b>Approval of Commission Minutes</b>			
	a) Open Session – October 16, 2013	(+*) Page 3		
	b) Closed Session – October 16, 2013	(+*)		
3.	<b>General Announcements</b>			
4.	<b>Committee/Board Reports</b> (For Information Only):			
	a) Executive Committee Minutes – Open Session – November 6, 2013	(+) Page 9		
	b) Executive Committee Minutes – Closed Session – November 6, 2013	(++)		
	c) Regular Board of Trustee Meeting Minutes – October 1, 2013	(+) Page 11		
	d) 115 Trust (OPEB) Meeting Minutes – March 20, 2013	(+) Page 15		
	e) 115 Trust (OPEB) Meeting Minutes – July 17, 2013	(+) Page 17		
5.	<b>Action and Presentation Items</b>			
	a) Resolution #13-25, Land Disposal – Anacostia Stream Park Valley Park to CSX Railroad (Prince George’s County Planning)	(+*) Page 19		
	b) Resolution #13-26, Hillcrest Heights Community Center Easement (Prince George’s County Planning)	(+*) Page 23		
	c) ERS Actuarial Valuation (Rose/Boomershine, Consultant)	(+*) Page 27		
	d) Central Administrative Services Labor Cost Allocation (Barney/Kroll)	(+*) Page 45		
	e) Legislative Action Item -Washington Suburban Sanitary Commission (WSSC) Bill (Gardner/Aleman)	(+*) Page 49		
	f) Pursuant to Maryland State Government Article of the Annotated Code of Maryland, Section 10-508(a) (7) & (9), a closed session is proposed to consult with counsel for legal advice, conduct collective bargaining discussions, and consider matters that relate to negotiations.			
	g) ERP Schedule and Funding (Barney/Zimmerman)	(+*) Page 53		
6.	<b>Officers’ Reports</b>			
	a) <b>Executive Director</b> – (For Information Only)			
	1. Late Employee Performance Evaluations – (October 2013).....	(+) Page 57		
	b) <b>Secretary-Treasurer</b>			
	1. Investment Report – (September 2013).....	(+) Page 59		
	2. 115 Trust FY 2013.....	(+) Page 65		
	c) <b>General Counsel</b>			
	1. Litigation Report – (October 2013).....	(H)		

(+) Attachment      (++) Commissioners Only      (\*) Vote      (H) Handout      (LD) Late Delivery







# ITEM 2a

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

Commission Meeting  
October 16, 2013  
Minutes

The Maryland-National Capital Park and Planning Commission met on October 16, 2013, in the Parks and Recreation Auditorium in Riverdale, Maryland.

## PRESENT

### Prince George's County Commissioners

Elizabeth Hewlett, Chair  
Dorothy Bailey  
Manuel Geraldo  
John Shoaff

### Montgomery County Commissioners

Françoise Carrier, Vice-Chair  
Casey Anderson  
Norman Dreyfuss

## ABSENT

A. Shuanise Washington

Amy Presley  
Marye Wells-Harley

Chair Hewlett convened the meeting at 9:42 a.m.

### ITEM 1 APPROVAL OF COMMISSION AGENDA WITH MODIFICATION

Executive Director Barney stated that Item 5b, Resolution #13-25 – Land Disposal of a portion (0.357 ± acres) of Anacostia Stream Valley Park to CSX Railroad was pulled from the agenda. With the amendment of the agenda, Chair Hewlett requested a motion of approval.

ACTION: Motion of Commissioner Geraldo  
Second by Commissioner Bailey  
7 approved the motion

### ITEM 2 APPROVAL OF COMMISSION MINUTES

Open Session – September 18, 2013  
Closed Session – September 18, 2013

ACTION: Motion of Commissioner Bailey  
Second by Commissioner Geraldo  
7 approved the motion

### ITEM 3 GENERAL ANNOUNCEMENTS

Chair Hewlett:

- Stated that the Commission celebrated Hispanic Heritage month from September 15<sup>th</sup> through October 15<sup>th</sup>. The commemoration will conclude with one significant One Commission celebration Friday, October 18<sup>th</sup>, at Newton White Mansion. All employees are invited.

- Announced that October is National Disability Employment Awareness Month. The theme for this year is, “Because we are EQUAL to the task”. Chair Hewlett asked supervisors and employers to keep this information in mind during hiring processes, which goes beyond summer hiring. She stated that the agency is faring well with its efforts in recruiting employees with disabilities, and a report will be presented to that effect later in the meeting.
- Congratulated Commissioner Dorothy Bailey, who is also the Vice-Chair of the Prince George’s County Planning Board, as she is the recipient of the Alumni of the Year Award from North Carolina Central University.
- The annual National Recreation and Parks Association Conference was held this month. The Commission was a finalist for the Gold Medal Award; however, the agency did not receive the honor this year. Chair Hewlett congratulated the Montgomery County Parks Department, the Prince George’s County Department of Parks and Recreation, and all employees for the phenomenal job they do in making this organization shine. She considers this agency a platinum award winner.

ITEM 4 COMMITTEE/BOARD REPORTS (For Information Only)

- a) Minutes of the Executive Committee Open Session – October 2, 2013
- b) Minutes of the Executive Committee Open Session – September 10, 2013
- c) Minutes of the Executive Committee Closed Session – September 10, 2013
- d) Minutes of the Regular Employees’ Retirement System Board of Trustees Meeting – September 3, 2013

ITEM 5 ACTION AND PRESENTATION ITEMS

- a) Resolution #13-24 – Adoption of the Planning Board Draft of the Chevy Chase Lake Sector Plan  
 ACTION: Motion of Carrier  
 Seconded by Geraldo  
 7 approved the motion
- c) FY 2012 Comprehensive Annual Financial Report (CAFR) Award (with photo)  
 Chair Hewlett congratulated the Maryland-National Capital Park and Planning Commission on receiving the Certificate of Achievement for Excellence in Financial Reporting. This award was given to M-NCPPC by the Government Finance Officers Association of the United States and Canada (GFOA), for its Comprehensive Annual Financial Report for the fiscal year that ended June 30, 2012. The Certificate of Achievement is the highest form of recognition in the area of government accounting and financial reporting. Attaining this certificate represents a significant accomplishment by a government and its management. GFOA considers M-NCPPC a special district when compiling their results. In this category, the agency is tied with the Chicago Metropolitan Water Reclamation District for the greatest number of times receiving this award, now totaling 39. The Commissioners and the Finance Department staff were photographed for the employees’ UPDATE Newsletter.

d) Status Report - Employment Program for People with Disabilities

Human Resources Director William Spencer introduced Program Manager Jeannette Glover who presented a status report on the Employment Program for People with Disabilities. Ms. Glover reported that October is National Disability Employment Awareness Month. The status report provided an overview of the Commission's Summer Employment Program for People with Disabilities, as well as Montgomery County and Prince George's County employment data for 2011 and 2010. Ms. Glover shared statistics on the population of unemployed individuals with disabilities in the United States, citing information from the U.S. Census Bureau report of July 12, 2012. Mr. Spencer highlighted the agency's inclusive efforts and the increase in outreach participation. Ms. Glover shared that the program received great support and the level of participation doubled over the previous year to 31 individuals hired through the program. She noted Montgomery County is the only other agency operating an employment program for people with disabilities. Ms. Glover provided a detailed analysis of the program's performance as contained in the meeting packet.

Chair Hewlett inquired as to M-NCPPC's compliance with the Americans with Disabilities Act (ADA) pertaining to retrofitting the organization's facilities. Prince George's County Parks and Recreation Director Ronnie Gathers responded that an assessment of all Parks and Recreation facilities was completed and several locations are not compliant because of the changes in the ADA laws in 2010. The federal agencies that have oversight of ADA compliance have accepted M-NCPPC's plan, and methods of implementing M-NCPPC's new ADA strategies are under consideration.

General Counsel Gardner reported that a similar evaluation was conducted of the Montgomery County Parks Department facilities to ensure ADA compliance. He stated an agreement was reached with the Justice Department about how the ADA roll-out will work in Montgomery County, and that a plan is in place to attain compliance. Chair Hewlett commended the staff and encouraged best efforts in this area. Mr. Spencer acknowledged the endeavors of the Departments as they routinely make accommodations for people with disabilities.

Chair Hewlett and Executive Director Barney thanked Ms. Glover for her work on this program.

ITEM 6 OFFICERS' REPORTS

a) Executive Director's Report – Late Performance Evaluation was contained in the packet for review.

b) Secretary-Treasurer's Report

1. Investment Report – Secretary-Treasurer Zimmerman reported the agency is in compliance with policy and has earned a weighted average return for August 2013 of .26%, reflecting a continuing modest investment environment.

2. MFD Purchasing Statistics (4<sup>th</sup> Quarter) 2013 – Secretary-Treasurer Zimmerman presented a summary of the Minority, Female, Disable Purchasing (MFD) Statistics. He reviewed highlights of the attachments in the packet and noted statistics reflecting a 24.8% participation rate. Mr. Zimmerman concluded the agency is underutilizing African American, Asian, and Female owned firms, and more outreach efforts are needed in this area to obtain greater participation, which would be more reflective of the population of M-NCPPC’s locations.
  
3. New Enterprise Resource Planning Schedule (ERP) – Secretary-Treasurer Zimmerman introduced Project Manager Tracy Harris from the Office of the Chief Information Officer. Ms. Harris is responsible for monitoring the project schedule. Mr. Zimmerman provided background on the purpose of the ERP program. He stated the ERP System will replace the current core software systems used for financial reporting, supply chain/purchasing, and human resources/payroll. A detailed plan has been devised to move the project forward. Mr. Zimmerman noted several issues that impacted the ability to advance the project, such as limited resources to staff the project in a timely manner, problems converting human resources payroll and benefits data to the new system, information technology, and end-to-end testing systems.

Ms. Harris shared the new ERP project logo developed by the Communications team. She explained the new project schedule, status, and activities involved for the Enterprise Financial Management (EFM), Supply Chain Management (SCM), and Human Capital Management (HCM) modules as contained in the meeting packet. Ms. Harris indicated a change in the second deployment for Supply Chain Management from September 2014 to October 2014. Mr. Zimmerman reported that one major vendor and four minor merchants are participating on the project. At the onset of implementation, managers’ self-service will encompass read and write access; however, employees’ self-service will only include the ability to read data.

The Lawson Budget and Planning (LBP) module is on hold due to the upcoming budget season and impacts on team resources. The project is targeted to resume in early 2014. Chair Hewlett and Executive Director Barney thanked Ms. Harris for her excellent presentation.

## ITEM 6

### GENERAL COUNSEL’S REPORTS

1. Litigation Report – The report was distributed and General Counsel Gardner noted the new format and content is still a work in progress.
2. Bi-County Legislative Process (Briefing) – General Counsel Gardner gave a PowerPoint presentation about the legislative process in Annapolis and roles of the Commissioners, our staff team, and management.

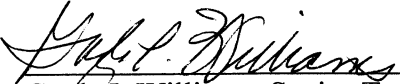


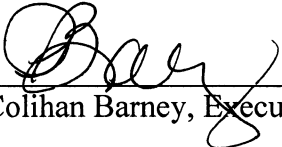
Chair Hewlett thanked General Counsel Gardner and the legal team for the presentation.

At 11:10 a.m., Chair Hewlett requested a vote to adjourn to closed session to consult with counsel for legal advice, conduct collective bargaining discussions, and consider matters that relate to negotiations.

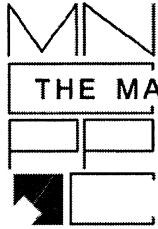
ACTION: Motion of Bailey  
Seconded by Dreyfuss  
7 approved the motion

The open session reconvened, and with no further business to discuss, adjourned at 11:16 a.m.

  
\_\_\_\_\_  
Gayla I. Williams, Senior Technical Writer

  
\_\_\_\_\_  
Patricia Colihan Barney, Executive Director





# ITEM 4a

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

Executive Committee  
November 6, 2013  
OPEN SESSION - MINUTES

A meeting of The Maryland-National Capital Park and Planning Commission's Executive Committee was held at 8:30 a.m. on November 6, 2013, in the Executive Director's Conference Room, 6611 Kenilworth Avenue, Riverdale, Maryland. Present at the meeting were Chair Elizabeth M. Hewlett, Vice-Chair Françoise M. Carrier, and Executive Director Patricia C. Barney. Also in attendance were:

Department Directors/Deputies/Presenters/Staff

Joe Zimmerman, Secretary-Treasurer

Adrian Gardner, General Counsel

Ronnie Gathers, Director, Prince George's County Parks and Recreation

Fern Piret, Director, Prince George's County Planning

Mary Bradford, Director, Montgomery County Parks

Gwen Wright, Director, Montgomery County Planning

William Dickerson, Associate General Counsel III

Anju Bennett, Corporate Policy and Management Operations (CPMO) Division Chief

William Spencer, Human Resources Director

Lisa Dupree, Senior Policy Specialist, (CPMO)

Curtis Johnson, Senior Policy Specialist (CPMO)

Executive Director Barney convened the meeting at 8:37 a.m.

ITEM 1 AGENDA APPROVALS

a) EXECUTIVE COMMITTEE MEETING AGENDA

Remove Item 3a, Collective Bargaining Update as there is no information to report at this time.

b) NOVEMBER COMMISSION MEETING AGENDA

- General Counsel Gardner indicated that one Legislative item would need an action pertaining to the Washington Suburban Sanitary Commission (WSSC). This item will have an attachment. General Counsel Gardner requested that Montgomery County Planning Director Gwen Wright and Prince George's County Planning Director Fern Piret work with the legal office leads in Prince George's County and Montgomery County Planning Departments to brief their respective planning boards on the WSSC bill before the November 20<sup>th</sup> Commission meeting.
- Change Item 5f to ERP Schedule and Funding.
- Take Item 7 prior to ERP Schedule and Funding.
- Move Item 5e, Salary Equity and Retention Incentives to January 2014 on the Rolling Agenda, as it must be presented to the Merit System Board before it is presented to the Commission.

c) REVIEW OF COMMISSION ROLLING AGENDA

- Diversity Council Annual Report should move to February 2014.
- Branding/Marketing Update is listed as a placeholder but likely will be moved to February.
- Replace Investment Policy Revisions with Executive Office Building Fund Balance Policy for presentation in March 2014.
- Move Sustainability Policy to March 2014.
- Add Practice 2-16, Contract Employees Policy to February 2014.
- Executive Director Barney requested a meeting before the November Commission meeting, with General Counsel Gardner and Secretary-Treasurer Zimmerman to discuss the Minority-Female-Disable (MFD) Program.

