



THE MARYLAND-NATIONAL CAPITAL  
Park and Planning Commission

# COMMISSION MEETING

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**September 24, 2025**

11:00 a.m. – 1:00 p.m.

**Prince George's  
Parks and Recreation Administration**  
*Auditorium*

6600 Kenilworth Avenue  
Riverdale, Maryland 20737

and via teleconference

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## MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Wednesday, September 24, 2025

11:00 am to 1:00 pm

Prince George's Parks and Recreation Administration Auditorium, Riverdale, MD

		<u>ACTION</u>	
		Motion	Second
1.	<b>Approval of Consent Agenda (11:00 a.m.)</b>	(*)	
	a) Approval of September 24, 2025 Commission Meeting Agenda		Page 1
	b) Resolution 25-17 Montgomery County Master Plan of Highways and Transitways – 2025 Technical Update (Aldrich)		Page 3
2.	<b>Approval of Commission Minutes (11:05 a.m.)</b>		
	a) Open Session – July 16, 2025	(*)	Page 7
3.	<b>General Announcements (11:05 a.m.)</b>		
	a) Hispanic Heritage Month (Sep 15-Oct 15)		
4.	<b>Committee and Board Reports (11:10 a.m.)</b>		
	a) Employees' Retirement System Board of Trustees Regular Meeting Minutes from July 8, 2025 (for Information Only)		Page 15
5.	<b>Action and Presentation Items (11:10 a.m.)</b>		
	a) Resolution 25-18 Updated and Amended M-NCPPC Investment Policy (Lawrence)	(*)	Page 19
	b) Resolution 25-19 FY26 Cost of Living Adjustment for Non-Represented Merit and Term Employees (Spencer)	(*)	Page 57
	c) FY27 CAS Cost Allocation (Charles)	(*)	Page 59
6.	<b>Officers' Reports (12:00 noon)</b>		
	<u>Executive Director's Report</u>		Page 65
	a) MFD Quarterly Purchasing Statistics (for information only)		Page 79
	b) Quarterly Budget Transfers Report (for information only)		
	<u>Secretary-Treasurer's Report</u>		
	c) 115 Trust/OPEB Annual Report (Cohen) (for information only)		Page 81
	<u>General Counsel</u>		
	d) Litigation and Administrative Hearings Report (for information only)		Page 85

(\*) Vote      (LD) Late Delivery      (H) Handout      (D) Discussion Only

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**DATE**                    **September 17, 2025**

**To:**                      Commissioners,  
                                M-NCPPC

**From:**                Sofia Aldrich, Planner IV, Transportation Planning Division

**Subject:**            Master Plan of Highways and Transitways – 2025 Technical Update -- Adoption

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## MEMORANDUM

### Proposed Action

The Montgomery Planning Department is forwarding the Planning Board draft of the Master Plan of Highways and Transitways – 2025 Technical Update for adoption by the full M-NCPPC Commission at its meeting on September 24, 2025. Links to the planning Board Draft document and technical appendices are provided here:

[https://montgomeryplanning.org/wp-content/uploads/2025/04/MPOHT\\_Planning-Board-Draft2025.pdf](https://montgomeryplanning.org/wp-content/uploads/2025/04/MPOHT_Planning-Board-Draft2025.pdf)

[https://montgomeryplanning.org/wp-content/uploads/2025/04/MPOHT\\_TechnicalAppendices2025.pdf](https://montgomeryplanning.org/wp-content/uploads/2025/04/MPOHT_TechnicalAppendices2025.pdf)

The Commission is requested to adopt the attached resolution.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

**MCPB No 25-103**

**M-NCPPC No. 25-17**

**RESOLUTION**

WHEREAS, The Maryland-National Capital Park and Planning Commission, by virtue of the Land Use Article of the Annotated Code of Maryland, is authorized and empowered, from time to time, to make and adopt, amend, extend, and add to The General Plan (*Thrive Montgomery 2050*); and

WHEREAS, the Montgomery County Planning Board of The Maryland-National Capital Park and Planning Commission, pursuant to procedures set forth in the Montgomery County Code, Chapter 33A, held duly advertised public hearings on September 12, 2024, November 14, 2024, and January 9, 2025 on the Public Hearing Draft of *the Master Plan of Highways and Transitways – 2025 Technical Update*, being also an amendment to portions of the following functional master plans: *Pedestrian Master Plan* (2023), the *Rustic Roads Functional Master Plan* (2023), the *Preservation of Agricultural and Rural Open Space Functional Master Plan* (1980), the *Purple Line Functional Plan* (2010), the *Countywide Transit Corridors Functional Master Plan* (2013), the *Intercounty Connector Limited Functional Master Plan Amendment: Bikeways and Interchanges* (2009), and *Thrive Montgomery 2050* (2022). This plan also amends the following area master plans: the *10 Mile Creek Area Limited Amendment* (2014), the *Ashton Village Center Sector Plan* (2021), the *Aspen Hill Master Plan* (1994), the *Aspen Hill Minor Master Plan Amendment* (2015), the *Bethesda Downtown Sector Plan* (2017), the *Bethesda-Chevy Chase Master Plan* (1990), the *Boyds Master Plan* (1985), the *Burtonsville Commercial Crossroads Neighborhood Plan* (2012), the *Capitol View and Vicinity Sector Plan* (1982), the *Chevy Chase Lake Sector Plan* (2013), the *Clarksburg Master Plan and Hyattstown Special Study Area* (1994), the *Cloverly Master Plan* (1997), the *Damascus Master Plan* (2006), the *East Silver Spring Master Plan* (2000), the *Fairland & Briggs Chaney Master Plan* (2023), the *Forest Glen/Montgomery Hills Sector Plan* (2020), the *Four Corners Master Plan* (1996), the *Friendship Heights Sector Plan* (1998), the *Gaithersburg and Vicinity Master Plan* (1996), the *Germantown Employment Area Sector Plan* (2009), the *Germantown Master Plan* (1989), the *Glenmont Sector Plan* (2013), the *Great Seneca Plan* (2024), the *Greater Lyttonsville Sector Plan* (2017), the *Grosvenor/Strathmore Metro Area Minor Master Plan* (2018), the *Kemp Mill Master Plan* (2001), the *Kensington Sector Plan* (2012), the *Kensington/Wheaton Master Plan* (1989), the *Long Branch Sector Plan* (2013), the *MARC Rail Communities Sector Plan* (2019), the *Montgomery*

Village Master Plan (2016), the North and West Silver Spring Master Plan (2000), the North Bethesda/Garrett Park Master Plan (1992), the Olney Master Plan (2005), the Potomac Subregion Master Plan (2002), the Rock Spring Sector Plan (2017), the Sandy Spring/Ashton Master Plan (1998), the Sandy Spring Rural Village Plan (2015), the Shady Grove Minor Master Plan (2021), the Shady Grove Sector Plan (2006), the Silver Spring Downtown and Adjacent Communities Plan (2022), the Takoma/Langley Crossroads Sector Plan (2012), the Takoma Park Master Plan (2000), the Twinbrook Sector Plan (2009), the Upper Rock Creek Master Plan (2004), the Veirs Mill Corridor Master Plan (2019), the Westbard Sector Plan (2016), the Wheaton CBD Sector Plan (2012), the White Flint Sector Plan (2010), the White Flint 2 Sector Plan (2018), the White Oak Master Plan (1997), and the White Oak Science Gateway Master Plan (2014).

