

RETIREMENT BENEFIT TRUST OF ST. MARY'S COUNTY – SPECIAL MEETING (Thursday, October 1, 2020)

Generated by Michelle Rance on Friday, October 2, 2020

1. 9:40am CALL TO ORDER**2. ROLL CALL****Members present:**

Dr. Rebecca Bridgett, County Administrator
Michael L. Hewitt, Commissioner Member (attended via WebEx)
Jeannett Cudmore, Chief Financial Officer
Catherine Pratson, Human Resources Director (attended via WebEx)
Mary Ann Murray, Community Representative

Others Present:

Jody Quasney, Finance Deputy Director
David Saunders, Asset Strategy (attended via WebEx)
Ed Boyer, Asset Strategy (attended via WebEx)
Michelle Rance, Administrative Recorder

A. Approve the agenda for October 1, 2020**Motion to approve the agenda.**

Motion by Mary Ann Murray, second by Jeannett Cudmore. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

3. NEW BUSINESS**A. Decision on 2021 OPEB Committee Dates Motion to approve the 2021 OPEB Committee dates**

Jody Quasney presented the following:

Current OPEB Committee Dates

December 4, 2020

Proposed OPEB Committee Dates

February 26, 2021

June 4, 2021

August 27, 2021

December 3, 2021

Motion to approve the 2021 Committee dates as presented.

Motion by Jeannett Cudmore, second by Mary Ann Murray. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

4. OLD BUSINESS**A. Decision on ABR Chesapeake Fund VI (“Fund”) Restructure Request**

Ed began by stating that they are seeking the Board’s approval for the restructuring of ABR Chesapeake Fund VI as presented, whereby continuing to invest in the fund for a total commitment of \$1.5M.

Ed presented the request for the restructuring of ABR Chesapeake Fund VI into two new limited partnerships as proposed by ABR. He explained that as a result of the pandemic, they ran into difficulties raising capital with new investors. ABR's solution to address the issue was to split the fund into two new limited partnerships.

Ed explained that under the restructured terms VI-A investors (pre-COVID limited partners) will solely own the first 5 investments and the Limited partners in VI-B (the new partnership/post-COVID investors) will not own any of those 5 initial investments and will solely commit capital to new investments. The addition of the new partnership will hopefully allow Fund VI to raise additional capital and meet its \$300 Million fund size target. The additional capital will allow the existing LPs to have a more diversified portfolio of assets. The new investors will also share the Fund's organizational costs reducing the share covered by existing LPs. Ed then stated that this is where we are today, seeking the Board's approval for the restructuring of ABR Chesapeake Fund VI as presented, whereby continuing to invest in Fund B for total commitment of \$1.5M.

Mary Ann asked what the difference between the assets purchased pre-COVID vs. post-COVID? Ed said that there is at least the perception that the 5 properties purchased pre-COVID may have not the same economic opportunity as the properties that have now been discounted or impacted as a result of COVID.

Commissioner Hewitt asked what makes this a better investment than a GoldSpring or something else that has been vetted for us? Ed responded by saying you could press the pause button and find something new, however all investors with real estate sectors are finding a "new world order" for opportunity set when it comes to these funds. He went on to explain that they (Asset Strategy) have had success with ABR in the past and they continue to have confidence in them they will continue to find good value and opportunity to keep the portfolio diversified as we had originally set.

Mary Ann asked how much have we invested in this already? Ed responded that 40% of the money will be called and they would use the line of credit – Jeannett responded that it was \$1.5M and Ed concurred and said that would be about \$680K that had already been invested in the first fund VI-A

Motion to approve the ABR Chesapeake Fund VI ("Fund") Restructure Request.

Motion by Jeannett Cudmore, second by Commissioner Michael L Hewitt. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

5. ADJOURN

A. Adjourn the meeting

Motion to adjourn the meeting.

Motion by Mary Ann Murray, second by Jeannett Cudmore. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

Minutes approved by the OPEB Board on: 12/4/2020