Because of the high volume of items being presented at the January Commission meeting, Chair Hewlett recommended sending an anticipated time schedule to the meeting participants, informing them of the length of the agenda to ensure their availability for the meeting.

ITEM 2

DISCUSSION/REPORTS/PRESENTATIONS

a) INVESTMENT REPORT – September 2013

Secretary-Treasurer Zimmerman reported a .26% weighted average return, which is trending upward and that we are in compliance with the Investment Policy.


b) DIVERSITY COUNCIL BRIEFING ON UPCOMING SURVEY AND OUTREACH


Executive Director Barney shared that the Diversity Council has prepared an employee survey to help identify priorities of action items listed in the strategic plan. The survey was shared with Directors for input. She also shared that she has sent out notifications that there are a few vacancies available for new members on the Diversity Council. She will send another notice to Department Directors.

c) ENTERPRISE RESOURCE PLANNING (ERP) BRIEFING

Secretary-Treasurer Zimmerman reported that Project Manager Tracey Harris is monitoring the task list and projects continue to move forward. He also shared that security consultants are on site this week to address security elements. Some of the Information Technology issues that have been posing problems have been resolved. Executive Director Barney noted that this was a very big accomplishment and congratulated the team. Change orders are still being negotiated for retiming the project with Lawson and Line of Sight. A number of communication components will be moved in house to save resources. Mr. Zimmerman, Ms. Harris, and Jennifer Wienecke, Line of Sight Consultant, are working to determine the best way to present the percentage of what has been completed in the overall effort when funding is discussed with the Commission.

There being no further business to discuss, the meeting adjourned to closed session at 8:55 a.m.

  
Gayla I. Williams, Senior Technical Writer

  
Patricia Colihan Barney, Executive Director



**EMPLOYEES' RETIREMENT SYSTEM**  
The Maryland-National Capital Park and Planning Commission

**REGULAR BOARD OF TRUSTEES MEETING  
MINUTES**

**Tuesday, October 1, 2013; 10:00 A.M.**  
**ERS/Merit Board Conference Room**

The regular meeting of the Board of Trustees convened in the ERS/Merit Board Conference Room on Tuesday, October 1, 2013 at 10:00 a.m. Voting members present were: Khalid Afzal, Casey Anderson, Patricia Colihan Barney, Richard H. Bucher, Ph.D., Elton King, Barbara Walsh and Joseph C. Zimmerman, CPA. Tracy Lieberman arrived at 10:02 a.m. Josh Ardison, LaKisha Giles and Elizabeth M. Hewlett were not present.

ERS staff included: Andrea L. Rose, Administrator and Heather D. Brown, Senior Administrative Specialist.

ERS legal counsel included: M-NCPPC Legal Department - LaTonya Reynolds, Associate General Counsel.

Presentation by Wilshire Associates - Mike Dudkowski, Managing Director.

**1. CONSENT AGENDA**

The following items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration:

- A. Approval of the October 1, 2013 Board of Trustees Meeting Agenda
- B. Minutes of Regular Meeting, September 3, 2013
- C. Closed Session Minutes of Meeting, September 3, 2013 (*Confidential-Trustees Only*)
- D. Disbursements Granted Report – August 2013

DR. BUCHER made a motion, seconded by MS. WALSH to approve the Consent Agenda, as submitted. The motion PASSED (6-0-1). MS. BARNEY was not in attendance at the September 3, 2013 Board meeting; therefore, she abstained from the motion. (Motion #13-56)

MS. LIEBERMAN arrived at 10:02 a.m.

**2. CHAIRMAN'S ITEMS**

- A. Board of Trustees Conference Summary
  - i. Opal Financial Group's Public Funds Summit East: Navigate the Future Conference Report by Patricia Barney
  - ii. IFEBP – Wharton School, Advanced Investments Management Program Report by Richard Bucher, Ph.D.

MS. BARNEY summarized the major points of the investment sessions offered at the Public Funds Summit East Conference. MS. BARNEY explained the difficulty of identifying and participating in foreign class actions and requested consulting with legal counsel to see if the ERS should be more active in this area.

DR. BUCHER summarized the intensive Advanced Investment Management Program offered by the Wharton School and recommended all trustees on the Investment Monitoring Group attend the basic program offered by Wharton.

### 3. **MISCELLANEOUS**

#### 4. **REPORT OF THE ADMINISTRATOR**

Presentation by Administrator, Andrea L. Rose

A. Administrator's Report dated September 20, 2013

i. Comprehensive Annual Financial Report (Handout)

Andrea Rose presented the highlights of the Administrator's Report dated September 20, 2013.

Boomershine Consulting Group is scheduled to present the 2013 Actuarial Valuation at the November 5, 2013 Board of Trustees meeting.

The auditors completed the audit and returned final comments on the ERS' Comprehensive Financial Annual Report (CAFR). Copies of the CAFR were provided to all Board members and can be downloaded from the ERS' website. Staff are working on the Popular Annual Financial Report and Annual Statements which will be distributed to members in November 2013.

Ms. Rose congratulated the ERS' Accounting Manager, Sheila Joynes, for her work during the audit process and overseeing the preparation of the CAFR.

Staff are scheduled to conduct 5 on-site training sessions during the fall.

### 5. **COMMITTEE REPORTS/RECOMMENDATIONS**

A. Audit Committee

Presentation by Committee Chairman, Barbara Walsh

i. Regular Report of September 25, 2013

MS. WALSH presented the regular report of the Audit Committee meeting of September 25, 2013.

MS. WALSH reported CliftonLarsonAllen conducted a full scope audit for the fiscal year ended June 30, 2013 and issued an unmodified "clean" opinion on the ERS' financial statements. There was a slight formatting change to the *Independent Auditors' Report* due to implementation of the Audit Clarity Standards and minor changes due to implementation of GASB 63. There were no material weaknesses or significant deficiencies identified. The significant increase in Net Assets from \$630,202,661 as of June 20, 2012 to \$693,968,157 as of June 30, 2013 was due primarily to a net investment gain of \$72,801,688.

B. Investment Monitoring Group

Presentation by Committee Chairman, Patricia Barney

i. Regular Report of September 17, 2013

a. Recommendation to Approve an Allocation to Bank Loans

MS. BARNEY presented the regular report for the Investment Monitoring Group's (IMG) meeting of September 17, 2013.

The IMG conducted a performance review of Neuberger Berman's high yield portfolio and discussed Wilshire's Manager Review of Neuberger Berman.

The IMG and Wilshire's Mike Dudkowski discussed the fixed income structure and bank loans. Mr. Dudkowski recommended a separate allocation to bank loans to improve the return/risk profile for the ERS' fixed income portfolio by diversifying risk and protecting for an increase in interest rates. Two alternative allocations were presented for the IMG's review. Alternative #1 includes a 4% allocation to bank loans with a 4% reduction in core fixed income. Alternative #2 includes a 5% allocation to bank loans with a 2.5% reduction in core fixed income and 2.5% reduction in high yield. Alternative #1 and #2 consider the current allocations that both Loomis Sayles and Neuberger Berman have to bank loans. Mr. Dudkowski agreed to conduct a search and provide a list of managers to the IMG in November 2013 for selection of the semi-finalists.

The IMG determined that an allocation to bank loans was appropriate and agreed to make a recommendation on Alternative #1 or #2 following Wilshire's search. The IMG recommended the Board approve an allocation to bank loans.

DR. BUCHER made a motion, seconded by MS. WALSH to approve an allocation to bank loans. The motion PASSED unanimously (8-0). (Motion #13-57)

## **6. CLOSED SESSION**

The Board will meet in closed session, pursuant to State Government Article of the Annotated Code of Maryland Section 10-508(a)(5) to discuss investment of public funds.

DR. BUCHER made a motion, seconded by MS. WALSH to go in to Closed Session under authority of State Government Article 10-508(a)(5) to discuss investment of public funds. The motion PASSED unanimously (8-0). (Motion #13-58)

## **7. MANAGER PRESENTATION**

### **A. Wilshire Associates**

Presentation by Mike Dudkowski, Managing Director

- i. Memo dated September 18, 2013 re: FLAG Real Estate Partners, III, L.P. ("FREP III")

Wilshire's memo dated September 18, 2013 outlined the rationale for recommending an additional \$10 million commitment to the FLAG Real Estate Partners, III, L.P. ("FREP III") fund. Mike Dudkowski discussed current offerings of FLAG Capital Management and summarized existing exposures and targets for the ERS' real assets allocation.

Mr. Dudkowski explained demand in the marketplace by institutional investors has created an opportunity for the ERS to consider an additional investment in FREP III on advantageous terms in the form of a reduced management fee.

Mr. Dudkowski discussed the FREP III fund in relation to the ERS' total real estate portfolio which includes FREP II and Principal Global Investors. There is substantial room to increase the allocation to private real assets, including real estate in the current portfolio. Expanding the allocation to FREP III will move private real estate exposure to be slightly less skewed to "core" (i.e. Principal Global Investors) versus "value creation" (i.e. FLAG).

Wilshire recommended the Board consider an additional commitment to the FREP III in the amount of \$10 million with a reduced management fee as discussed in Closed Session. FLAG Capital Management has not set a date for a second close in the FREP III.

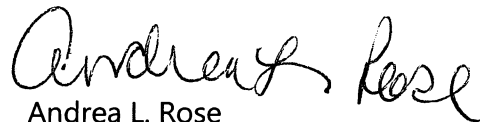
DR. BUCHER made a motion, seconded by MS. BARNEY to approve Wilshire's recommendation to commit an additional \$10 million to the FLAG Real Estate Partners, III, L.P. ("FREP III") fund for a total commitment of \$20 million, subject to legal review.

The Board of Trustees meeting of October 1, 2013 adjourned at 10:48 a.m.

Respectfully,



Heather D. Brown  
Senior Administrative Specialist



Andrea L. Rose  
Administrator



# ITEM 4d

115 Trust (OPEB)  
Meeting Minutes  
PRA 3<sup>rd</sup> Floor Conference Room

Wednesday, March 20, 2013

Attending: Commissioner Marye Wells-Harley, Vice-Chairman, Trustee;  
Patricia Colihan Barney, Commission Executive Director, Trustee  
Joseph Zimmerman, Commission Secretary-Treasurer, Trustee;  
William Spencer, Commission Human Resources Director, Trustee;  
Barbara Walsh, Commission Accounting Manager, Staff;  
Abbey Rodman, Commission Investment Manager, Administrator;  
Barry Bryant, Investment Consultant, DAHAB Assoc.

Absent: None

Commissioner Marye Wells-Harley called meeting to order at 8:50 a.m.

Minutes from the November 19, 2012 meeting were motioned by Patti Colihan-Barney to be approved, accepted by Commissioner Marye Wells-Harley and seconded by Joe Zimmerman.

Mr. Bryant began with comments on the economy which is continuing to recover slowly with notable growth in the housing sector. The low reported GDP estimate of 0.1% results from temporary factors and unemployment remains stubbornly high. Growth is caused by continued liquidity from the FED and the ECB (European Central Bank). He stated that the market had an unusual quarter, with domestic large cap stocks and bonds offering almost no return. All available return was in domestics mid and small cap stocks (up about 2.5%), and foreign stocks (up about 6.5%). Value stocks outperformed growth stocks for the quarter and year, reversing a three-year trend. The portfolio benefited from the gains in foreign stocks, but lacks small stock exposure.

Mr. Bryant discussed the portfolio quarter returns. The portfolio returned 2.9% for the quarter vs. 1.7% for its shadow index, and ranked in the 3rd percentile of the public funds, meaning it outperformed 97% of all public plans. Positive contributions to return were: allocation of 30% to the tactical manager which outperformed the portfolio average; a relatively high allocation to foreign stocks which outperformed domestic stocks; use of a bond manager with a broad mandate able to capitalize on recovering portions of the debt market worldwide; manager performance, as all five managers outperformed their benchmarks; and the RAFI fundamental index funds benefited from the out performance of value stocks in the fourth quarter. Negative contributions to return were lack of domestic mid and small cap value stocks.

In longer period returns, the portfolio returned 14.4% for the year (19th percentile), 10.7% for three years (3rd percentile) and 6.0% for five years (1st percentile). If the current portfolio been in place for the entire five-year period, it would have returned 5.4% and ranked in the 3rd percentile.

In response to a request from Patti Colihan-Barney at the last meeting, Mr. Bryant attributed the returns of the managers to the following:

**Pimco All-Asset, All-Authority Fund**

- Positive: exposure to emerging market bonds and currency, riskier mortgage-backed securities in a strengthening housing market, foreign stocks, and value added in various Pimco strategies.
- Negative: short positions in US equities, commodities exposure.

**RAFI Fundamental Index Funds**

- All funds benefited from the out performance of value stocks and small/midcap stocks.

**Pimco Unconstrained Bond Fund**

- Positive: exposure to riskier mortgage-backed securities in a strengthening housing market, focus on US financials, exposure to emerging market duration and currency particularly Brazil, and Buy America Bonds in the municipals sector.
- Negative: short-credit exposure as corporate spreads tightened, short European rates, and short exposure to the euro partially offset by gains from short exposure to the yen.

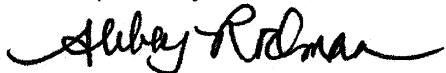
Mr. Bryant recommended moving \$280,000 from the RAFI EAFE fund and \$160,000 from the RAFI EM fund totaling \$440,000 into the PIMCO bond fund to accomplish routine rebalancing to the asset allocation targets. He planned to recommended funding a small cap domestic equity position with money from the bond fund if the market provided an appropriate buying opportunity.