WHEREAS, the Montgomery County Planning Board, after said public hearing and due deliberation and consideration, on April 10, 2025, approved the Planning Board Draft of the Master Plan of Highways and Transitways – 2025 Technical Update, recommended that it be approved by the Montgomery County Council sitting as the District Council for the portion of the Maryland-Washington Regional District lying situate within Montgomery County (the “Montgomery County District Council”), and forwarded it to the Montgomery County Executive for recommendations and analysis; and

WHEREAS, the Montgomery County Executive reviewed and made recommendations on the Planning Board Draft of the *Master Plan of Highways and Transitways – 2025 Technical Update* and forwarded said recommendations and analysis to the Montgomery County District Council on July 2, 2025; and

WHEREAS, the Montgomery County District Council held a public hearing on July 8, 2025, wherein testimony was received concerning the Planning Board Draft of the Master Plan of Highways and Transitways – 2025 Technical Update; and

WHEREAS, the District Council, on July 29, 2025 approved the Planning Board Draft of the Master Plan of Highways and Transitways – 2025 Technical Update subject to the modifications and revisions set forth in District Council Resolution No. 20-890.

NOW, THEREFORE BE IT RESOLVED, that the Montgomery County Planning Board and The Maryland-National Capital Park and Planning Commission do hereby adopt the said *Master Plan of Highways and Transitways – 2025 Technical Update*, as an amendment to all plans referenced above.

BE IT FURTHER RESOLVED, that copies of said Master Plan of Highways and Transitways – 2025 Technical Update must be certified by The Maryland-National Capital Park and Planning Commission and filed with the Clerk of the Circuit Court for both Montgomery and Prince George’s Counties, as required by law.

## CERTIFICATION

This is to certify that the foregoing is a true and correct copy of a resolution 25-103 adopted by the Montgomery County Planning Board of The Maryland-National Capital Park and Planning Commission on motion of Commissioner Linden, seconded by Commissioner Bartley, with a vote of 4-0; Chair Harris, and Commissioners Bartley, Hedrick and Linden voting in favor, with Vice Chair Pedoeem being necessarily absent, at its regular meeting held on Thursday, September 4, 2025, in Wheaton, Maryland and via video conference.

Attie Harris

Artie L. Harris, Chair  
Montgomery County Planning Board

This is to certify that the foregoing is a true and correct copy of Resolution No. 25-17, adopted by The Maryland-National Capital Park and Planning Commission on motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, with Commissioners \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, voting in favor of the motion, at its meeting held on Thursday, September 24, 2025, via in-person/hybrid meeting, and broadcast by the Department of Parks and Recreation, Prince George's County.

William Spencer  
Acting Executive Director

Approved as to  
Legal Sufficiency:

/s/ Matthew Mills  
Office of the General Counsel





THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

Commission Meeting  
Open Session Minutes  
July 16, 2025

The Maryland-National Capital Park and Planning Commission met in a hybrid format in-person at the Prince George's Parks and Recreation Administration Building in Riverdale, MD and via videoconference. The meeting was broadcast by the Department of Parks and Recreation, Prince George's County.

PRESENT

Prince George's County Commissioners

Darryl Barnes, Chairman  
Manuel Geraldo  
A. Shuanise Washington

Montgomery County Commissioners

Artie Harris, Vice-Chair  
Shawn Bartley  
James Hedrick  
Mitra Pedoeem

NOT PRESENT

Dorothy Bailey

Josh Linden

Chairman Barnes called the meeting to order at 10:05 a.m.

Item 1. APPROVAL OF AGENDA

- a) Approval of the July 16, 2025 Commission meeting Agenda

Chairman Barnes noted changes posted in the Amended Agenda, transmitted on Monday, July 14, 2025.

ACTION: Motion of Commissioner Geraldo to approve the June 18, 2025 amended meeting agenda

Seconded by Commissioner Vice Chair Harris

7 approved the item

Item 2. APPROVAL OF MINUTES

- a) Approval of Commission Minutes – Open Session  
Regular Meeting: June 18, 2025

ACTION: Motion of Commissioner Geraldo to approve the June 18, 2025 minutes

Seconded by Vice Chair Harris

4 approved the item

3 abstained (Barnes, Bartley, Hedrick)

2 absent (Bailey, Linden)

Item 3. GENERAL ANNOUNCEMENTS

- a) Bereaved Parents' Month  
b) August – Commission in Recess – NO MEETING  
c) Upcoming Labor Day Holiday (September 1)  
d) Upcoming Hispanic Heritage Month (September 15-October 15)

Item 4. COMMITTEE/BOARD REPORTS

- a) Employees' Retirement System Board of Trustees Regular Meeting Minutes from June 3, 2025 (for Information Only)

Item 5. CLOSED SESSION

*Pursuant to the Maryland General Provisions Article of the Annotated Code of Maryland, section 3-305(b)(9) a closed session is proposed to conduct collective bargaining negotiations or consider matters that relate to the negotiations.*

ACTION: Motion of Commissioner Geraldo to enter closed session  
Seconded by Vice Chair Harris  
7 approved the motion

Commissioners entered closed session at 10:15 a.m. Open session resumed at 10:29 a.m. Chairman Barnes said during closed session, Acting Executive Director Spencer briefed Commissioners on the status of negotiations with the Municipal and County Government Employees' Organization collective bargaining unit.

Item 6. ACTION/PRESENTATION ITEMS

- a) Amendments to the M-NCPPC Practice 1-40 Organization and Functions of the Office of the General Counsel and M-NCPPC Practice 2-24, Ethics, Pertaining to Pro Bono Representation (Aniton/Beckham)

Deputy General Counsel Aniton requested approval for the proposed amendments. He shared a presentation included in the packet summarizing the changes, and then shared the specific amendments to the practices, adding duties and functions of a compliance practice team; and modifying provisions, compliance and guidance for attorneys in the Office of the General Counsel to provide pro bono legal services.

Mr. Aniton said changes to the ethics policy are limited to the section defining Non-Commission Employment, to state such employment does not include OGC attorneys providing pro-bono work, essentially making such work pre-approved. The Office of the General Counsel will provide oversight to ensure there are no conflicts of interest. He stressed that this provision only applies to lawyers working for the Office of the General Counsel, and other attorneys employed by the M-NCPPC who work outside the OGC are not covered by these amendments.

Commissioner Bartlett asked if the agency's lawyers would be helping with all areas of law, or would they be precluded from helping citizens in certain areas of law. Mr. Aniton replied the policy defines eight different law practice areas and does specifically exclude certain areas of the law (e.g., criminal law) to minimize the opportunity for conflict. He also said the framework for the pro bono work will be in the form of clinics and referral services, where the attorney would present or assist for a pre-defined and limited time.

Commission Pedoeem asked if pro bono work would be done outside the employee's regular work program. General Counsel Borden replied that the provision will allow OGC attorneys up to 10 hours of administrative leave annually to perform pro bono work during the workday. She added the policy was reviewed and approved by the office of the Inspector General and is an effort also supported by Maryland courts and is not seen as an abuse of

public resources and public service. Commissioner Geraldo agreed, noting the State of Maryland and the American Bar Association support this. This provides a vehicle for our attorneys to meet their pro-bono obligations. It's a win-win for the agency; it presents the M-NCPPC in a positive light to the public and is an opportunity to provide a service to community.

Commissioner Pedoeem said while she supports the provision overall, she asked if other aspects of Commission work or employees would be eligible for administrative leave for volunteer work. Ms. Borden said the Maryland Bar's code of conduct requires pro bono service. Mr. Aniton added, professionally, it is akin to a Planner needing to attend professional conferences or training, for which the M-NCPPC allots administrative leave. Commissioner Pedoeem asked if these hours could then be classified as training/professional development to avoid the appearance that one type of employee is being supported for volunteer work over others.

