

PUBLIC MEETING MINUTES FOR TUESDAY, APRIL 6, 2010

A public meeting of the Board of County Commissioners of Frederick County, Maryland, ("Board") for Tuesday, April 6, 2010, was called to order at 7:00 p.m. by Commissioner Jan Gardner, *President*. Present were Commissioners David Gray, *Vice President*; Kai Hagen, John L. Thompson, Jr. and Blaine Young. Also in attendance were Ron Hart, County Manager and Patti Morrow, Recording Secretary.

(Official minutes of the Board of County Commissioners' meetings are kept on file in the County Manager's Office; the meetings are also video recorded. Approved minutes are available on the County web page. To receive a copy of meetings recorded on videotape or DVD, please contact the Board of County Commissioners at 301-600-1100 or visit the County web page at www.FrederickCountyMD.gov)

NOTE: Copies of all staff reports are available in the OnBase system. If you need assistance with the OnBase system, please contact the recording secretary.

The meeting began with the recitation of the Pledge of Allegiance.

Recognition of the Linganore High School Class 3A State Championship Football Team

The Board recognized the Linganore High School football team for winning the 2009 Class 3A state football championship.

PUBLIC HEARING

Proposed Ordinance to Divest the Frederick County Employees' Retirement Plan (the "Plan") Investments in Companies Doing Business with Iran and Sudan – Commissioner John L. Thompson, Jr.

A public hearing was held, as duly advertised, on a proposal to amend the Plan to incorporate provisions mandating the divestment of the Plan's assets in certain companies doing business in Iran and Sudan. Commissioner Thompson presented the draft ordinance.

The following consultants and staff took part in the discussion: Mary Claire Cheshire, Whiteford, Taylor and Preston, LLP; Carol Boykin, Bolton Partners Investment Consulting Group, Inc. and Tracy Lobuts, Human Resources Division.

The following members of the Frederick County Employees Retirement Committee ("Committee") also participated: John Neary, Jim Gangawere, Terry Irwin, and John Kroll.

Commissioner Thompson moved to approve the February 18, 2010, version of the draft ordinance with an effective date of May 1, 2010, as approved and adopted on April 6, 2010. Commissioner Hagen seconded the motion.

(Commissioner Gardner passed the gavel to Commissioner Gray.)

Commissioner Gardner offered an amendment to add language to the draft ordinance to provide for analysis of the impact of the divestiture outlining the following points included in Ms. Cheshire's letter:

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- The costs of divestment are *de minimus* as compared to total fund assets;
- Substitute investments are available which will yield competitive returns at a comparable level of risk;
- The fiduciaries have discretion regarding the timing and manner of divestment so that they are able to avoid imprudent transactions; and
- The fiduciaries otherwise act in accordance with the duties of loyalty and prudence – *i.e.* ascertain relevant facts, investigate options, obtain appropriate expert analysis, diversify appropriately, and act for the benefit of the beneficiaries.

The vote on the amendment was 3-2 with Commissioners Gray and Thompson opposed.

Commissioner Gardner proposed an amendment if the cost of the analysis would be deemed by the “Committee” to be greater than the relative value of the divestiture, they would bring the information back to the Board. The vote on the amendment was 3-2 with Commissioners Gray and Thompson opposed.

Commissioner Gardner offered an amendment to include an annual review of the divestiture activity. Commissioner Hagen seconded the amendment that passed 5-0.

Commissioner Gardner moved to direct staff to bring back to the Board within the next month a redraft of the ordinance that passed. Commissioner Gray seconded the motion that passed 5-0.

(Commissioner Gray passed the gavel back to Commissioner Gardner.)

PUBLIC COMMENTS AND/OR REQUESTS

- Bill Ashton

ADJOURN

The meeting adjourned at 10:00 p.m.

Patricia A. Morrow
Recording Secretary