Commissioner Marye Wells-Harley said she would look into who the new Prince George's County Trustee will be to replace Commissioner John Squire, who retired.

The next meeting was scheduled for May 15, 2013 at PRA, 8:30 a.m.

Meeting adjourned at 9:38 a.m.

Respectfully Submitted,



Abbey Rodman

# ITEM 4e

115 Trust (OPEB)  
Meeting Minutes  
PRA 3<sup>rd</sup> Floor Conference Room

Wednesday, July 17, 2013

**Attending:** Commissioner Marye Wells-Harley, Vice-Chairman, Trustee;  
Commissioner Manuel Geraldo, Trustee;  
Patricia Colihan Barney, Commission Executive Director, Trustee  
Joseph Zimmerman, Commission Secretary-Treasurer, Trustee;  
Abbey Rodman, Commission Investment Manager, Administrator;  
Barry Bryant, Investment Consultant, DAHAB Assoc.

**Absent:** William Spencer, Commission Human Resources Director, Trustee;  
Barbara Walsh, Commission Accounting Manager, Staff;

Commissioner Marye Wells-Harley called meeting to order at 8:43 a.m.

Minutes from the March 20, 2013 meeting were motioned by Patti Colihan-Barney to be approved, accepted by Commissioner Marye Wells-Harley and seconded by Joe Zimmerman.

Joe Zimmerman introduced Manuel Geraldo as a new board member. Mr. Zimmerman explained the nature of the Other Post Employment Benefits (OPEB) Section 115 Trust to Commissioner Geraldo. In response to changes in GASB requirements, state and local governments are now required by new GASB regulations to recognize promises, whether contractual or implied, made to their employees of benefits provided after they retire. The funding of these benefits must now be recognized and reported. The Section 115 Trust was created to meet these obligations.

Barry Bryant of Dahab Associates, the Plan's Consultant, presented investment results for the first quarter ended March 31, 2013, and preliminary results for the second quarter ended June 30, 2013.

For the benefit of the new trustee, Mr. Bryant began by outlining the history of the plan since he was hired. The plan began with about \$10 million in 2008 and adopted an all-equity allocation to take advantage of the plan's positive cash flow and to help correct the significant gap between assets and obligations. The plan benefited from the equity market's significant appreciation in 2009 and 2010.

During 2011 as assets grew, Mr. Bryant said the Board became increasingly uneasy with the all-equity allocation. Mr. Bryant then described the current composition of the portfolio as an attempt to create a more balanced asset allocation. That allocation is: 30% in a global tactical asset allocation (GTAA) fund managed through a PIMCO affiliate; 40% divided among three fundamental index funds covering domestic, foreign, and emerging equity markets; and 30% invested in a world bond fund, also managed by PIMCO.

Mr. Bryant described the economy as growing at a sustainable rate but one inadequate to reduce unemployment. This he attributed to inadequate government spending, particularly at the state and local level. While the U.S. economy is growing slowly, he noted that growth in Europe and Japan was weaker still due to austerity policies pursued by fiscal and monetary authorities in most countries.

These policies explain in part the divergence in the stock markets worldwide. Domestic stocks increased 10%-13%, while foreign developed markets increased at half that and emerging markets declined slightly. Real estate increased a little less than 3% and domestic bonds were flat. In the second quarter, the relative performance was the same, but domestic stocks increased only 3% while emerging market stocks declined 9% and domestic bonds declined more than 2%.

The Section 115 Trust Portfolio performed badly in this environment, returning only 2.6% for the quarter and 0.2% for the year-to-date period. Mr. Bryant attributed this to two factors. First, the GTAA fund is positioned against the U.S. stock market was the major driver of returns in the quarter. Second, the GTAA fund and the equity fund as well were positioned more in foreign currencies which suffered against the relatively stronger dollar.

The domestic large cap equity fund and the Pimco Unconstrained Bond Fund both outperformed their benchmarks significantly. The Pimco GTAA fund and both the EAFE and emerging market equity funds underperformed their benchmarks. Mr. Bryant explained that the equity funds being fundamentally weighted benefit when the market is rising and the economy is getting stronger. While this was the case in the domestic market it was not the case in non-US equity markets.

Mr. Bryant ended by suggesting that the derisking of the portfolios – the change from an all-equity allocation to a more balanced allocation – might have gone too far, and that he might at some future date advise the Board to move money from the GTAA strategy and the bond strategy into domestic large and small cap equity. Given the strength of the domestic equity market, he said he thought a better time to do this might be after a correction.

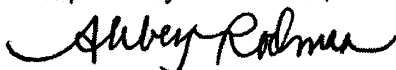
Mr. Geraldo began asking questions about Apple Computer when the meeting was forced to conclude due to the start of the Commission meeting at 9:30 am. Mr. Bryant said they could take up the subject of Apple's effect on the market at a later date.

Patti Barney had asked at the last meeting for additional attribution analysis. Mr. Bryant will provide supplemental information for the two Pimco funds separately, since it was not discussed during the meeting in detail.

The next meeting was scheduled for October 16, 2013 at PRA, 8:30 a.m.

Meeting adjourned at 9:33 a.m.

Respectfully Submitted,



Abbey Rodman



# ITEM 5a



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
*Department of Parks and Recreation*  
6600 Kenilworth Avenue Riverdale, Maryland 20737

October 31, 2013

SUBJECT: PGCPB Resolution No. 13-104 (M-NCPPC No. 13-25) for Full Commission Review

TO: The Maryland-National Capital Park & Planning Commission

FROM: Martin L. Weinrich *mlw*  
Principle Administrative Assistant  
Park Planning & Development Division

Attached, please find the above-referenced resolution regarding land disposal of a portion (0.357 ± acres) of Anacostia Stream Valley Park to CSX Railroad to facilitate railway widening. The Prince Georges County Planning Board approved the conveyance at its meeting on September 12, 2013. CSX has agreed to reimburse the Commission for a fee of \$47,775.

Attached for your review and approval is PGCPB Resolution No. 13-104 to adopt the conveyance of the portion of parkland described.

The Resolution has been scheduled for Full Commission on November 20, 2013.

Attachment

- M-NCPPC Resolution No. 13-25



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Department of Parks and Recreation  
6600 Kentworth Avenue Riverdale, Maryland 20737

PGCPB No. 13-104  
M-NCPPC No. 13-25

RESOLUTION

WHEREAS, The Maryland-National Capital Park and Planning Commission (the "Commission") is authorized under the Annotated Code of Maryland, Land Use § 17-101 (formerly Article 28, Section 5-101 of the Annotated Code of Maryland) to sell, convey, transfer, lease, or exchange any land held by it and deemed by the Commission not to be needed for park purposes or other authorized purposes; and,

WHEREAS, the Commission owns certain property, known as **Anacostia Stream Valley Park** ((N78) (the "Park Property"), located in Hyattsville, Maryland, identified as Part of Parcel 4, Tax Map 50, Grid C-2, Tax Account #0145870, at Liber 801, folio 70, containing 4.01 ± acres (the "Park Property"); and

WHEREAS, CSX Transportation, Inc. (the "Purchaser") wishes to purchase a portion of the Park Property located in Hyattsville, Maryland, identified as part of Part of Parcel 4, on Tax Map 50, Grid-C-2, Tax Account #0145870, at Liber 801, folio 70, consisting 0.357 ± acres in fee simple for railway widening; and

WHEREAS, the Commission desires to convey to the Purchaser the portion of the Park Property described above to facilitate the railway widening,

NOW, THEREFORE, BE IT RESOLVED, that, at its regular meeting of September 12 2013, the Prince George's County Planning Board approved the conveyance of the subject property to CSX Transportation, Inc. for a fee of Forty Seven Thousand Seven Hundred Seventy-Five Dollars and No Cents (\$47,775), subject to the approval of the Full Commission.

BE IT FURTHER RESOLVED, that, in connection with the transactions contemplated herein, the Executive Director is authorized to execute and deliver, on behalf of the Commission, any and all such certificates, documents, and or instruments, and to do or cause to be done, and any and all such acts, as the Executive Director deems necessary or appropriate to make effective or to implement the intended purposes of the foregoing resolutions, without limitation, and the taking of such actions shall be deemed conclusively to be authorized hereby.

\* \* \* \* \*

PGCPB No. 13-104


M-NCPPC No. 13-25

This is to certify that the foregoing is a true and correct copy of the action taken by the Prince George's County Planning Board of The Maryland-National Capital Park and Planning Commission on the motion of Commissioner Geraldo, seconded by Commissioner Washington, with Commissioners Hewlett, Bailey, Washington, Shoaff, and Geraldo voting in favor of the motion, at its regular meeting held on Thursday, September 12, 2013, in Upper Marlboro, Maryland.

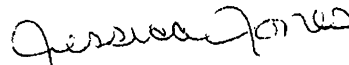
Adopted by the Prince George's County Planning Board this 3<sup>rd</sup> day of October, 2013.

Elizabeth M. Hewlett  
Chairman

APPROVED AS TO LEGAL SUFFICIENCY

  
M-NCPPC Legal Department

Date 10/8/13

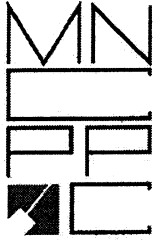


By: Jessica Jones  
Planning Board Administrator





# ITEM 5b



## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

*Department of Parks and Recreation*

6600 Kenilworth Avenue Riverdale, Maryland 20737

October 31, 2013

SUBJECT: PGCPB Resolution No. 13-105 (M-NCPPC No. 13-26)

TO: The Maryland-National Capital Park & Planning Commission

FROM: Martin L. Weinrich *MLW*  
Principal Administrative Assistant  
Park Planning & Development Division

Attached, please find the above-referenced Resolution for the approval of a land disposal of 1,528 ± square feet (0.035 ± acres) of parkland from the **Hillcrest Heights Community Center Park (Q77)** to be conveyed to the Washington Gas Light Company as a permanent easement for the installation of utility lines and a metering vault, and an additional 7,736 ± square feet (0.18 ± acres) for a temporary construction easement. The Prince George's County Planning Board approved the conveyance of the disposal, subject to the approval of the Full Commission, for a fee of Three Thousand Dollars and No Cents (**\$3,000**).

Attached for your review and approval is PGCPB Resolution No. 13-105 to adopt the disposal of the portion of parkland described.

This Resolution has been scheduled for Full Commission on Wednesday, November 20, 2013.

Attachment:

- M-NCPPC Resolution No. 13-26.



PGCPB No. 13-105

M-NCPPC No. 13-26

**RESOLUTION**

**WHEREAS**, The Maryland-National Capital Park and Planning Commission (the "Commission") is authorized under the Annotated Code of Maryland, Land Use § 17-101 (formerly Article 28, Section 5-101 of the Annotated Code of Maryland) to sell, convey, transfer, lease, or exchange any land held by it and deemed by the Commission not to be needed for park purposes or other authorized purposes; and

**WHEREAS**, The Commission owns certain property, known as **Hillcrest Heights Community Center Park (Q77)** (the "Park Property"), located in Temple Hills, Maryland, identified as Part of Parcel 9, on Tax Map 79, Grid F-4, Tax Account #05609653, at Liber 2585, folio 150, containing 37.35 ± acres (the "Park Property"); and

**WHEREAS**, the Washington Gas Light Company, (the "Purchaser") wishes to obtain a permanent, exclusive easement over a portion of the Park Property located in Temple Hills, Maryland, identified as Part of Parcel 9, on Tax Map 79, Grid-F-4, Tax Account #05609653, at Liber 2585, folio 150, consisting of 1,528 ± square feet (0.035 ± acres) for the installation of utility lines and a metering vault, and an additional 7,736 ± square foot (0.18 ± acres) for a temporary construction easement; and

**WHEREAS**, the Commission desires to convey to the easements over the portion of the Park Property described above to facilitate the installation of utility lines and a metering vault.

**NOW, THEREFORE, BE IT RESOLVED**, that, at its regular meeting of September 12, 2013, the Prince George's County Planning Board approved the conveyance of the subject property to the Washington Gas Company, subject to the approval of the Full Commission, for a fee of Three Thousand Dollars and No Cents (\$3,000) and other valuable consideration; and

**BE IT FUTHER RESOLVED**, that, in connection with the transactions contemplated herein, the Executive Director is authorized to execute and deliver, on behalf of the Commission, any and all such certificates, documents, and or instruments, and to do or cause to be done, and any and all such acts, as the Executive Director deems necessary or appropriate to make effective or to implement the intended purposes of the foregoing resolutions, without limitation, and the taking of such actions shall be deemed conclusively to be authorized hereby.

\* \* \* \* \*

PGCPB No. 13-105  
M-NCPPC No. 13-26

This is to certify that the foregoing is a true and correct copy of the action taken by the Prince George's County Planning Board of The Maryland-National Capital Park and Planning Commission on the motion of Commissioner Washington, seconded by Commissioner Geraldo, with Commissioners Hewlett, Bailey, Washington, Shoaff, and Geraldo voting in favor of the motion, at its regular meeting held on Thursday, September 12, 2013, in Upper Marlboro, Maryland.

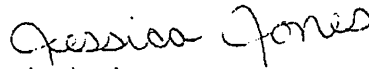
Adopted by the Prince George's County Planning Board this 3<sup>rd</sup> day of October, 2013.