Vice Chair Harris and Chairman Barnes requested monitoring and the submission of annual reports to the Commission. Mr. Aniton said he will be coordinating and tracking all cases and will bring future reports to the Commission.

ACTION: Motion of Commissioner Geraldo to approve the Amendments  
Seconded by Commissioner Washington  
7 approved the item

b) Amendments to M-NCPPC Debt Management and Post-Issuance Compliance Policy (Cohen)

Secretary-Treasurer Cohen introduced Deputy Secretary-Treasurer Lawrence to present the policy, as provided in the packet.

Mr. Lawrence summarized minor changes to the policy, last updated in 2019, addressing arbitrage bonds, variable rate debt threshold (changing from 15% to 10%); changes to the debt payout ratio (affirms the rate should remain above 60% in a 10-year period); and a fixed cost burden calculation (debt obligation should not exceed 25% of its General Fund Expenditures) which reflects a conservative approach to financial management. The changes have been reviewed and endorsed by the agency's bond counsel, McGuire Woods, and its financial advisor, Davenport. If approved, the changes would be uploaded to mncppc.org.

Vice Chair Harris asked if these changes would have an adverse effect on us financing future deals. Mr. Lawrence said these changes should place the agency in a better position in the market since it is adopting a more conservative posture and taking fewer risks. Secretary-Treasurer Cohen agreed this should have no negative impact on our future finances.

ACTION: Motion of Commissioner Geraldo to approve the Policy  
Seconded by Commissioner Washington  
7 approved the item

c) Approval of FY25 Year End Budget Transfers (Charles)

Corporate Budget Director Charles asked the Commission to support the transfer of \$2.424M from existing FY25 year-end savings to the Commission-wide IT initiative Internal Service Fund for the Enterprise Resource Planning (ERP) replacement project as detailed in the packet. The project will be transformative in improving the agency's operational performance through a unified suite of applications covering finance, human resources,

budgeting, and other analytic functions. The transfer represents 62% of the remaining funds in the five general fund accounts, resulting from revised funding requirements during FY25.

Commissioner Hedrick asked to confirm that the Montgomery County Department directors supported the transfer. Ms. Charles confirmed they did, adding that they suggested it, since the transfer would also reduce what the departments will need to pay in FY26. Ms. Charles will share a department-by-department list of contributions after the fiscal year closeout.

ACTION: Motion of Commissioner Geraldo to approve the proposed budget transfers  
Seconded by Commissioner Hedrick  
7 approved the item

d) Calendar 2026 Recommended Benefit Plan Rate Changes (McDonald/Allen)

Corporate HR Director Allen requested Commissioners' support for the proposed changes to the agency's benefits plans, effective January 1, 2026, adding these recommendations were agreed to by MCGEO and were supported by Department Heads. He summarized the proposed changes, as reflected in the packet.

He described proposed increases to the various health insurance programs, noting some of the larger increases have been offset by agreeing to a larger co-pay for some services, adding that the M-NCPPC's plan still compares very favorably against the plans of other local jurisdictions and agencies. He added that a proposed added benefit of the Roth IRA is ahead of schedule and should be available before the end of the year.

Mr. Allen said a major increase is in the CVS Caremark prescription drug plan, based on increased use and costs. He added that the proposal is to use some of the excess reserve funds in the self-insured Group Insurance Fund (GIF). Using some of these excess funds will offset the plan increases, while still leaving a healthy reserve balance. Commissioner Geraldo asked, based on increasing costs, if the M-NCPPC has considered looking at a different prescription program besides Caremark. Mr. Allen said staff have been monitoring the issue and discussing it with the agency's benefits consultant, Aon. He will look at the latest update and report back. Commissioner Washington asked to clarify if the effect of using excess GIF money is reflected in the packet information, or if application of the GIF would lower the proposed prescription rate listed in the packet. Mr. Allen confirmed that it will lower the rate for CVS Caremark premium from \$6.56 to \$4.99 per pay period for an individual. He noted that the Kaiser plan has a built-in prescription plan at no extra cost.

Vice Chair Harris asked Mr. Allen to translate the 31.4% increase in prescription drug premiums into dollars. Mr. Allen replied that the percentage increase on the current rate of \$21.7M is \$6.8M, or a new annual total of \$28.5M. He reminded Commissioners that by using excess reserves, the Benefits office would lower the rate increase to 23.9%, or an increase of \$5.2M for a new annual total of \$26.9M. Chairman Barnes asked how long the excess reserves could be used for similar future reductions. Mr. Allen said it could be done again next year, and a smaller reduction could be implemented the following year and maintain a healthy minimum reserve. Mr. Allen noted since each year's claims are different, the agency has seen years that have comparatively lower claims, which add to the fund reserves. Chairman Barnes asked if we looked at alternate providers. Mr. Allen said the Benefits office regularly explores the use of different providers through the bid process. He will return with more information on different plan options with a focus on managing health care costs.

Chairman Barnes asked for more detail on plan comparisons among the M-NCPPC, and Prince George's and Montgomery Counties, which Mr. Allen provided, indicating the M-NCPPC generally pays a greater premium share than Prince George's County across the board, and similar premiums to Montgomery County. He added co-pays for M-NCPPC employees are also different – some are more, some are less.

Chairman Barnes said based on his initial review of the proposed rate increases and the use of the excess GIF reserves to offset prescription prices, he was alarmed on behalf of the M-NCPPC workforce from a sustainability perspective. He said he planned to abstain from the vote and would further review the changes and the history of the program to get a better understanding of them. Vice Chair Harris that Mr. Allen return in a future meeting, with some longer-term contingency plans that would address different scenarios.

ACTION: Motion of Commissioner Geraldo to approve the proposed Plan Rate Changes  
Seconded by Vice Chair Harris  
6 approved the item  
1 abstention (Barnes)

- e) Resolution 25-16 Resolution of Support Recognizing the 35<sup>th</sup> Anniversary of the Signing of the Americans with Disabilities Act (Black)

Prince George's County Planning Board Chief Communications Officer Calista Black presented the resolution to the Commission, recognizing the anniversary of the landmark legislation, as requested by bi-county staff.

Ms. Black noted as early as 1974, 15 years prior to the Americans with Disabilities Act, the M-NCPPC was recognized as a leader in the fields of recreational accessibility and special needs, creating a division for special services with the support of parents, professionals, and community advocates. She praised staff and innovative programs in both counties such as accessible playgrounds and the development of many programs that addressed special needs.

Ms. Black thanked Emily Lawrence, the agency's new Corporate ADA Coordinator and said Ms. Lawrence and others will hosting a Lunch and Learn program presenting the film "Change, Not Charity," followed by a panel discussion, and added that Montgomery Parks was hosting an outside event on Disability Pride. She said these programs were a true bi-county effort and thanked agency professionals for their work and leadership for their ongoing support.

Chairman Barnes said during his time as an elected official, he worked very closely with the Americans with Disability Act, particularly regarding charity work with the ARC of Prince George's County, adding that this resolution personally means a lot to him.

Commissioner Geraldo agreed, noting the importance of recognizing and supporting the ADA, particularly in light of current events and political developments against public servants engaged in civil rights and disability services. Vice Chair Harris agreed, voicing his pride at the work the M-NCPPC does upholding the ADA.

