

**CITY OF ROCKVILLE  
Retirement Board**

DATE: September 12, 2025  
LOCATION: Black Eyed Susan Conference Room  
TIME: 10:00 a.m.

**Board Meeting  
MINUTES**

**PRESENT:** Board Members: Darryl Parrish, Citizen Representative; Sgt. Chris Peck, FOP Representative; Paula Perez, AAME Representative; Greg Satterfield, Union Representative; Mike Walsh, Chair and Citizen Representative

**ABSENT:** Jeff Mihelich, City Manager  
Executive Secretary to the Board: Stacey Webster, City of Rockville CFO  
Councilmember Barry Jackson, Mayor and Council Representative

Also present: Kim Francisco, City of Rockville Deputy CFO; Christian Sevier, Segal Marco Advisors; Daisy Harley, City of Rockville Benefits Manager; Mike Dellapa, Citizen Visitor

Mr. Walsh confirmed the quorum and called the meeting to order at 10:01 AM.

I. Approval of Minutes

Mr. Satterfield made a motion to approve the minutes from May 16, 2025. Mr. Parrish seconded the motion. All members voted in favor (5-0-0).

II. Quarterly Investment Performance Review

Following an overview of the market environment from the second quarter of calendar year 2025, Mr. Sevier from Segal Marco Advisors presented the investment performance updates for the Pension Plan, Thrift/457 Plan, and Retiree Benefit Trust for the period ending June 30, 2025.

Mr. Sevier began by presenting the Pension Plan's performance, noting that the Plan returned 5.7% for the second quarter of 2025, underperforming the Policy Index return of 6.2%. The Plan returned 9.6% for the fiscal year ended June 30, 2025, trailing the Policy Index return of 10.6%. The Plan's asset allocation remains in compliance with the stated investment guidelines, and the managers are performing in line with expectations. Mr. Sevier provided a recap of the new asset allocation Policy that was verbally approved at the last meeting and will be formally approved by way of an updated Investment Policy Statement.

Next, Mr. Sevier presented the Thrift and 457 Plans review. The Thrift Plan ended the quarter with \$67.4M and the 457 Plan had assets of 48.1M. Mr. Sevier noted that the American Funds Target Date Funds remain the most utilized investment options for the combined plans with over 41% of total assets. The Lincoln Stable Value fund (14.6% of assets), the Vanguard S&P 500 Index (13.7% of assets) and the Fidelity Contrafund (10.0% of assets) are the largest individual investment fund holdings for the combined Thrift and 457 Plans. Mr. Sevier then provided performance commentary for several of the funds within the Plan. The JPMorgan SMID Cap Equity I fund has experienced inconsistent performance relative to its benchmark in recent years, and Mr. Sevier confirmed that its ongoing performance will continue to be monitored through year end before potentially recommending that the Board conduct a search to review potential alternative SMID cap funds. Mr. Sevier also noted that the Invesco Developing Markets fund was closed in August, and any participants that did not select another investment were mapped to the applicable American Funds Target Date Fund. Mr. Sevier reported that the American Funds Target Date Funds continued to perform well relative to benchmarks and peers, and overall the Plans' investment funds remained competitive from a fee perspective relative to peer universe median fees.

Mr. Sevier concluded by reviewing the Retiree Benefit Trust. The Trust ended the quarter with assets valued at approximately \$10.5M and returned 5.9%, which slightly underperformed the benchmark return of 6.2%. The Trust returned 9.5% for the trailing one-year period, underperforming the Policy Index return of 11.2%. The asset allocation remains in compliance with the stated investment guidelines. Mr. Sevier provided commentary for Harding Loevner's underperformance relative to its global equity benchmark and recommended that he and the Board continue to monitor performance through the end of the calendar year before potentially considering alternative investment funds.

### III. Investment Objectives and Policies

Mr. Sevier reviewed Segal Marco's proposed edits to the Pension, Thrift/457 and Retiree Benefit Trust Investment Policy Statements. He explained that this was driven by the Board's decision to adjust the asset allocation targets for the Pension Fund at the prior meeting. The other changes recommended were primarily grammatical and/or stylistic. Following in-depth discussion, Mr. Sevier agreed to include additional edits in coordination with City Staff and provide final clean copies for Board approval at its November meeting.

The board will review and sign the final clean copies at the November meeting.

### IV. Approval of Retirement Board Annual Report

Mr. Parrish reminded the Board that the Office of the City Clerk/Director of Council Operations (CC/DCO) instituted a new requirement for all Boards and Commissions to provide an annual report of activities from the previous year. Mr. Parrish drafted the report on behalf of the Board. The draft report includes a list of Board members, consultants/advisors, meeting

actions, and past and future meeting dates. Mr. Parrish asked the Board for any comments or changes; there were several changes requested to names and titles. The report is due to the CC/DCO by September 30, 2025.

Mr. Parrish made a motion to approve the Retirement Board Annual Report with name and title adjustments as discussed. Mr. Satterfield seconded the motion, and all Board members voted in favor (5-0-0).

Ms. Webster will transmit the report to the CC/DCO by September 30, 2025.

V. Future Meeting Dates

Mr. Walsh shared the proposed meeting dates with Retirement Board for the 2026 calendar year. The meeting dates follow a similar pattern to calendar 2025. There was some discussion around the 25<sup>th</sup> anniversary of September 11<sup>th</sup>.

Mr. Satterfield made a motion to approve the calendar with an adjustment to move the proposed September 11 date to September 18. Ms. Perez seconded the motion. All members voted in favor (5-0-0).

Ms. Webster will post the approved 2026 dates to the Retirement Board webpage.

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Mr. Walsh announced the next meeting will be held on November 14, 2025, at 10:00 AM in the Black Eyed Susan Conference Room.

Adjournment – Ms. Perez made a motion to adjourn. Mr. Walsh seconded the motion. All members voted in favor (5-0-0). The meeting adjourned at 11:22 AM.