APPROVED AS TO LEGAL SUFFICIENCY

  
M-NCPPC Legal Department

Date 10/2/13

Elizabeth M. Hewlett  
Chairman



By: Jessica Jones  
Planning Board Administrator





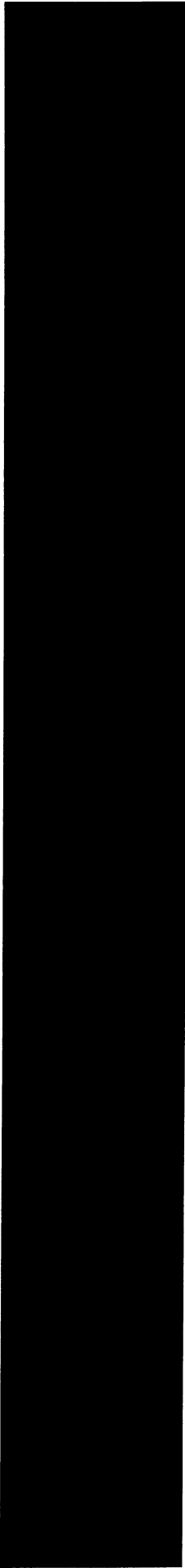
The Board adopted Boomershine Consulting Group's recommendation for an open 15-year amortization approach beginning July 1, 2013 in order to better control the contribution volatility. The ERS was amortizing the July 1, 2005 unfunded actuarial accrued liability (UAAL) in equal payments to January 1, 2016 and amortizing subsequent changes in the UAAL in equal payments over 15 years which was creating an irregular contribution pattern due to various amortization bases and schedules. The July 1, 2013 actuarial valuation also includes reductions in the investment return and salary assumptions and a change in the expense assumption which were approved earlier this year following a study by Boomershine Consulting Group.

In order to meet the ERS' funding objectives, the recommended employer contribution is \$28,149,976 (21.8% of covered payroll) payable July 1, 2014 for fiscal year 2015. The recommended employer contribution decreased slightly from \$28,750,323 (22.1% of covered payroll) as of July 1, 2012 primarily due to actuarial asset value losses, salary experience, assumption changes and a change in the funding approach.

Thank you in advance for your consideration.

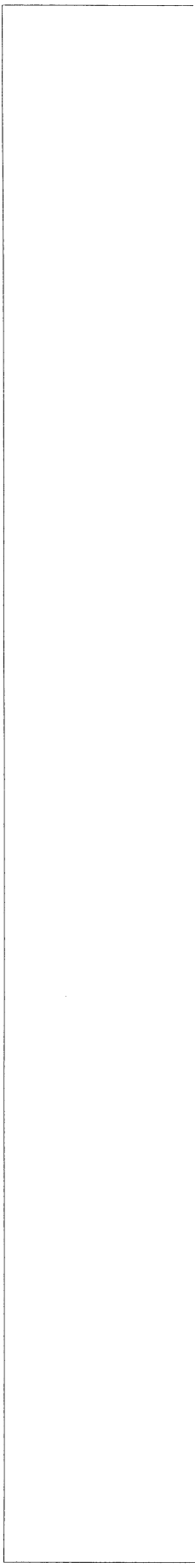
#### Attachment

1. Employees' Retirement System Review as of July 1, 2013

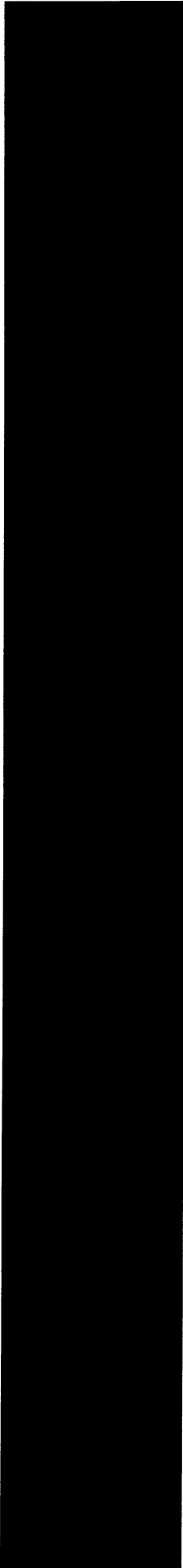


# Employees' Retirement System Review as of July 1, 2013

*November 2013*







	7/1/2012	7/1/2013	% Change
<b>Number of Members</b>			
Active	2,052	2,064	0.6%
Terminated Vested	224	227	1.3%
Retirees, Disableds and Beneficiaries	<u>1,176</u>	<u>1,235</u>	<u>5.0%</u>
Total	3,452	3,526	2.1%
<b>Active Participants</b>			
Annual Compensation	\$129,911,593	\$129,134,125	(0.6%)
Average Annual Compensation	\$64,027	\$62,565	(2.3%)
Average Age	47.32	47.48	0.3%
Average Service	12.63	12.69	0.5%



<b>Market Value of Assets as of 7/1/2012</b>		<b>\$ 654,008,719</b>
<b>Employer Contributions for 2012-13 Plan Year</b>	<b>\$23,806,058</b>	
<b>Less Receivable for 2013 Plan Year</b>	<b>(23,806,058)</b>	
<b>Employee Contributions</b>	<b>5,354,904</b>	
<b>Net Investment Income</b>	<b>72,801,688</b>	
<b>Benefit Payments</b>	<b>(36,631,724)</b>	
<b>Administrative Expenses</b>	<b><u>(1,565,430)</u></b>	
<b>Market Value of Assets as of 6/30/2013</b>		<b>\$693,968,157</b>
<b>Receivable Contribution as of 7/1/2013</b>		<b>\$28,750,323</b>
<b>Market Value of Assets as of 7/1/2013</b>		<b>\$722,718,480</b>

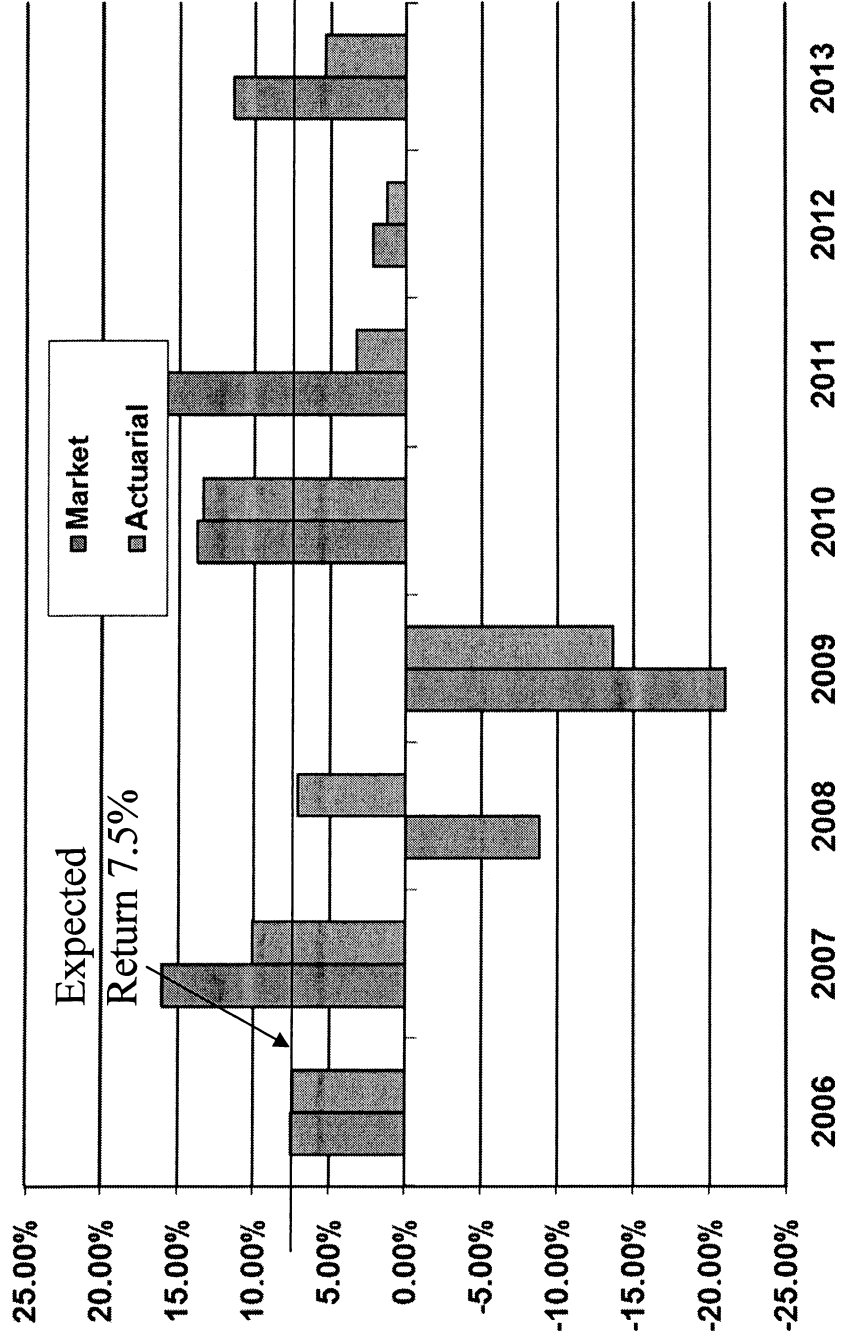
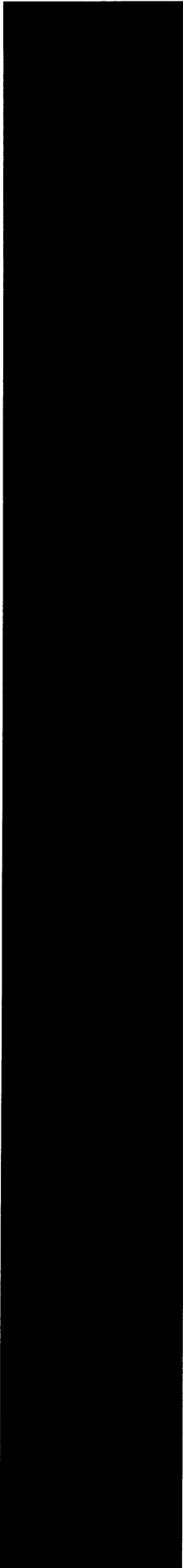


	7/1/2012	7/1/2013
Market Value	\$654,008,719	\$722,718,480
Investment Return	2.23%	11.41%
Actuarial Value	\$660,231,611	\$690,539,998
Investment Return	1.28%	5.34%

5-Year Average Return

	7/1/2012	7/1/2013
Market Value	0.38%	4.50%
Actuarial Value	1.92%	1.58%





Year end June 30



# 2013 Valuation Assumptions

Note: Separate assumptions for Police and Non-Police

Investment Return	7.4%
Unused Sick Leave	0.25 additional months per year of service
Salary Increases	2.0% per year plus additional merit increases for 2013 and 2.9% per year additional merit increases for 2014 and later
Retirement Age	Rate of Retirement based on years of service
Mortality	RP 2000 projected to 2010 and Generational method applied using Scale AA factors after 2010
Disability	Specific Tables
Withdrawal	Table based on years of service
Spouses	90% of males and 50% of females assumed married
Post Retirement Adjustment	3% compounded annually for benefits based on credited service accrued until July 1, 2012, 2.5% compounded annually thereafter
Expenses	0.2% of total liability
Asset Valuation	5 year asset return smoothing method*

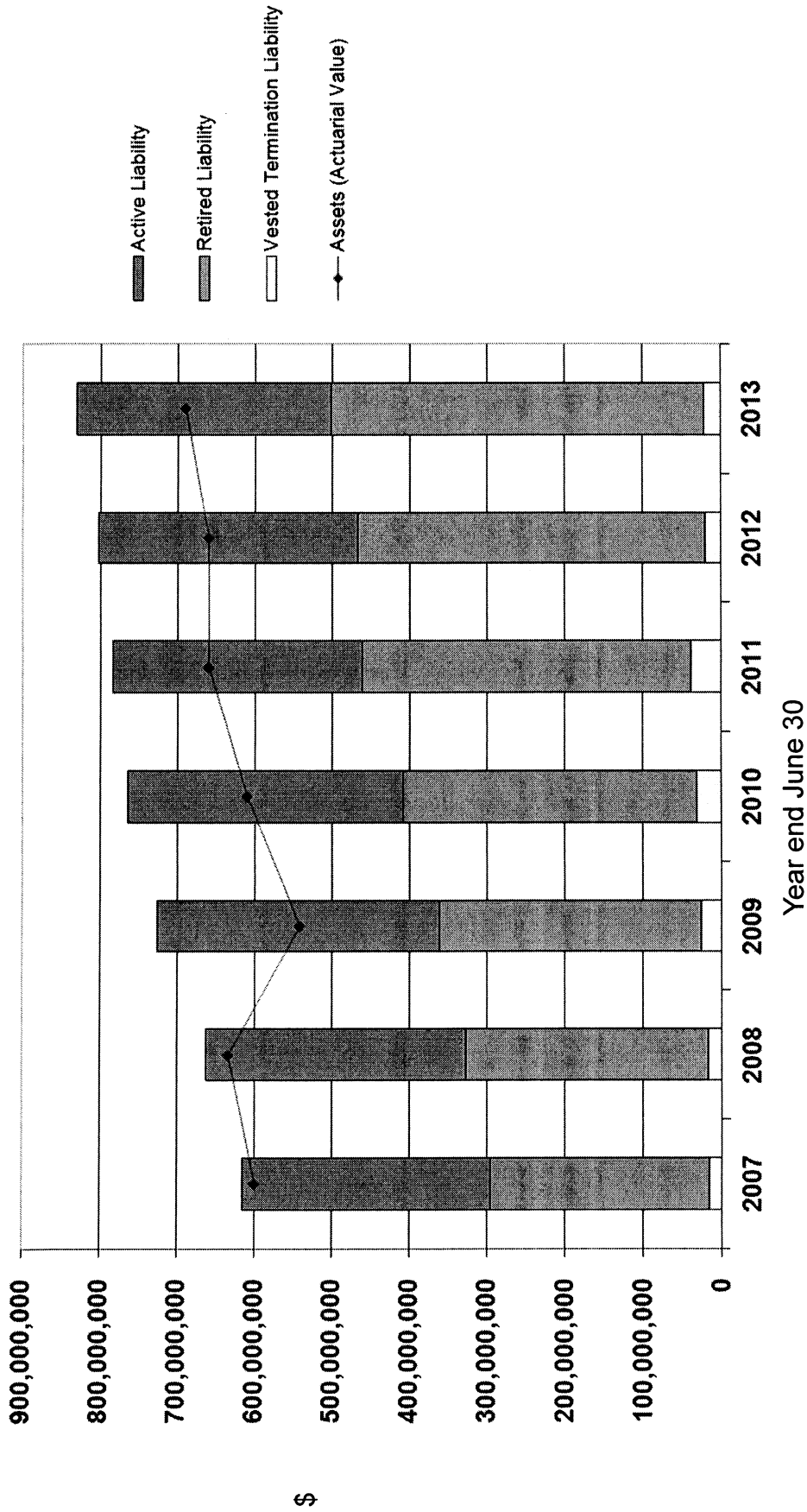
\* Based on 80%/120% corridor around market value