ACTION: Motion of Commissioner Geraldo to approve Resolution 25-16  
Seconded by Vice Chair Harris  
7 approved the item

Item 7. OFFICERS' REPORTS

Executive Director's Report

- a) Quarterly Late Evaluation Report (For information only)
- b) CIO's Quarterly Report (For information only)

Secretary-Treasurer's Report


*No report scheduled*

General Counsel's Report

- a) Litigation Report (For information only)

Vice Chair Harris thanked Chairman Barnes and looks forward to working with him in the coming year in making the agency the very best it can be.

Chairman Barnes adjourned the meeting at 11:35 a.m.



James F. Adams, Senior Technical Writer



William Spencer, Acting Executive Director





THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
6611 Kenilworth Avenue • Riverdale, Maryland 20737

WRITTEN STATEMENT FOR CLOSING A MEETING  
UNDER THE OPEN MEETINGS ACT

Date: 7/16/2025 Time: 10:15 am  
Location: Via Videoconference

Motion to close meeting made by Commissioner Geraldo. Seconded by Vice Chair Harris.

Members voting in favor: Barnes, Bartley, Geraldo, Harris, Hedrick, Pedoeem, Washington

Opposed: N/A Abstaining: N/A Absent: Bailey, Linden

STATUTORY AUTHORITY TO CLOSE SESSION, General Provisions Article, §3-305(b)  
(check all that apply):

- ☐ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals;
- ☐ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;
- ☐ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;
- ☐ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;
- ☐ (5) To consider the investment of public funds;
- ☐ (6) To consider the marketing of public securities;
- ☐ (7) To consult with counsel to obtain legal advice on a legal matter;
- ☐ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;
- ☒ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;
- ☐ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;
- ☐ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;
- ☐ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;
- ☐ (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;
- ☐ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- ☐ (15) To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to: (i) security assessments or deployments relating to information resources technology; (ii) network security information, such as information that is related to passwords, personal ID numbers, access codes, encryption, security devices, or vulnerability assessments or that a governmental entity collects or maintains to prevent, detect, or investigate criminal activity; or (iii) deployments or implementation of security personnel, critical infrastructure, or security devices.

**FOR EACH CITATION CHECKED ABOVE, THE REASONS FOR CLOSING AND TOPICS TO BE DISCUSSED:**

*Pursuant to the Maryland General Provisions Article of the Annotated Code of Maryland, section 3-305(b)(9) a closed session is proposed to conduct collective bargaining negotiations or consider matters that relate to the negotiations.*

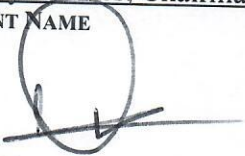
**Topics to be discussed:**

Commissioners to be briefed on the status of collective bargaining negotiations with the Municipal and County Government Employees' Organization Collective Bargaining Units.

**This statement is made by:**

Darryl Barnes, Chairman, Presiding Officer.

PRINT NAME



7-28-2025

SIGNATURE & DATE





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

**BOARD OF TRUSTEES MEETING MINUTES**

**Tuesday, July 8, 2025; 10:00 a.m.**

**Kenilworth Office Building, Riverdale, MD**

**(Virtual Meeting via Microsoft Teams)**

The Maryland-National Capital Park and Planning Commission ("Commission") Employees' Retirement System ("ERS") Board of Trustees ("Board") met virtually on Tuesday, July 8, 2025. The meeting was called to order at 10:02 a.m. by VICE CHAIR HEDRICK.

**Board Members Present**

James Hedrick, Board of Trustees Vice Chair, Montgomery County Commissioner

Gavin Cohen, CPA, M-NCPPC Secretary-Treasurer, Ex-Officio

Pamela F. Gogol, Montgomery County Public Member

Theodore J. Russell III, Prince George's County Open Trustee

Elaine A. Stookey, Bi-County Open Trustee

William Spencer, M-NCPPC Acting Executive Director, Ex-Officio

Lisa Blackwell-Brown, MCGEO Represented Trustee

*Joined at 10:16 a.m.*

Caroline McCarthy, Montgomery County Open Trustee

Sgt. Anton White, FOP Represented Trustee

Sheila Morgan-Johnson, Prince George's County Public Member

**ERS Staff Present**

Jaclyn F. Harris, Executive Director

Leslie Harmon, Deputy Executive Director

Alicia C. Stanford, Administrative Specialist

Sheila Joynes, Accounting Manager

**Other Present**

Michael "Wes" Aniton, Deputy General Counsel, M-NCPPC OGC

**Presenters**

Meketa Investment Group – Mary Mustard, CFA and Aaron Lally, CFA, CAIA, CIPM

**ITEM 1. APPROVAL OF JULY 8, 2025 CONSENT AGENDA**

**ACTION:** MS. GOGOL made a motion, seconded by MS. McCARTHY to Approve the Consent Agenda for July 8, 2025. MS. BLACKWELL-BROWN was absent from this vote. The motion PASSED. (9-0) (Motion #25-22).

**ITEM 2. CHAIR'S ITEMS**

**ITEM 2.A. CONFERENCE AND TRAINING SUMMARY** – No notable discussion from the Board.

**ITEM 3. CONSULTANT/MANAGER PRESENTATIONS**

### **ITEM 3.A. MEKETA INVESTMENT GROUP**

Ms. Mustard presented an overview of the Plan's performance as of May 31, 2025, highlighting a modest underperformance relative to the Target Policy Index, with a Total Fund balance of \$1.19 billion. The ERS Total Fund return for the quarter was 1.8%, compared to the Target Policy Index return of 2.3%. For the fiscal year-to-date period ending May 31, 2025, the performance registered at 7.2%. The three-year Total Fund return was 6.0%, versus the target policy return of 7.7%; the five-year return matched the target policy at 7.9%; and the ten-year return was 6.8%, exceeding the target policy of 6.4%.

### **ITEM 4. COMMITTEE REPORTS/RECOMMENDATIONS**

#### **ITEM 4.A. Investment Monitoring Group**

Ms. Morgan-Johnson informed the board that at the June 17, 2025 meeting, the IMG reviewed a presentation delivered by Meketa Investment Group concerning pricing for custodial services. The presentation included a comparison of four custodian banks: State Street, U.S. Bank, BNY Mellon, and the ERS custodian Northern Trust. The ERS fee agreement with Northern Trust is set to expire on June 30, 2025. Meketa was asked to assess the market to determine the contract's competitive value. The IMG evaluated the pricing of each firm and engaged in discussions with staff regarding their satisfaction with the existing relationship with Northern Trust. Northern Trust proposed a discounted fee of \$125,000. Meketa was able to successfully negotiate a \$15,000 discount given the bank's longstanding relationship with the ERS, however, there will be a 1.5% annual fee escalator applied to all Northern Trust clients going forward to invest in technology and advance the quality of online services. After discussion, the IMG agreed to recommend to the Board continuation of the relationship with Northern Trust under the new fee agreement.

**ACTION:** MR. RUSSELL made a motion, seconded by MS. GOGOL to Approve the Updated Northern Trust Custodial Services Fee Agreement. The motion PASSED. (10-0). (Motion #25-23).

#### **ITEM 4.B. Administration and Personnel Oversight Committee**

Mr. Cohen reported that during the June 17, 2025 meeting, a revised draft of the MOU between the ERS and the Commission's Office of Chief Information Officer (OCIO) for IT services was shared with the Administration & Personnel Oversight Committee addressing the concerns noted at the previous meeting. After reviewing the changes, the Committee agreed to recommend approval of the updated MOU to the Board.

**ACTION:** MS. McCARTHY made a motion, seconded by MR. SPENCER to Approve the Revised MOU between the ERS and OCIO for IT Support and Services. The motion PASSED. (10-0). (Motion #25-24).