	7/1/2012	7/1/2013
Actuarial Accrued Liability	\$802,077,365	\$831,199,592
Actuarial Value of Assets	660,231,611	690,539,998
Unfunded Actuarial Accrued Liability	141,845,754	140,659,594
Funded Ratio	82.3%	83.1%

Present Value of Accumulated Benefits	\$749,924,799	\$784,589,761
Market Value of Assets	654,008,719	722,718,480
Unfunded PV of Accumulated Benefits	95,916,080	61,871,281
Funded Ratio	87.2%	92.1%



	July 1, 2013 Amount	% of Liability/Assets
Salary Increases Less than Expected	(7,953,446)	(1.0)
New Hires	344,468	0
New Terminations and Retirements	(24,081)	0
Cost of Living Increase less than Expected	(7,521,345)	(0.9)
Other Experience	<u>9,453,633</u>	<u>1.1</u>
Total Liability (Gain)/Loss	(5,700,771)	(0.7)
Actuarial Asset Value (Gain)/Loss	14,616,879	2.1
Net Actuarial (Gain)/Loss	8,916,107	



	2012	2013 (Before Change)	2013 (After Change*)	Net Change
Normal Cost	\$10,432,377	\$11,465,417	\$11,465,417	\$1,033,040
Normal Cost as a % of Payroll	8.0%	8.9%	8.9%	0.9%
Amortization of Unfunded	\$16,312,110	\$16,841,981	\$14,744,989	(\$1,567,121)
Total Recommended Contribution Payable at the Beginning of the Year	\$26,744,487	\$28,307,398	\$26,210,406	(\$534,081)
As a % of Payroll	20.6%	21.9%	20.3%	(0.3%)
Total Recommended Contribution Payable at the End of the Year	\$28,750,323	\$30,402,146	\$28,149,976	(\$600,347)
As a % of Payroll	22.1%	23.5%	21.8%	(0.3%)

\* Changed Amortization to a 15 year Open Amortization of the Unfunded Actuarial Liability



## → Funded Ratios

- Increase on Funding Basis against Actuarial Value of Assets
  - 82.3 % to 83.1%
- Increase on an Accrued Benefit Basis against Market Value of Assets
  - 87.2 % to 92.1%

## → Recommended Contributions

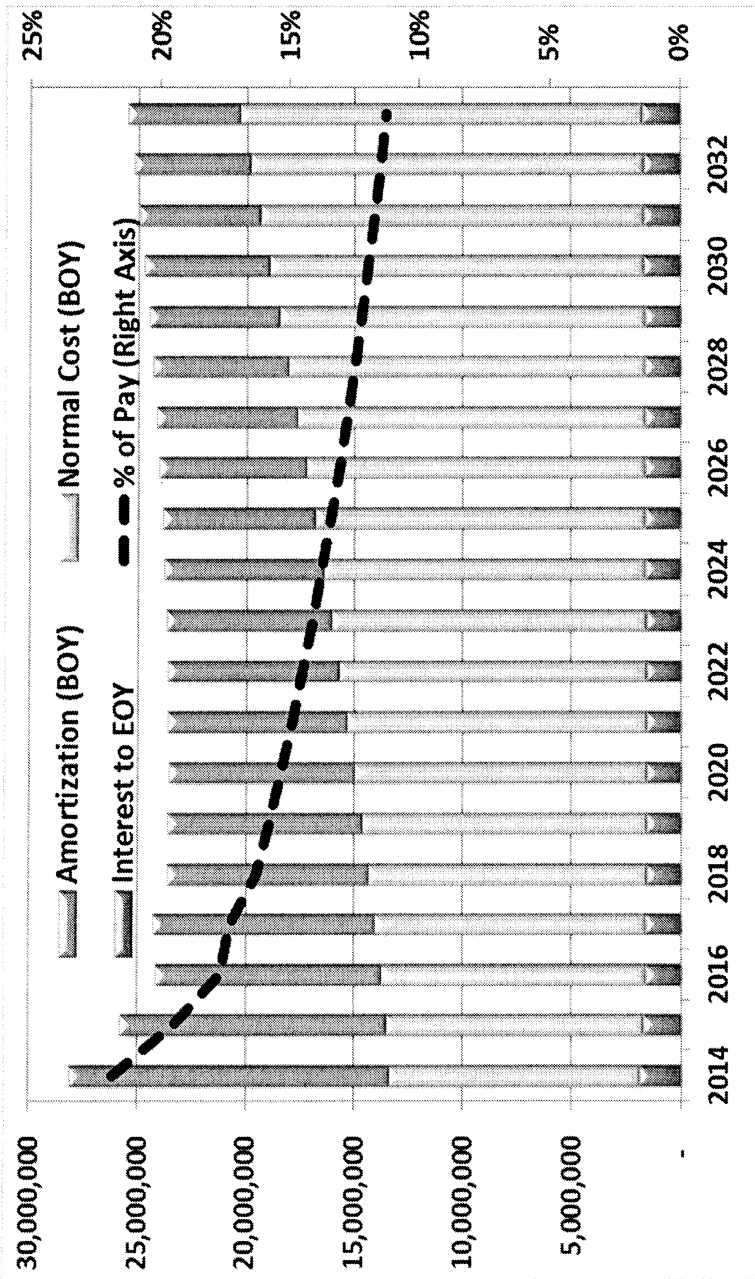
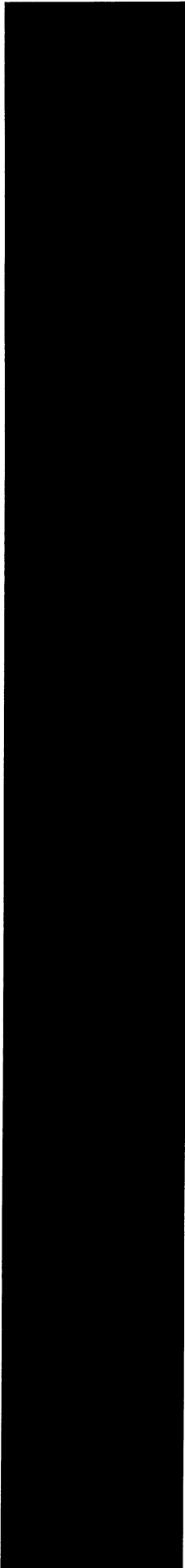
- Revised Funding Approach: 15 Year Open/Rolling Amortization of Unfunded Liability
- Percent of Pay cost decreased from 22.1% to 21.8% (based on payment at end of year)
- Change primarily due to actuarial asset value losses, salary experience, assumption changes and funding approach

Dollar amounts in millions

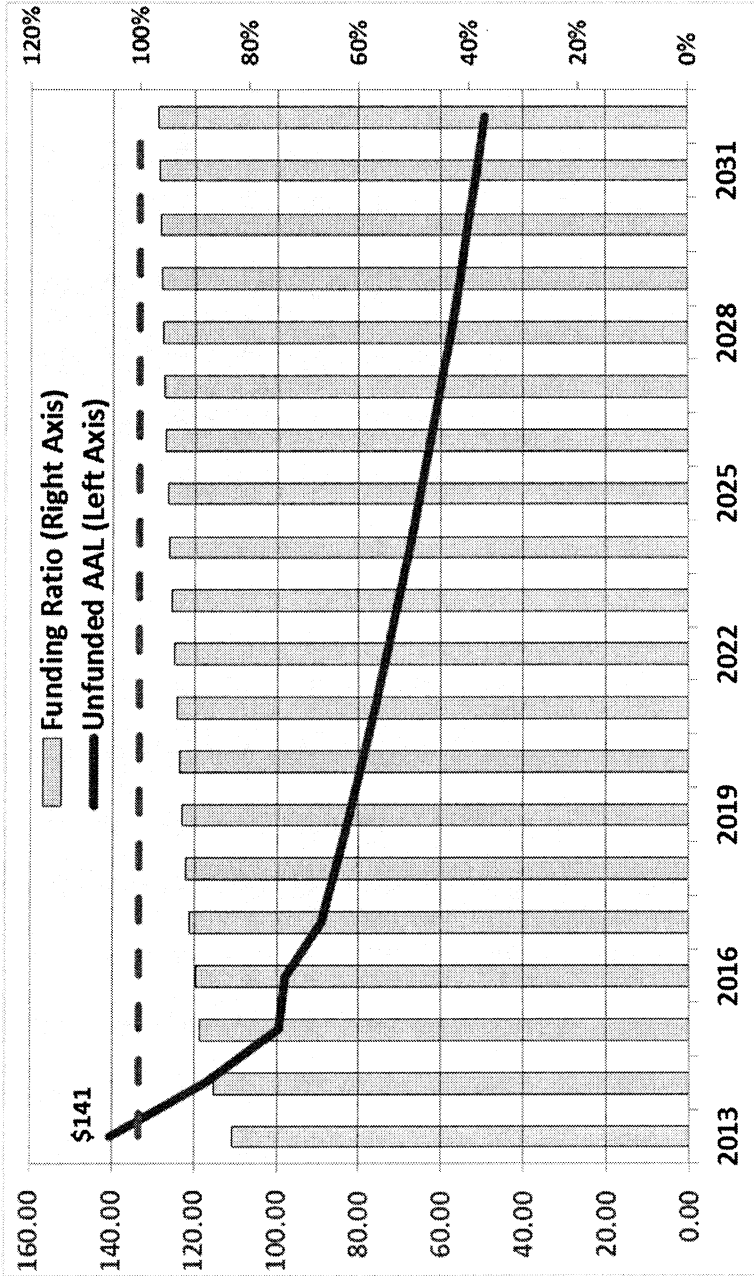
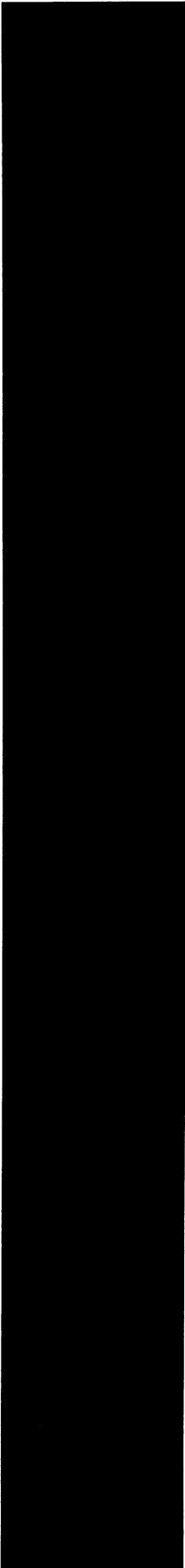
Payable July 1	Prior Year Participant Payroll	Employer Normal Cost	Amortization of Unfunded	Interest to End of Year	Total Employer Cost	Employer Cost as a % of Payroll
2014	\$129.13	\$11.47	\$14.74	\$1.94	\$28.15	21.8%
2015	\$133.01	\$11.78	\$12.29	\$1.78	\$25.83	19.4%
2016	\$137.00	\$12.08	\$10.44	\$1.67	\$24.17	17.6%
2017	\$141.11	\$12.40	\$10.26	\$1.68	\$24.31	17.2%
2018	\$145.34	\$12.72	\$9.34	\$1.63	\$23.67	16.3%
2019	\$149.70	\$13.05	\$8.98	\$1.63	\$23.63	15.8%

**Assumptions**  
 Valuation interest rate = 7.4%  
 Future investment return = 7.4%  
 Payroll increases = 3.0%  
 No future gains or losses  
**OPEN 15 Year Amortization**





**Assumptions**  
Valuation interest rate = 7.4%  
Future investment return = 7.4%  
Payroll increases = 3.0%  
No future gains or losses  
Open/rolling amortization (15 years)



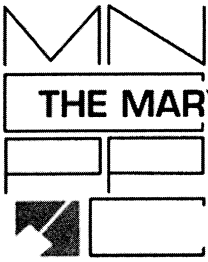
**Assumptions**  
Valuation interest rate = 7.4%  
Future investment return = 7.4%  
Payroll increases = 3.0%  
No future gains or losses  
Open/rolling amortization (15 years)

Unfunded liability remains positive after 20 years due to rolling amortization.

## Recent Changes/Update: Pension Plans

- Accounting – GASB Proposal Update, effective 2014, 2015
- Impacts:
  - Net pension liability
  - Discount rate basis - ?
  - Use of Entry Age Normal Cost Method
  - Amortization periods
  - Additional required information
  - Cost Sharing multiple employee plans
- Accounting vs. Funding Separation – Less Clarity
- Preliminary analysis coming in early 2014 (after GASB 68 implementation guide is published)

# Questions





**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

6611 Kenilworth Avenue Riverdale, Maryland 20730

Date: November 14, 2013

To: The Maryland-National Capital Park and Planning Commission

Via: Patricia C. Barney, Executive Director 

From: John Kroll, Corporate Budget Manager 

Subject: CAS Labor Cost Allocation Analysis for the FY15 Budget

**Recommendation:**

It is recommended that the Commission consider revising the labor cost percentages used to allocate CAS department budgets between Montgomery and Prince George's counties for the FY15 Proposed Budget to reflect the latest analysis summarized within this memo.

**Background**

In early 2011, new chargeback allocation and labor costing methodology were studied and presented to both Boards and departments. Results were similar to existing allocations. Management decided that labor distribution and cost driver results should be analyzed annually to assure transparency and validate cost share based on services rendered. In October 2012, the labor distribution was analyzed and the results so minimally changed that it was determined that it did not warrant changing the previous allocation percentages for the FY14 budget; the allocation for the Legal Department was changed to reflect additional staff added and dedicated to Montgomery County operating departments.

**Summary of FY13 Labor Cost Distribution Analysis**

The labor cost allocation rates have once again been reviewed, for possible application in the FY15 proposed budget.

FY13 data was extracted from the time card system. For those divisions for which cost drivers are not applied, work hours are classified as Montgomery County, Prince George's County or Bi-county, according to the description of the pay codes used. If the pay code did not indicate a specific county for the work/leave hours, the hours were classified as Bi-county. Bi-county hours were allocated 50/50 between the two counties.

For Accounts Payable, Treasury/Investments, Payroll and Purchasing units of the Finance Department and Employee Records unit in the Department of Human Resources and Management, the labor cost allocations are done using cost drivers, i.e., work hours are classified and distributed as Montgomery or Prince George's according to the Cost Driver table below. For Accounts Payable and Payroll the driver is number of payments issued; for



Purchasing the driver is total document volume (including PO's, contracts and purchase card transactions); for Treasury the driver is the number of cash receipts and deposits; and for Employee Records the driver is the number of PA2's processed. Cost drivers were updated for FY13 by Finance and DHRM and these results are shown below along with the drivers used for prior periods.

Cost Drivers	FY10		FY11-FY12		FY13		% shift in Share	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC
Accounts Payable	33%	67%	32%	68%	32%	68%	0%	0%
Payroll	26%	74%	26%	74%	25%	75%	-1%	1%
Purchasing	35%	65%	37%	63%	45%	55%	8%	-8%
Treasury/Investment	32%	68%	32%	68%	20%	80%	-12%	12%
Employee Records	35%	65%	35%	65%	19%	81%	-16%	16%

Whether utilizing the labor hour allocations or the cost drivers, the results were then factored into a three year (FY11-FY13) moving average to smooth individual year variations.

Since this analysis only utilizes historical data, a different assumption needed to be developed to address newly budgeted positions. As mentioned earlier, the FY14 budget included a new position in Legal, dedicated to Montgomery County. Therefore, 2,080 hours were added to each of FY11, FY12 and FY13 data to account for this new position. This was done so as to not skew the three year moving average.

Two CAS departments do not utilize either of these methodologies. The Merit System Board does not track their hours by county; however, it is assumed that the decisions they render are applicable to the Commission as a whole. Therefore, their budget is allocated on a 50/50 basis.

Support Services – Historically allocated on a 50/50 basis, beginning with FY15 these expenses are now proposed to be allocated based upon the three year labor allocation average of the CAS departments that this unit supports.

Using the labor hour splits for some divisions, the cost driver calculations for other divisions, and the assumptions above for Merit Board and Support Services resulted in the allocation percentages shown below. On the following page is a summary showing these results compared to the budgeted allocations since FY10. This is followed on the same page by divisional labor allocation detail.

	FY14		FY15 Proposed		Change from FY14	
	MC	PGC	MC	PGC	MC	PGC
DHRM	42.5%	57.5%	43.8%	56.2%	1.3%	-1.3%
Finance	43.4%	56.6%	42.7%	57.3%	-0.6%	0.6%
Legal	57.4%	42.6%	56.0%	44.0%	-1.5%	1.5%
Internal Audit	32.4%	67.6%	32.3%	67.7%	-0.1%	0.1%
Merit System Board	50.0%	50.0%	50.0%	50.0%	0.0%	0.0%
Support Services	50.0%	50.0%	45.1%	54.9%	-4.9%	4.9%
<b>Total CAS Before Chargebacks</b>	<b>46.0%</b>	<b>54.0%</b>				

**ALLOCATION OF CAS BUDGET TO EACH COUNTY FY10 TO FY15**

	FY10			FY11			FY12			FY13			FY14			FY15 Proposed			Change from FY14		
	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total
DHRM	49.1%	50.9%	100%	47.2%	52.8%	100%	42.5%	57.5%	100%	42.5%	57.5%	100%	42.5%	57.5%	100%	43.8%	56.2%	100%	1.3%	-1.3%	0.0%
Finance	48.5%	51.5%	100%	46.5%	53.5%	100%	43.4%	56.6%	100%	43.4%	56.6%	100%	43.4%	56.6%	100%	42.7%	57.3%	100%	-0.6%	0.6%	0.0%
Legal	51.4%	48.6%	100%	49.9%	50.1%	100%	54.2%	45.8%	100%	56.3%	43.7%	100%	32.1%	67.9%	100%	56.0%	44.0%	100%	-1.5%	1.5%	0.0%
Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	31.3%	68.7%	100%	32.1%	67.9%	100%	50.1%	49.9%	100%	50.0%	50.0%	100%	0.0%	0.0%	0.0%
Merit System Board	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	0.0%	0.0%	0.0%
Support Services	0.0%	0.0%	0.0%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	45.1%	54.9%	100%	-4.9%	4.9%	0.0%
<b>Total CAS Before Chargebacks</b>	<b>49.2%</b>	<b>50.8%</b>	<b>100%</b>	<b>47.5%</b>	<b>52.5%</b>	<b>100%</b>	<b>45.1%</b>	<b>54.9%</b>	<b>100%</b>	<b>45.7%</b>	<b>54.3%</b>	<b>100%</b>	<b>46.0%</b>	<b>54.0%</b>	<b>100%</b>	<b>45.1%</b>	<b>54.9%</b>	<b>100%</b>	<b>-0.9%</b>	<b>4.9%</b>	<b>0.0%</b>

**LABOR COST ALLOCATION SUMMARY AND COMPARISON TO FY14 BUDGETED ALLOCATION**

	FY 10			FY 11			FY 12			FY 13			3 Year Average FY 10 - FY 12			3 Year Average FY 11 - FY 13			3 Year Average vs FY14 Budget					
	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total			
30 - Dept Human Resources & Mgmt	43.1%	56.9%	100%	43.4%	56.6%	100%	45.1%	54.9%	100%	42.9%	57.1%	100%	48.8%	51.2%	100%	49.2%	50.8%	100%	42.5%	57.5%	100%	1.3%	-1.3%	0.0%
OFFICE OF THE EXEC. DIR.	47.9%	52.1%	100%	49.1%	50.9%	100%	49.5%	50.5%	100%	48.9%	51.1%	100%	48.8%	51.2%	100%	48.8%	51.2%	100%	48.8%	51.2%	100%	0.0%	0.0%	0.0%
BUDGET DIVISION	55.9%	44.1%	100%	49.5%	50.5%	100%	50.9%	49.1%	100%	49.3%	50.7%	100%	52.1%	47.9%	100%	49.9%	50.1%	100%	49.9%	50.1%	100%	0.0%	0.0%	0.0%
CLASSIFICATION COMPENSATION	52.2%	47.8%	100%	51.4%	48.6%	100%	47.0%	53.0%	100%	53.2%	46.8%	100%	50.2%	49.8%	100%	50.5%	49.5%	100%	50.5%	49.5%	100%	0.0%	0.0%	0.0%
CORP. POLICY & MGMT SVCS	44.0%	56.0%	100%	51.5%	48.5%	100%	52.4%	47.6%	100%	50.3%	49.7%	100%	49.3%	50.7%	100%	51.4%	48.6%	100%	49.9%	50.1%	100%	0.0%	0.0%	0.0%
EMPLOYEE LABOR RELATIONS	47.0%	53.0%	100%	40.7%	59.3%	100%	49.5%	50.5%	100%	59.6%	40.4%	100%	45.7%	54.3%	100%	49.9%	50.1%	100%	49.9%	50.1%	100%	0.0%	0.0%	0.0%
HRIS/EMP. RECORDS	35.0%	65.0%	100%	35.0%	65.0%	100%	35.0%	65.0%	100%	35.0%	65.0%	100%	35.0%	65.0%	100%	35.0%	65.0%	100%	35.0%	65.0%	100%	0.0%	0.0%	0.0%
RECRUITMENT	42.5%	57.5%	100%	45.2%	54.8%	100%	51.6%	48.4%	100%	48.2%	51.8%	100%	46.5%	53.5%	100%	48.3%	51.7%	100%	48.3%	51.7%	100%	-1.4%	1.4%	0.0%
31 - Legal	58.0%	42.0%	100%	57.7%	42.3%	100%	55.5%	44.5%	100%	54.7%	45.3%	100%	57.1%	42.9%	100%	56.0%	44.0%	100%	57.4%	42.6%	100%	-0.6%	0.6%	0.0%
32 - Finance Department	41.9%	58.1%	100%	42.6%	57.4%	100%	43.0%	57.0%	100%	42.6%	57.4%	100%	42.5%	57.5%	100%	42.7%	57.3%	100%	43.4%	56.7%	100%	-0.6%	0.6%	0.0%
ACCOUNTING	45.3%	54.7%	100%	48.9%	51.1%	100%	49.2%	50.8%	100%	48.6%	51.4%	100%	47.8%	52.2%	100%	47.8%	52.2%	100%	43.4%	56.6%	100%	0.0%	0.0%	0.0%
ACCOUNTS PAYABLE	33.0%	67.0%	100%	31.8%	68.2%	100%	31.8%	68.2%	100%	31.8%	68.2%	100%	32.2%	67.8%	100%	31.8%	68.2%	100%	32.2%	67.8%	100%	0.0%	0.0%	0.0%
ADMINISTRATIVE SERVICES	50.6%	49.4%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	0.0%	0.0%	0.0%
INVESTMENTS	32.1%	67.9%	100%	32.1%	67.9%	100%	32.1%	67.9%	100%	32.1%	67.9%	100%	32.1%	67.9%	100%	32.1%	67.9%	100%	32.1%	67.9%	100%	0.0%	0.0%	0.0%
IT DIVISION	49.8%	50.2%	100%	50.1%	49.9%	100%	50.5%	49.5%	100%	50.1%	49.9%	100%	50.1%	49.9%	100%	50.1%	49.9%	100%	50.2%	49.8%	100%	0.0%	0.0%	0.0%
OFFICE OF THE SEC-TREAS.	50.3%	49.7%	100%	50.4%	49.6%	100%	49.0%	51.0%	100%	50.0%	50.0%	100%	49.9%	50.1%	100%	49.8%	50.2%	100%	49.8%	50.2%	100%	0.0%	0.0%	0.0%
PAYROLL	26.1%	73.9%	100%	26.1%	73.9%	100%	26.1%	73.9%	100%	24.9%	75.1%	100%	26.1%	73.9%	100%	25.7%	74.3%	100%	39.4%	60.6%	100%	0.0%	0.0%	0.0%
PURCHASING	35.0%	65.0%	100%	36.6%	63.4%	100%	36.6%	63.4%	100%	36.6%	63.4%	100%	36.1%	63.9%	100%	36.1%	63.9%	100%	36.1%	63.9%	100%	0.0%	0.0%	0.0%
40 - Merit System	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%	0.0%	0.0%	0.0%
52 - Internal Audit	43.0%	57.0%	100%	36.2%	63.8%	100%	24.6%	75.4%	100%	36.1%	63.9%	100%	34.6%	65.4%	100%	32.3%	67.7%	100%	32.4%	67.6%	100%	-0.1%	0.1%	0.0%
<b>Total CAS</b>	<b>45.1%</b>	<b>54.9%</b>	<b>100%</b>	<b>45.6%</b>	<b>54.4%</b>	<b>100%</b>	<b>45.3%</b>	<b>54.7%</b>	<b>100%</b>	<b>44.4%</b>	<b>55.6%</b>	<b>100%</b>	<b>45.3%</b>	<b>54.7%</b>	<b>100%</b>	<b>45.1%</b>	<b>54.9%</b>	<b>100%</b>	<b>46.0%</b>	<b>54.0%</b>	<b>100%</b>	<b>-0.9%</b>	<b>4.9%</b>	<b>0.0%</b>

Notes:  
 1) Highlighted rows represents labor cost allocations are done with cost drivers  
 2) Result include chargeback positions based on time card records  
 3) FY11, FY12 and FY13 include FY14 new dedicated position in Legal

## **CAS Units Not Addressed in this Analysis**

Group Insurance – For the FY14 budget and going forward, labor costs are factored into the rates set for the employer and employee/retiree, and no longer allocated and charged directly to the operating departments in each county.

CIO – Labor costs are allocated by the percentage of subscriptions to the Cloud.

Risk Management – External administrative costs are allocated based on claims expense. Internal administrative costs are currently allocated 50/50. We will undertake a detailed review of the allocation of these costs next year. A preliminary review found that 56% of training classes were held in Montgomery and 52% of inspections were conducted in Montgomery. Most staff hours were coded 50/50. We have reminded staff of the importance of recording their time accurately.

## **Recommendation Considerations**

1. Should the Commission adopt changes to the CAS cost allocation on an annual basis?  
Pros: The analysis is done on an annual basis  
Adjusting the allocation demonstrates that we recognize the importance of asking each county's taxpayers to fund only their share of central services  
Cons: Brings the subject of central services and its appropriate allocation to the forefront for discussion each year, even if the changes are minor.  
Because the FY15 proposed budget is currently in flux between base increases and additional requests, I used FY14 budget numbers to show the approximate magnitude of change. This option would shift approximately \$96,500 to Prince George's from Montgomery.
2. Should the Commission only adopt significant percentage changes on a department by department basis?  
This year, that would involve the change to Support Services from a previously unchanging 50/50 allocation to the recommended mirroring of the average of all CAS departments.  
Using FY14 budget numbers, this option would shift approximately \$51,000 to Prince George's from Montgomery.