### **ITEM 5. EXECUTIVE DIRECTOR'S REPORT**

Ms. Harris reported that on July 1, 2025 the ERS received the actuarially recommended employer contribution of \$39,551,467. Of the total contribution, \$28 million is allocated for investments, while the remaining \$11 million will be held as cash to cover future benefit payments.

### **ITEM 6. CLOSED SESSION**

ACTION: At 10:37 a.m., MR. WHITE made a motion, seconded by MS. STOOKEY to go into closed session under the authority of the General Provisions Article of the Annotated Code of Maryland Section 3-305(b)(5) to consider matters directly concerning the actual investment of public funds under the authority of this Board. The motion PASSED (10-0). (Motion #25-25).

*Board of Trustees in Closed Session:* Vice Chair Hedrick, Theodore Russell III, Elaine Stookey, Caroline McCarthy, Pamela Gogol, Lisa Blackwell-Brown, Gavin Cohen, Sheila Morgan-Johnson, Anton White, and William Spencer.

ACTION: MR. SPENCER made a motion, seconded by MS. GOGOL to Ratify the Action Taken in Closed Session. The motion PASSED. (10-0) (Motion #25-27).

The Board meeting of July 8, 2025 adjourned at 11:03 a.m.

Respectfully,

*Alicia C. Stanford*

Alicia C. Stanford  
Administrative Specialist

*Jaclyn Harris*

Jaclyn F. Harris  
Executive Director

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# MEMORANDUM

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**The Maryland-National Capital Park and Planning Commission**

Department of Finance, Office of Secretary-Treasurer  
6611 Kenilworth Avenue  
Riverdale, Maryland 20737  
(301) 454-1540 – Office

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TO: Commissioners

FROM: **Gavin Cohen**, Secretary-Treasurer

DATE: September 24, 2025

SUBJECT: **Adoption of Resolution for an Updated and Amended M-NCPPC Investment Policy**

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## BACKGROUND:

The Commission's Investment Policy is a principal policy document of the Department of Finance, providing direction for investing more than \$800 million each year.

According to the Maryland Code, Local Government Article, Section 17-205, local governments are required to adopt an investment policy that "(1) meets the needs of the government entity; and (2) is consistent with the local government investment guidelines adopted by the State Treasurer under Section 17-204."

The Commission's current Investment Policy was approved on September 20, 2023. This memorandum provides an explanation and summary of the recommended revisions to the Commission's Investment Policy.

## DISCUSSION:

The Commission entered into an agreement with PFM Asset Management (PFMAM) to obtain investment advisory and asset management services. Consequently, PFMAM recommended revisions to the Commission's existing policy. These suggested updates reflect current legal and regulatory standards pertaining to investments and are consistent with the provisions and guidance set forth in the State of Maryland's investment policy. The changes align the Commission's Investment Policy with both present and anticipated investment strategies, promotes consistency in investment operations, and improves transparency regarding investment performance. The policy being recommended also conforms to industry standards and best practices. The State of Maryland recently made significant changes to state code that enhance investment opportunities. The approved policy will be posted to the Commission website and submitted to the state, as requested.

Recommended changes to the Investment Policy are as follows:

- Section I, (Scope) –
  - The policy specifies to whom the Investment Policy applies, including employees, Commissioners, consultants, advisors, appointed officials, and any individual granted delegated authority to invest Commission funds.
- Section VII, (Authorized, Suitable and Prohibited Investments) –
  - This section lists definitions of allowable investment types, a comprehensive table that presents an overview of the various investment instruments, and their respective durations and limitations.
- Section XII thru XIII (Reporting Requirements and Performance Standards) –
  - Establishes reporting and performance standards for internal staff and consultants.

**RECOMMENDATION/ACTION:**

Finance staff recommends that the Commission formally adopt the attached Resolution (attachment A) for an updated and amended M-NCPPC Investment Policy as presented in attachment B.

Attachment(s):

A – Resolution #25-18 to adopt the Updated and Amended M-NCPPC Investment Policy

B – Updated and Amended Investment Policy – Clean version

C- Updated and Amended Investment Policy – Redline version



The Maryland-National Capital Park and Planning Commission  
Office of the Secretary-Treasurer  
6611 Kenilworth Avenue, Riverdale, Maryland 20737

## **M-NCPPC Resolution 25-18**

### **Updated and Amended M-NCPPC Investment Policy**

**WHEREAS**, the M-NCPPC invests public funds on behalf of the taxpayers and residents of Montgomery and Prince George's Counties; and

**WHEREAS**, the M-NCPPC is required by *Md. Code Ann., Local Govt. Art.*, §17-204 and *Local Govt. Art.*, §17-205 to adopt an investment policy that meets the needs of the government entity and is consistent with the local government investment guidelines adopted by the State Treasurer; and

**WHEREAS**, in accordance with the aforementioned investment policy requirements, the M-NCPPC last approved its Investment Policy on September 20, 2023; and

**WHEREAS**, the Secretary-Treasurer has recommended certain amendments and updates to the M-NCPPC's Investment Policy to reflect changes in guidelines, changing business decisions, as well as changes in the investment and economic environments.

**NOW, THEREFORE, BE IT RESOLVED**, that the Commission hereby approves and adopts the attached Investment Policy as the Investment Policy for the M-NCPPC, effective September 24, 2025.

**BE IT FURTHER RESOLVED**, that the attached Investment Policy may be modified in the future, as necessary, to conform to the requirements of Maryland law regarding local government investments and/or for any of the reasons stated above.

**BE IT FURTHER RESOLVED**, that the M-NCPPC does hereby authorize the Secretary-Treasurer to take action as may be necessary to implement this Resolution.

---

William Spencer, Acting-Executive Director

APPROVED FOR LEGAL SUFFICIENCY:

/s/ Michael W. Aniton  
M-NCPPC Legal Department  
August 29, 2025

***The Maryland-National Capital Park & Planning Commission***



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**Investment Policy**  
**September 2025**

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**Prepared by the Office of the Secretary-Treasurer  
Department of Finance**

**Gavin Cohen, Secretary-Treasurer**  
**Jason Lawrence, Deputy Finance Director**  
**Tanya Hankton, Treasury and Investments Manager**



## **INVESTMENT POLICY**

### **I. SCOPE**

This Investment policy applies to all employees, including Commissioners, Merit System Employees, contract employees, consultants, advisors, appointed officials or anyone with delegated authority indirectly or directly investing Commission funds; and to the investment of all unexpended or surplus funds of The Maryland- National Capital Park and Planning Commission ("Commission"); and to accounts owned by the Commission, administered by the bank, or any person and institution acting in a fiduciary role. Funds not required for immediate- expenditure will be invested in a manner that will preserve capital while conforming to all State of Maryland statutes governing the investment of public funds and in accordance with best investment practices of public funds as promulgated by industry trade associations.

The Secretary-Treasurer and/or designee is authorized to invest such funds until such time that the Commission requires liquid funds for ongoing operating needs.

Except for cash in certain restricted and special funds, the entity consolidates cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

Investment income is allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. These funds are reported in the Commission's Annual Comprehensive Financial Report and include:

- a) General Fund
- b) Capital Project Fund
- c) Enterprise Funds
- d) Special Revenue Funds
- e) Debt Service Funds
- f) Internal Service Funds
- g) New funds authorized by the Commission unless specifically exempted

This Investment Policy (Policy) does not cover the investment activities of: Pension Funds or certain Trust or Agency Funds, which are administered by separate trustees; and certain indentured funds and certain escrow funds, which are controlled by the respective indenture and escrow agreements.