# ITEM 5e

L5, M1

EMERGENCY BILL

4lr0582

Bill No.: \_\_\_\_\_

Requested: \_\_\_\_\_

Committee: \_\_\_\_\_

Drafted by: Morton

Typed by: Don

Stored – 10/21/13

Proofread by \_\_\_\_\_

Checked by \_\_\_\_\_

By: **Prince George's County Delegation and Montgomery County Delegation**

## A BILL ENTITLED

1 AN ACT concerning

2 **Washington Suburban Sanitary Commission – Forest Conservation Act –**  
3 **Application to Infrastructure Maintenance Activities**

4 **PG/MC 104–14**

5 FOR the purpose of exempting from certain forest conservation requirements any  
6 cutting or clearing of forest necessary for access to Washington Suburban  
7 Sanitary Commission infrastructure or otherwise associated with the  
8 rehabilitation or maintenance of Commission infrastructure; making this Act an  
9 emergency measure; and generally relating to forest conservation and the  
10 Washington Suburban Sanitary Commission.

11 BY repealing and reenacting, without amendments,  
12 Article – Natural Resources  
13 Section 5–1602(a)  
14 Annotated Code of Maryland  
15 (2012 Replacement Volume and 2013 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – Natural Resources  
18 Section 5–1602(b)(12) and (13)  
19 Annotated Code of Maryland

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.



1 (2012 Replacement Volume and 2013 Supplement)

2 BY adding to

3 Article – Natural Resources

4 Section 5–1602(b)(14)

5 Annotated Code of Maryland

6 (2012 Replacement Volume and 2013 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article – Natural Resources**

10 5–1602.

11 (a) Except as provided in subsection (b) of this section, this subtitle shall  
12 apply to any public or private subdivision plan or application for a grading or sediment  
13 control permit by any person, including a unit of State or local government on areas  
14 40,000 square feet or greater.

15 (b) The provisions of this subtitle do not apply to:

16 (12) Any stream restoration project for which the applicant for a  
17 grading or sediment control permit has executed a binding maintenance agreement of  
18 at least 5 years with the affected property owner; **[and]**

19 (13) Maintenance or retrofitting of a stormwater management structure  
20 that may include clearing of vegetation or removal and trimming of trees, so long as  
21 the maintenance or retrofitting is within the original limits of disturbance for  
22 construction of the existing structure, or within any maintenance easement for access  
23 to the structure; **AND**

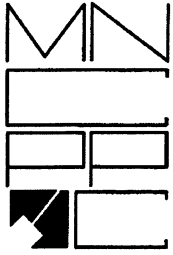
24 (14) **ANY CUTTING OR CLEARING OF FOREST NECESSARY FOR**  
25 **ACCESS TO WASHINGTON SUBURBAN SANITARY COMMISSION**  
26 **INFRASTRUCTURE OR OTHERWISE ASSOCIATED WITH THE REHABILITATION OR**  
27 **MAINTENANCE OF COMMISSION INFRASTRUCTURE.**

4lr0582

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
2 measure, is necessary for the immediate preservation of the public health or safety,  
3 has been passed by a yea and nay vote supported by three-fifths of all the members  
4 elected to each of the two Houses of the General Assembly, and shall take effect from  
5 the date it is enacted.



# ITEM 5g



## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

TO: Maryland-National Capital Park & Planning Commission

FROM: Joseph C. Zimmerman, Secretary-Treasurer

SUBJECT: Request for budget amendment

DATE: November 7, 2013

During the October 16, 2013 Commission meeting, you were briefed on the status of the ERP implementation and the need to revise the schedule to ensure success of the project.

At that time, it was known that there would be a need for additional consulting services from the vendor to complete necessary tasks detailed in the revised schedule. Negotiations with Infor are continuing, but it has been determined that approximately \$400,000 of additional work will be required. How to obtain these funds has been discussed with the project Steering Committee and the Department Heads. Their recommendation, supported by estimates from the Budget Office, is that anticipated salary savings in fiscal 2014 can be allocated to professional services for this purpose.

Accordingly, the attached budget amendment (attachment A) is submitted for your consideration. Detail is provided as to the amounts to be transferred from Personal Services to Professional Services by fund and department. Allocation of the amount is based on total budget as of the beginning of the project, consistent with previous funding decisions. Your approval is sought for this amendment.

Additional information is provided to give background as to the total project budget before the requested amendment in attachment B titled "ERP Budget Summary". As of this writing, the total amount committed to the project from all sources is \$6.34 million, with approximately \$270,000 available. It is anticipated that these funds will be needed to provide additional project management support for the remainder of the project. We are currently negotiating with Line of Sight for those services and it is believed that the available funds will be sufficient.

Attachment C is provided to illustrate the project milestones by module. This schedule shows those that have been completed, those that are in progress, and the schedule to complete the balance of the project.

I look forward to discussing these matters with you on November 20, and appreciate your support of this critical Commission project.



A

Maryland National Capital Park & Planning Commission  
ERP Project  
Requested budget amendment  
November 20, 2013

	Requested	\$	400,000	OCA
<b>Prince George's:</b>	<b>allocation</b>			
Planning	9.11%	\$	36,400	155002
Parks	35.33%	\$	141,300	198028
Recreation	14.60%	\$	58,400	398008
Enterprise	5.88%	\$	23,500	188102
DHRM	0.75%	\$	3,000	141101
Finance	0.89%	\$	3,600	144105
Legal	0.33%	\$	1,300	243006
Internal Audit	0.02%	\$	100	152100
CIO	0.01%	\$	-	-
	<b>66.92%</b>	<b>\$</b>	<b>267,600</b>	
<b>Montgomery:</b>				
Planning	5.59%	\$	22,400	251009
Parks	22.45%	\$	89,800	263301
Enterprise	3.04%	\$	12,200	263301
DHRM	0.75%	\$	3,000	241109
Finance	0.89%	\$	3,600	244103
Legal	0.33%	\$	1,300	243006
Internal Audit	0.02%	\$	100	252100
CIO	0.01%	\$	-	-
	<b>33.08%</b>	<b>\$</b>	<b>132,400</b>	
	<b>100.00%</b>	<b>\$</b>	<b>400,000</b>	

(B)

6. Budget Report

ERP Budget Summary \*last updated 10/16/13

Designated Funding						
	ISF	Finance/DHRM Leave Funds	CAS Operating	Other Departments		Total
IT Initiatives ISF	\$ 4,639,000	\$ -	\$ -	\$ -		\$ 4,639,000
FY13 Contingency ISF	\$ 600,000	\$ -	\$ -	\$ -		\$ 600,000
DHRM Leave Fund	\$ -	\$ 250,504	\$ -	\$ -		\$ 250,504
Finance Leave Fund	\$ -	\$ 365,338	\$ -	\$ -		\$ 365,338
Purchasing Initiative ISF	\$ 334,829	\$ -	\$ -	\$ -		\$ 334,829
<b>Total Approved Funding</b>	<b>\$ 5,573,829</b>	<b>\$ 615,842</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 6,189,671</b>
Expenditures						
Change Orders (software costs do not include annual maintenance)	ISF	Finance/DHRM		Other Departments		Total
SCM - Upgrade to Landmark v10 CE320373	\$ -	\$ -	\$ 9,800	\$ -		\$ 9,800
HCM - ERS FICA Max	\$ 18,000	\$ -	\$ -	\$ -		\$ 18,000
HCM - Consulting Time	\$ -	\$ -	\$ 7,200	\$ -		\$ 7,200
HCM - NeoGov	\$ 5,000	\$ -	\$ -	\$ -		\$ 5,000
HCM - Consulting Time #2	\$ -	\$ 19,075	\$ 50,000	\$ -		\$ 69,075
e-Signature Solution for SCM (New 9/6/13) \$ TBD	\$ -	\$ -	\$ -	\$ -		\$ -
Infor Crystal Reports Training (on-site)	\$ 12,850	\$ -	\$ -	\$ -		\$ 12,850
Infor System Consultant Hours (New 9/6/13)	\$ 88,600	\$ -	\$ -	\$ -		\$ 88,600
UMRA - (AD Work-around) (New 9/6/13)	\$ -	\$ -	\$ 13,500	\$ 29,500		\$ 43,000
Verisign Certificates for Landmark & LBI (New 8/16/13)	\$ -	\$ -	\$ 5,960	\$ -		\$ 5,960
Learning Accelerator Collab/Producer Licenses	\$ -	\$ -	\$ 8,000	\$ 2,000		\$ 10,000
MHC Auto-Fax/E-form CE320593	\$ 9,990	\$ -	\$ -	\$ -		\$ 9,990
Infor 6-Month Extension CE320373	\$ 307,400	\$ -	\$ -	\$ -		\$ 307,400
<b>Sub Total Change Orders</b>	<b>\$ 441,840</b>	<b>\$ 19,075</b>	<b>\$ 94,460</b>	<b>\$ 31,500</b>		<b>\$ 586,875</b>
Expenditures						
Lawson S3 Software	\$ 1,067,040	\$ -	\$ -	\$ -		\$ 1,067,040
Hardware	\$ 275,000	\$ -	\$ 12,056	\$ -		\$ 287,056
Lawson Implementation Services	\$ 3,081,115	\$ -	\$ -	\$ -		\$ 3,081,115
GFOA Consulting	\$ 164,441	\$ -	\$ -	\$ -		\$ 164,441
Misc Project Charges	\$ 3,379	\$ -	\$ -	\$ -		\$ 3,379
Online Learning Suite - 1 yr	\$ 34,200	\$ -	\$ -	\$ -		\$ 34,200
System Training	\$ 34,000	\$ -	\$ -	\$ -		\$ 34,000
MHC Software	\$ 43,975	\$ -	\$ -	\$ -		\$ 43,975
Sympro Software	\$ 102,800	\$ -	\$ -	\$ -		\$ 102,800
BSI Tax Factory	\$ 500	\$ -	\$ -	\$ -		\$ 500
Objective Corp (CAFR/Budget publishing)	\$ 50,000	\$ -	\$ -	\$ -		\$ 50,000
Line Of Sight PMO/PM Consulting CE320696	\$ 97,200	\$ -	\$ -	\$ 392,800		\$ 490,000
Line Of Sight Requirements & Validation CO000570	\$ 152,250	\$ -	\$ -	\$ -		\$ 152,250
Line Of Sight Continuation of ERP PMO CE320969/018	\$ -	\$ 245,100	\$ -	\$ -		\$ 245,100
<b>Sub Total Other</b>	<b>\$ 5,105,900</b>	<b>\$ 245,100</b>	<b>\$ 12,056</b>	<b>\$ 392,800</b>		<b>\$ 5,755,856</b>
<b>Total Expenses</b>	<b>\$ 5,547,740</b>	<b>\$ 264,175</b>	<b>\$ 106,516</b>	<b>\$ 424,300</b>		<b>\$ 6,342,731</b>





THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
LATE PERFORMANCE EVALUATION REPORT  
BY DEPARTMENT AS OF OCTOBER 2013

	31 - 60 DAYS		61 - 90 DAYS		91 + DAYS		DEPARTMENT TOTALS	
	09/13	10/13	09/13	10/13	09/13	10/13	09/13	10/13
CHAIRMAN, MONTGOMERY COUNTY	0	0	0	0	0	0	0	0
CHAIRMAN, PRINCE GEORGE'S COUNTY	0	0	0	0	0	0	0	0
OFFICE OF CIO	1	0	1	0	0	1	1	1
INTERNAL AUDIT	0	0	0	0	0	0	0	0
EXECUTIVE COMMITTEE/CHAIRS	0	0	0	0	0	0	0	0
DEPT. OF HUMAN RESOURCES & MGT.	0	0	0	0	2	0	2	0
LEGAL DEPARTMENT	0	1	0	0	1	0	1	1
FINANCE DEPARTMENT	0	0	0	0	1	0	1	0
PRINCE GEORGE'S PLANNING	2	2	0	0	0	0	0	2
PRINCE GEORGE'S PARKS & RECREATION	1	0	0	0	0	0	0	0
MONTGOMERY COUNTY PARKS	0	0	0	0	0	0	0	0
MONTGOMERY COUNTY PLANNING	4	2	2	2	0	0	6	4
**DEPARTMENT TOTAL BY DAYS LATE**	4	5	3	2	4	1	---	---
<b>COMMISSION WIDE TOTAL:</b>							<b>11</b>	<b>8</b>

\*DEPARTMENTS WITH RATINGS MORE THAN 60 DAYS LATE HAVE BEEN CONTACTED.





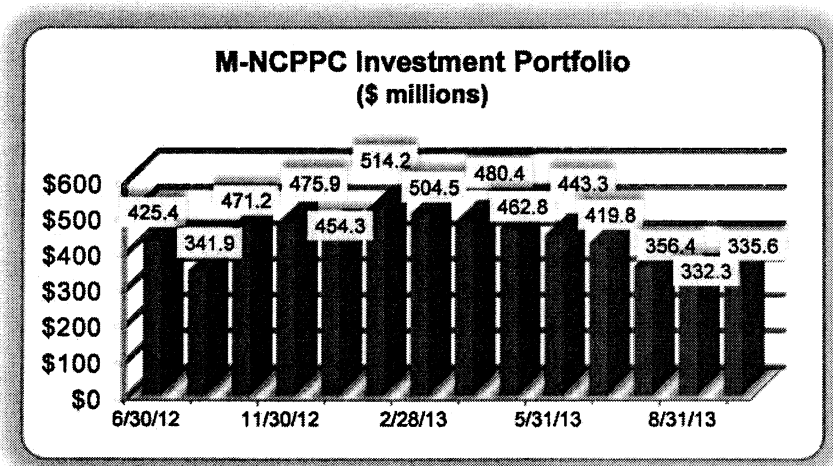


**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**TREASURY OPERATIONS, FINANCE DEPARTMENT**  
 6611 Kenilworth Avenue, Suite 302, Riverdale, MD 20737  
 Telephone (301) 454-1541 / Fax (301) 209-0413

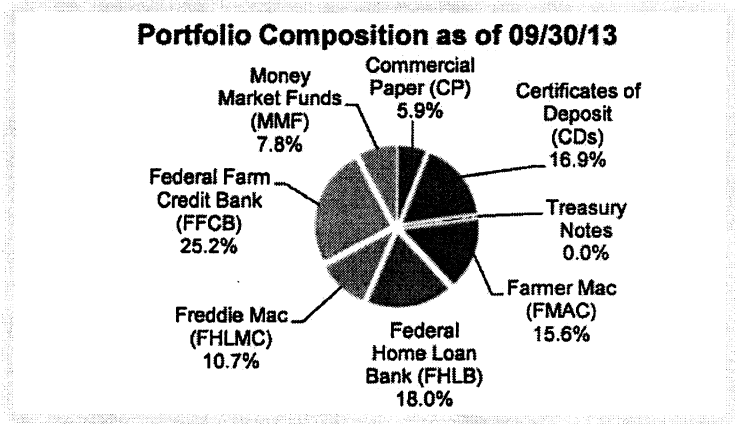
**MEMO**

**TO:** Commissioners  
**VIA:** Joseph Zimmerman, Secretary-Treasurer  
**FROM:** Abbey Rodman, Investment & Treasury Operations Manager *[Signature]*  
**DATE:** 10/18/2013  
**SUBJECT:** Investment Report – September 2013

The Commission’s pooled cash investment portfolio totaled \$335.6 million as of September 30, 2013, with a 1.0 % increase from August 31, 2013. Details are as follows:



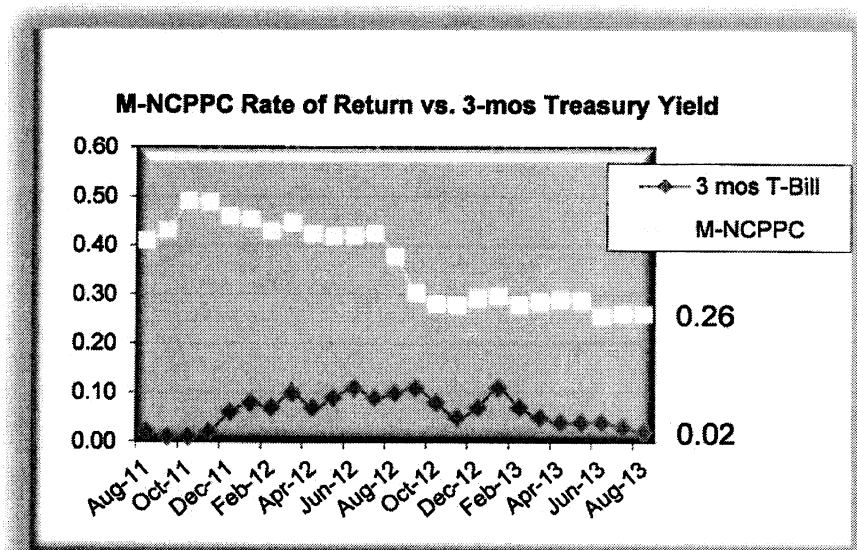
The composition of the pooled cash portfolio as of September 30, 2013 is summarized below:



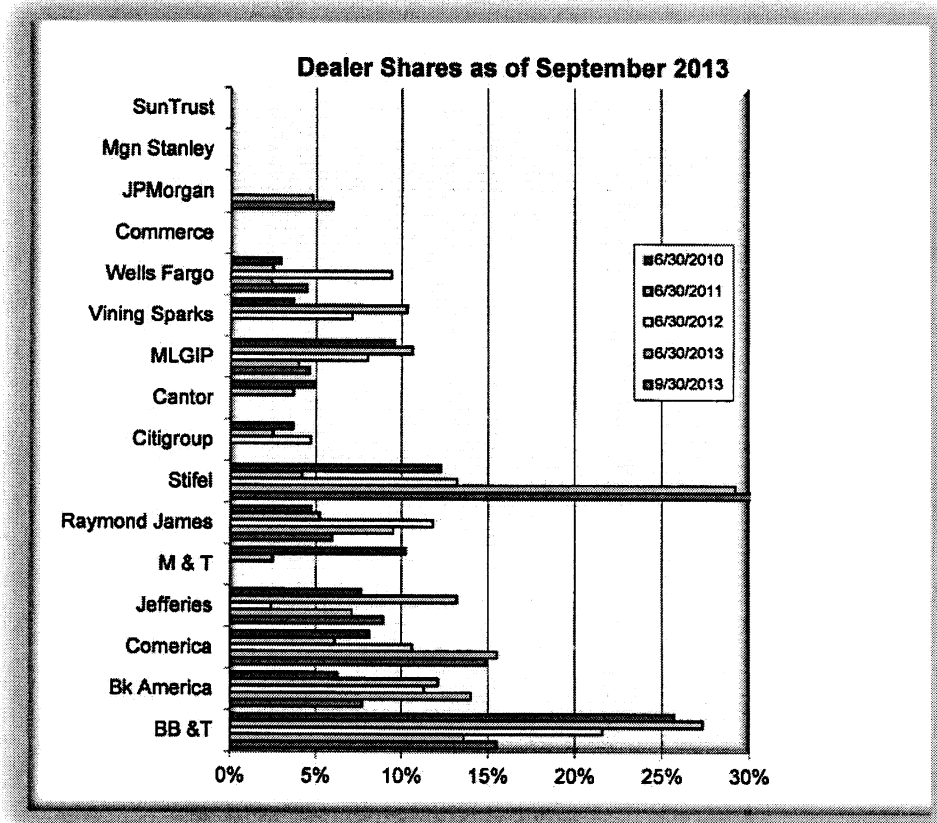


Current Investment Portfolio - September 2013					
Instrument	Policy Limit	Actual	Par Value		Wtd. Avg. Return (B/E)
Federal Farm Credit Bureau	20%	25%	\$ 85,000,000		0.26%
Federal Home Loan Banks	20%	18%	60,000,000		0.26%
Certificates of Deposit	50%	17%	57,000,000		0.30%
Farmer Mac	20%	16%	52,500,000		0.24%
Freddie Mac	20%	11%	35,000,000		0.28%
Money Funds	25%	8%	26,132,369		n/a
Commercial Paper	10%	6%	20,000,000		0.67%
Treasury Notes	100%	0%	-		
Fannie Mae	20%	0%	-		
Bankers Acceptances	50%	0%	-		
Repurchase Agreements	60%	0%	-		
			<b>\$ 335,632,369</b>		<b>0.26%</b>

The pooled cash portfolio complied with all policy limits with regard to product types and proportions throughout the month. As of September 30, 2013 the Federal Farm Credit Bureau is approximately \$17.9 million or 5% over the policy limit. This is due to the reduction in portfolio size since the investments were purchased. The Commission's policy states that limits are based on the portfolio at time of purchase. Within the next 30 days there will be maturities and the portfolio is expected to increase, which should return the category within the policy limits.



In addition to the product limits, portfolio purchases also adhered to the 30% limit per dealer. Dealer participation is shown below:



The market values of unspent debt balances (invested by T. Rowe Price) were as follows:

<b>Market Value- 09/30/13</b>	
Montgomery County (MC-2012A)	\$ 2,112,849
Montgomery County (MC-2012B)	882,211
	<b>\$ 2,995,060</b>

The Commission had no debt service payments during the month.

Details by issue of debt outstanding as of September 30, 2013 appear below:

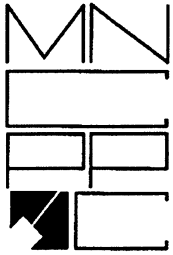
<b>Debt Balances - September 2013</b>					
	<b>Initial Par</b>	<b>Amount Outstanding</b>	<b>% Outstanding</b>	<b>Issue Date</b>	<b>Maturity Date</b>
<b>Bi-County</b>					
<b>Total Bi-County</b>	\$ -	\$ -	0%		
<b>Prince George's County</b>					
KK-2 (Refunded AA-2)	17,300,000	8,993,123	52%	Apr-08	May-18
NN-2 (Refunded Z-2)	14,080,000	10,505,000	75%	Mar-10	May-21
EE-2	37,525,000	9,855,000	26%	Mar-04	Jan-24
PG-2012A	11,420,000	11,380,000	100%	Jun-12	Jun-24
JJ-2	8,900,000	6,770,000	76%	May-07	May-27
<b>Total Prince George's County</b>	\$ 89,225,000	\$ 47,503,123	53%		
<b>Montgomery County</b>					
Cabin John Ice	6,000,000	222,228	4%	Apr-99	Nov-13
HH-2	5,445,000	335,000	6%	Jul-05	Jul-14
DD-2(ALA)	1,550,000	305,000	20%	Dec-02	Dec-14
CC-2	12,155,000	555,000	5%	Dec-02	Dec-14
LL-2	8,405,000	6,190,000	74%	May-09	Nov-20
FF-2 (ALA)	2,000,000	1,360,000	68%	Nov-04	Dec-24
FF-2	4,000,000	1,040,000	26%	Nov-04	Dec-24
II-2	4,700,000	3,590,000	76%	Mar-07	Apr-27
MM-2	5,250,000	4,410,000	84%	May-09	Nov-28
MC-2012A	12,505,000	12,505,000	100%	Apr-12	Dec-32
MC-2012B	3,000,000	3,000,000	100%	Apr-12	Dec-32
<b>Total Montgomery County</b>	\$ 65,010,000	\$ 33,512,228	52%		
<b>Total</b>	\$ 154,235,000	\$ 81,015,351	53%		

ATTACHMENT A

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
 REPORT ON COMPLIANCE TO INVESTMENT POLICY Approved March 21, 2012  
 FISCAL YEAR 2014 - September 30, 2013

OBJECTIVES			Met Objective	Within Limits	Comments
<b>Protection of principal</b>			<b>Yes</b>		
<b>Limiting types and amounts of securities</b>	Limit			<b>Yes</b>	
US Government	100%				All securities purchases were within the limits established by the Investment Policy at the time of purchase of the investments. This monthly report is prepared for the Secretary-Treasurer to demonstrate compliance with investment policy objectives and limitations.
US Federal Agencies - combined	60%				
US Federal Agencies - each	20%				
Repurchase Agreements	60%				
CD's and Time Deposits	50%				
Commercial Paper	10%				
Money Market Mutual Funds	25%				
MD Local Gov't Investment Pool	25%				
Investing Bond Proceeds:					
State and local agency securities	100%				
Money Market Mutual Funds	10%				
Bond Proceeds:					
Highly-rated state / local agency securities				<b>Yes</b>	T. Rowe Price managed all funds within limits
Highly-rated money market mutual funds (Max. 10% in lower-rated funds)					
<b>Pre-qualify financial institutions, broker/dealers, intermediaries and advisers</b>				<b>Yes</b>	All firms must meet defined capital levels and be approved by the Secretary-Treasurer
<b>Ensure competition among participants</b>	30%			<b>Yes</b>	No dealer share exceeded 30%
<b>Competitive Bidding</b>				<b>Yes</b>	All purchases awarded competitively.
<b>Diversification of Maturities</b>					
Majority of investments shall be a maximum maturity of one (1) year. A portion may be as long as two years.				<b>Yes</b>	All maturities within limits
<b>Require third-party collateral and safekeeping, and delivery-versus-payment settlement</b>				<b>Yes</b>	M&T Investments serves as custodian, monitoring compliance daily
<b>Maintain sufficient liquidity</b>			<b>Yes</b>		Sufficient funds available for all cash requirements during period
<b>Attain a market rate of return</b>			<b>Yes</b>		Exceeded by 24 basis points.
The pro-rated rates of return for the portfolio and T-bills were 0.26% and 0.02%, respectively.					





## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

**TO:** Maryland-National Capital Park and Planning Commission

**FROM:** Joseph C. Zimmerman, CPA, Secretary-Treasurer

A handwritten signature in black ink, appearing to read 'Joe', is written over the name 'Joseph C. Zimmerman'.

**SUBJECT:** 115 Trust report

**DATE:** November 15, 2013

As you know, the Commission has established a trust fund for the purpose of funding post employment health care for Commission retirees. One of the requirements of the trust document, is an annual report to the Commission on the financial status of the trust.

Accordingly, the attached summary is offered for your information. Further information will be presented in December when the actuarial report of the plan is before you.

I look forward to discussing this information with you on November 20.

**The Maryland-National Capital Park and Planning Commission  
Other Post Employment Benefits Trust Fund Investments  
Statement of Plan Net Assets  
June 30, 2013**

<b>Assets</b>	
Cash and short-term investments	\$ 104
Investments at fair value	
Bond Funds	15,727,773
Equity Funds	12,340,946
Total investments	<u>28,068,719</u>
 Total Assets	 28,068,823
<b>Liabilities</b>	
Accounts payable and others	<u>-</u>
 <b>Net Assets held in trust for other post employment benefits</b>	 <b><u>\$ 28,068,823</u></b>

**The Maryland-National Capital Park and Planning Commission  
Other Post Employment Benefits Trust Fund Investments  
Statement of Changes in Plan Net Assets  
For the Period Ended June 30, 2013**

	<u>Month to Date</u>	<u>Fiscal Year to Date</u>
<b>ADDITIONS:</b>		
Contributions	<u>\$ -</u>	<u>\$ 7,800,000</u>
 Investment Earnings:		
Interest	-	164
Dividends	7,693	84,603
Net increase (decrease) in the Fair Market Value of Investments	<u>(860,354)</u>	<u>2,383,825</u>
Total Investment Earnings	<u>(852,660)</u>	<u>2,468,592</u>
 Add Investment Advisory and Management fees net of adjustment	<u>-</u>	<u>-</u>
Net Income from Investing Activities	<u>(852,660)</u>	<u>2,468,592</u>
 Total Additions	<u>(852,660)</u>	<u>10,268,592</u>
 <b>DEDUCTIONS:</b>		
 Increase in Net Assets	<u>(852,660)</u>	<u>-</u>
<b>Net Assets held in trust for other post employment benefits</b>		
Beginning of period	28,921,483	17,800,232
June 30, 2013	<u>\$ 28,068,823</u>	<u>\$ 28,068,823</u>