This Policy represents the financial boundaries within which the Commission's cash and investment management process will operate.

## II. INVESTMENT OBJECTIVES

The Commission's primary objectives for the investment and management of public funds are as follows:

- (a) **Safety of principal:** The protection of investment principal is the foremost objective in the overall portfolio. Investments of the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, the Commission will mitigate both credit risk and interest rate risk. Credit Risk is defined as the risk of loss due to the failure of the security issuer or backer and this risk will be mitigated by:
- (1) limiting investments to the safest types of securities listed in Section VII of this investment policy.
  - (2) pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the Commission will do business in accordance with Section VIII.
  - (3) diversifying the investment portfolio such that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
  - (4) requiring third-party collateralization and safekeeping, and delivery-versus-payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
  - (5) monitoring the portfolio regularly to anticipate and respond appropriately to a reduction in the credit worthiness of any of the issuers.

Market or interest rate risk is defined as the risk that the market value of portfolio securities will fall due to an increase in general interest rates and this risk will be mitigated by:

- (1) structuring the Commission's portfolio so that securities mature to meet the Commission's working capital requirements for ongoing operations.
  - (2) periodically restructuring the portfolio to minimize the loss of market value and/or maximize cash flows subject to the constraints described in Section X of this Policy.
    - Funds expected to be needed for working capital needs will remain in instruments with daily liquidity;
    - Short-term funds will be limited to instruments with maturities of one year or less based on purchase date;
    - Funds not identified as being needed for working capital or short-term needs may be invested for up to five years;
- (b) **Liquidity:** The Commission maintains its principles of safety, liquidity, and yield while seeking to maximize cash flows of invested principal. The investment portfolio is structured to remain sufficiently liquid to meet all

reasonably anticipated operating requirements and to avoid long-term losses. Additionally, this Policy specifically prohibits trading securities for the sole purpose of speculation.

For reserve funds or those without a specific match to future cash flow needs of the Commission a longer investment time horizon may be prudent than funds needed for liquidity. The longer time horizon may result in unrealized losses noted on financial statements. However, realized losses are allowed if they provide a net gain to the portfolio over a reasonable period. Investment Advisors must adhere to maturity and duration parameters established to monitor performance and risk of an investment portfolio.

- (c) **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, with consideration of investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety and liquidity objectives described above, and consistent with the risk limitations and prudent investment guidelines described in this policy.

### III. DELEGATION OF AUTHORITY

- (a) In accordance with the Annotated Code of Maryland, Article 95, Section 22F, State Finance & Procurement Article Section 6-222, the responsibility for conducting investment transactions rests with the Secretary-Treasurer, Department of Finance.
- (b) The Secretary-Treasurer or designee (Investment Officials) are authorized to invest surplus Commission funds, in accordance with this Policy until the funds are needed.
- (c) Investment Officials shall have sole authority to buy and sell securities on behalf of the Commission. Investment Officials may utilize qualified outside financial consultants or investment advisory firms to provide the necessary technical expertise, tools, and resources that are required to buy and sell securities, and to analyze the Commission's cash flow requirements or other investment needs.
- (d) The Secretary-Treasurer shall establish written procedures for the operation of the Commission's investment programs consistent with this Policy. Such procedures must include:
  - 1. Explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under terms of this Policy and the procedures approved by the Secretary-Treasurer.

2. Procedures should include reference to safekeeping, master repurchase agreements, tri-party custodial agreements, delivery vs. payment, wire transfers, collateral depository agreements, accounting, and banking service contracts.
- (e) Responsibility for the operation of the Commission's investment program is hereby delegated to the Corporate Treasury and Investment Manager, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this Policy.

#### **IV. PRUDENT PERSON RULE**

The standard of prudence to be applied by the Investment Officials shall be the "Prudent Person Rule", which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The Prudent Person Rule shall be applied in the context of managing the overall portfolio.

Investment Officials making a good faith effort to act in accordance with written procedures and the Investment Policy and exercising due diligence, shall not be held personally responsible for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **V. ETHICS AND CONFLICTS OF INTEREST**

Commission employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions.

Commission employees shall disclose to the Secretary-Treasurer any material interests in financial institutions with which they conduct personal business. They shall further disclose to the Secretary-Treasurer any personal financial /investment positions that could be related to the performance of the investment portfolio, and refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission.

Investment Officials shall subordinate their personal investment transactions to those of the Commission, particularly with regard to the time of purchases and sales. Investment Officials shall comply with the Commission's Ethics Practice 2-24 and The SEC Investment Advisors Act of 1940

## **VI. INVESTMENT STRATEGY**

The Secretary-Treasurer shall hold periodic investment strategy meetings with the delegated Investment Officials and/or outside professional consultants and shall document the resulting investment strategies approved to meet the objectives of this Investment Policy.

## **VII. AUTHORIZED, SUITABLE AND PROHIBITED INVESTMENTS**

In accordance with the State Finance and Procurement Article Section 6-222 Investment Officials may invest Commission funds in the following investments:

- 1) **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
- 2) **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).
- 3) **Supranationals** – U.S. dollar denominated debt obligations of a multilateral organization of governments.
- 4) **Municipals**– Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of any U.S. state, territory or local government.
- 5) **Agency Mortgage-Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, which are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
- 6) **Asset-Backed Securities** - Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans.
- 7) **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
- 8) **Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank.
- 9) **Negotiable Bank Deposit Obligations** - Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state-chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution.

- 10) **Repurchase Agreements** - Repurchase agreements (Repo or RP) that meet the following requirements:
- Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.
  - Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
  - Securities underlying repurchase agreements must be delivered to a third-party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the investor's custodial account or in a separate account in the name of the investor.
  - Acceptable underlying securities must be securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
  - Underlying securities must have an aggregate market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
  - The term of any repurchase agreement transaction must be 1 year or less.
- 11) **Money Market Funds** - Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
- 12) **Maryland Local Government Investment Pools** – Any investment portfolio created under the Maryland Local Government Investment Pool (MLGIP) as established by §§ 17-301 et. Seq. of the Local Government Article of the Annotated Code of Maryland that is administered by the Maryland Office of the State Treasurer.

### Investment Limits and Specifications<sup>1</sup>

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>2</sup>	Maximum Maturity
U.S. Treasury	100%	100%	N/A	5 Years
Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB	75%	33% <sup>4</sup>	N/A	5 Years (5-year avg. life for GNMA <sup>3</sup> )
GNMA				
Supranationals where U.S. is a shareholder and voting member	25%	10%	AAA/Aaa/AAA	5 Years

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>2</sup>	Maximum Maturity
Agency Mortgage-Backed Securities (MBS)	25%	33% <sup>4</sup>	At least AAA or Aaa by two rating agencies one of which must be S&P, Moody's, or Fitch	2 Year Avg. Life <sup>3</sup>
Asset-Backed Securities (ABS)	25%	5% <sup>5</sup>	At least AAA or Aaa by two rating agencies one of which must be S&P, Moody's, or Fitch	2 Year Avg. Life <sup>3</sup>
Commercial Paper (CP)	25% <sup>6</sup>	5% <sup>5</sup>	At least two ratings of A-1/P-1/F-1 or higher by S&P, Moody's or Fitch respectively	365 Days
Bankers' Acceptances (BAs)	20% <sup>6</sup>	5% <sup>5</sup>	At least two of the highest ST Rating Category (A-1/P-1, or equivalent)	180 Days
Negotiable Bank Certificates of Deposit	35% <sup>6</sup>	5% <sup>5</sup>	Maturities less than or equal to one year: at least two ratings of A-1/P1/F-1 or higher by S&P, Moody's, or Fitch, respectively. For maturities greater than one year: At least two ratings of AA/Aa/AA or higher by S&P, Moody's, or Fitch, respectively.	5 Years
Repurchase Agreements	40%	20%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank, no rating is required	1 Year
Money Market Funds (MMFs)	50%	100%	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
Maryland LGIP	100%	100%	Highest Fund Quality and Volatility Rating Categories by all NRSROs, <i>if rated</i> (AAAm/AAAf, S1, or equivalent)	N/A

**Notes:**

- <sup>1</sup> Concentration limits and rating requirements apply at the time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.
- <sup>2</sup> Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO") being S&P, Moody's and/or Fitch, unless otherwise noted. ST=Short-term; LT=Long-term. Ratings requirements are without regards to the rating modifiers.
- <sup>3</sup> Average life not to exceed two years from the date of settlement, unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement, with the final maturity date not to exceed five years from the date of settlement.
- <sup>4</sup> Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 33%.
- <sup>5</sup> Maximum allocation across all non-government permitted investment sectors is 5% combined per issuer.
- <sup>6</sup> Maximum allocation to all corporate and bank credit instruments is 75% combined.



### **Investment Limits and Specifications Bond Proceeds<sup>1</sup>**

Sector	Sector Maximum (%)	Per Issuer Maximum (%)	Minimum Ratings Requirement <sup>2</sup>	Maximum Maturity
Municipals	100%	N/A	Highest Fund Rating by all NRSROs who rate the fund	N/A
Money Market Funds (MMFs)	100%	N/A	Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)	N/A
U.S. Treasury	100%	N/A	N/A	N/A

**Notes:**

<sup>1</sup> Concentration limits and rating requirements apply at the time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.

<sup>2</sup> Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO") being S&P, Moody's and/or Fitch, unless otherwise noted. ST=Short-term; LT=Long-term. Ratings requirements are without regards to the rating modifiers.

<sup>3</sup> The Commission is required under the U.S. Tax Reform Act of 1986 to perform periodic arbitrage calculations and to rebate excess earnings to the United States Treasury from the investment of gross proceeds of tax-exempt bonds. The Commission may contract with qualified outside financial consultants to provide the necessary technical expertise that is required to comply with this law.

### **General Investment and Portfolio Limits**

1. General investment limitations:
  - a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
  - b. Minimum ratings are based on the highest rating by any one NRSRO, unless otherwise specified.
  - c. Concentration limits and rating requirements apply at time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.
  - d. The maximum maturity (or average life for MBS/ABS) of any investment is 5 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.
2. General portfolio limitations:
  - a. The maximum effective duration of the aggregate portfolio is 5 years.
3. Investment in the following are permitted, provided they meet all other policy requirements:
  - a. Callable, step-up callable, called, pre-refunded, putable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
  - b. Variable-rate and floating-rate securities
  - c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector



- d. Zero coupon issues and strips, excluding mortgage-backed Interest-only structures (I/Os)
- e. Treasury TIPS
- 4. The following are **NOT PERMITTED** investments, unless specifically authorized by statute and with prior approval of the governing body:
  - a. Trading for speculation
  - b. Derivatives (other than callable and traditional floating or variable-rate instruments)
  - c. Mortgage-backed interest-only structures (I/Os)
  - d. Inverse floating-rate instruments (Inverse Floaters)
  - e. Foreign Currency (non-U.S. dollar currency)
  - f. Private placements and direct loans, except as commonly transacted by institutional investors (such as under Rule 144A or 4(2) commercial paper) and for which the investor meets the relevant requirements of being an accredited investor or qualified institutional buyer (QIB): Exception is given for bond proceeds.
  - g. Convertible, high yield, and non-U.S. dollar denominated debt
  - h. Short sales
  - i. Use of leverage (except reverse repurchase agreements which meet the terms required)
  - j. Futures and Options
  - k. Equities, Commodities, physical/paper Currencies and Hard Assets
  - l. Reverse Repurchase Agreements

Investment Officials are prohibited from borrowing money for the express purpose of reinvesting these funds, otherwise known as leveraging.

It is the policy of the Commission not to invest in derivative securities; these are financial contracts whose values are derived from the value of underlying securities such as stocks, bonds, currencies, and commodities.

## **VIII. AUTHORIZED DEALERS AND FINANCIAL INSTITUTIONS**

- (a) The Secretary-Treasurer shall establish and maintain a listing of financial institutions and broker/dealers authorized to provide investment services to the Commission's Finance Department. All authorized securities dealers and financial institutions must:
  - (1) be on the published "List of the Primary Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York", and qualified under SEC Rule 15c3-I: or,

- (2) be a financial institution (including securities dealers and commercial banks) having a local office within the State of Maryland; or,
  - (3) be a Securities and Exchange Commission registered Government Securities Dealer; and,
  - (4) have been incorporated as a financial institution for a period of at least five years; and,
  - (5) maintain at least \$100 million in net capital per current financial statements and have a short-term or long-term debt rating of investment grade by at least one NRSRO if acting as principal (e.g., for Repurchase Agreements), or at least \$4 million in net capital for allowed securities if acting as agent,
    - i. carry adequate insurance coverage including liability, errors and omissions, and worker's compensation (if applicable),
    - ii. be licensed and registered by the Financial Industry Regulatory Authority (FINRA).
- (b) All dealers, including primary dealers, are required to send annually to the Secretary-Treasurer their most recent audited financial statements and FOCUS reports, if applicable.
- (c) All dealers and financial institutions with which the Commission conducts business will be sent a copy of the Commission's current Investment Policy by the Finance Department, and a list of employees authorized by the Secretary-Treasurer to undertake investment transactions on behalf of the Commission. Each dealer and financial institution will be required to provide written certification that it will conform with the Policy.
- (d) The Commission may purchase repurchase agreements from dealers as defined in VIII (a) (5) above and with which the Commission has executed a master repurchase agreement. The master repurchase agreement is the industry standard as developed by the Bond Market Association/International Securities Market Association.
- (e) The Secretary-Treasurer is authorized to execute agreements on behalf of the Commission where an agreement and/or contract is required under this Section.

This list must be reviewed periodically, but no less often than annually to the determine that approved dealers continue to fulfill the above requirements and whether they should remain on the approved list.

The Commission may choose to work with an external investment advisor in the review and/or selection of broker/dealers or in the purchase of investment instruments. If used, the selection of an investment advisor will be based on a competitive procurement process.

## **IX. COMPETITIVE BIDDING**

Investments shall be awarded on a competitive bid basis to the institution whose percentage yield produces the greatest interest income to the Commission and complies with safekeeping requirements, investment diversification objectives and investment limitations. In the event multiple dealers offer identical desired investments and prices, the investment will be purchased from the dealer submitting the earliest response to the investment solicitation.

Comparative rates must be documented by the Investment Official for each competitive trade executed.

Investments may be awarded on a non-competitive basis when the investment security is a new issue that can only be purchased from one source or can be purchased at the same yield from any source.

Competitive bidding is not required for pooled investments or investments managed by contracted outside managers. Market information systems may be used to assess the market and determine that an offering is at or above the market for a comparable maturity and investment type when a situation makes competitive bidding impractical.

## **X. DIVERSIFICATION AND INVESTMENT LIMITATIONS INCLUDING MAXIMUM MATURITIES**

The Commission must diversify its investment portfolio to avoid incurring unacceptable risks inherent in over-investing in specific investments, individual financial institutions, or maturities.

If the balance of the Commission's investment portfolio drops below a level determined appropriate by the Secretary-Treasurer such that adequate diversification becomes difficult to obtain, or that daily cash require the Commission to invest in daily liquidity, these maximum percentages may be temporary suspended by the Secretary-Treasurer. To further protect the Commission, increasing maximum percentages should be directed at traditionally diversified investments such as Money Market Mutual Funds and/or the Maryland Local Government Investment Pool.

- (a) ***Diversification of Maturities*** - Investment maturities shall be adequate to cover anticipated cash flow requirements.

- (b) **Diversification by Investment Type** - In order to minimize market, maturity and counterparty risk, maximum percentages of the portfolio have been established for individual investment instrument classes and dealers. These percentages apply at the time the investment is purchased. These percentages may be modified to satisfy liquidity requirements if approved by the Secretary-Treasurer prior to execution.
- (c) **Diversification by Institution** – Purchases from individual institutions are limited to a maximum percentage of the Commission's total investment portfolio at the time of investment. The maximum percent limitation of the portfolio at the time of investment purchase is shown for each approved Broker/Dealers and Financial Institutions are limited to a maximum value of 30% of the Commission's total investment portfolio.

## XI. COLLATERALIZATION

- (a) Collateral shall be maintained in excess of Federal insurance coverage for all Commission bank accounts, certificates of deposit and time deposits. Acceptable collateral is specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- (b) Collateralization is required for all repurchase agreements and Certificates of deposit, including time deposits, of at least 102% of the market value of principal and accrued interest. Acceptable collateral shall consist of obligations of the United States, its agencies or instrumentalities as specified under Section VII (d).
- (c) The collateral shall be held by an independent third party with whom the Commission has a custodial agreement as specified under Section XI.
- (d) Securities pledged as collateral are subject to substitution, provided the substituted collateral conforms with all margin and security type restrictions and all associated costs are paid by the pledging entity.

## XII. SAFEKEEPING AND CUSTODY

- (a) All security transactions, including collateral for repurchase agreements, entered into by the Commission shall be conducted on a delivery-versus payment (DVP) basis except pooled investments, certificates of deposit and time deposits. Securities will be held by a third-party custodian designated by the Secretary- Treasurer and pursuant to signed tri-party agreements among all participants. All repurchase agreements will be governed by a Master Repurchase Agreement signed by the Secretary-Treasurer of the Commission and the appropriate official of the approved broker/dealer or financial institution.

- (b) The Custodian may not be a counterparty to the transaction, unless the custodian is one of the Commission's primary banks and the securities purchased from the bank, including collateral for repurchase agreements, certificates of deposit and time deposits, are held in the Commission's name and account.
- (c) A Federal Reserve Bank may serve as custodian for pledged collateral.

### **XIII. REPORTING REQUIREMENTS**

#### **(a) Monthly Reports:**

A consolidated monthly investment report of investment activities will be submitted by the Investment Manager to the Secretary-Treasurer for review. This report will include information such as type of investments held, the rate of return on the portfolio and each investment type, value of securities held by broker-dealers, and that all transactions are in compliance with the Commission Investment Policy.

The monthly Investment Report will be posted to the Commission's website.

1. A statement of the market value of the portfolio shall be issued at least annually as part of the Commissions' Annual Comprehensive Financial Report. This disclosure shall comply with all current applicable accounting standards consistent with statements issued by the Government Accounting Standards Board (GASB).
2. The Investment Manager shall maintain a complete record of all investment transactions.

#### **(b) Quarterly Reports:**

On a Quarterly basis, a "Quarterly Investment Report" shall be prepared that summarizes:

1. Recent market conditions, economic developments, and anticipated investment conditions,
2. Consulting advisors investment strategies employed in the most recent quarter,
3. A description of all securities held in the investment portfolio at quarter end,
4. The total rate of return for the quarter, year-to-date versus appropriate benchmarks, and
5. Any areas of policy concern warranting possible revisions to current or planned investment strategies.

#### **XIV. INTERNAL CONTROLS**

The Secretary-Treasurer shall establish and maintain a system of internal controls. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, consultants, advisors or imprudent actions by employees of the Commission. Accordingly, the Secretary-Treasurer shall establish written procedures for the operation of the Commissions' investment program that are consistent with the provisions of this Investment Policy.

The internal control structure shall address the following points:

- (a) Avoidance of collusion
- (b) Custodial safekeeping
- (c) Separation of transaction authority from accounting controls
- (d) Avoidance of physical delivery securities
- (e) Clear delegation of authority to subordinate staff members
- (f) Written confirmation of transactions for investments and wire transfers
- (g) Wire transfer agreement with the lead bank and third-party custodian(s)
- (h) Documentation of investment transactions
- (i) Monitoring and reporting of compliance and results

An Independent Auditor, as part of the Annual Financial Audit, will review the internal controls of the investment program.

#### **XV. INVESTMENT POLICY ADOPTION**

The investment policy is approved by the Corporate Treasury & Investment Manager and the Secretary Treasurer and adopted by resolution by the Commission. The Secretary- Treasurer may institute changes in these policies from time to time. Such changes shall be approved by the Commission and distributed to all those assigned investment responsibilities.

**Adopted by: The Maryland-National Capital Park and Planning Commission**  
**approved this Investment Policy on** \_\_\_\_\_.

**APPROVED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
Tanya Hankton, Corporate Treasury & Investment Manager

**APPROVED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
Gavin Cohen, Secretary-Treasurer

**APPROVED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_  
William Spencer, Acting Executive Director

## INVESTMENT POLICY

### I. SCOPE

This Investment policy applies to all employees, including Commissioners, Merit System Employees, contract employees, consultants, advisors, appointed officials or anyone with delegated authority indirectly or directly investing Commission funds; and to the investment of all unexpended or surplus funds of The Maryland- National Capital Park and Planning Commission ("Commission"); and to accounts owned by the Commission, administered by the bank, or any person and institution acting in a fiduciary role. Funds not required for immediate- expenditure will be invested in a manner that will preserve capital while conforming to all State of Maryland statutes governing the investment of public funds and in accordance with best investment practices of public funds as promulgated by industry trade associations.

~~This policy applies to the investment of all unexpended or surplus funds of The Maryland- National Capital Park and Planning Commission ("Commission"). Funds not required for immediate- expenditure will be invested in a manner that will preserve capital while conforming to all State of Maryland statutes governing the investment of public funds and in accordance with best investment practices of public funds as promulgated by industry trade associations.~~

The Secretary-Treasurer and/or designee is authorized to invest such funds until such time that the Commission requires liquid funds for ongoing operating needs.

Except for cash in certain restricted and special funds, the entity consolidates cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

Investment income is allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles. These funds are reported in the Commission's Annual Comprehensive Financial Report and include:

- a) General Fund
- b) Capital Project Fund
- c) Enterprise Funds
- d) Special Revenue Funds
- e) Debt Service Funds
- f) Internal Service Funds
- g) New funds authorized by the Commission unless specifically exempted

This Investment Policy (Policy) does not cover the investment activities of: Pension Funds or certain Trust or Agency Funds, which are administered by separate trustees; and certain indentured funds and certain escrow funds, which are controlled by the respective indenture and escrow agreements.

This Policy represents the financial boundaries within which the Commission's cash and investment management process will operate.



## II. INVESTMENT OBJECTIVES

The Commission's primary objectives for the investment and management of public funds are as follows:

- (a) **Safety of principal:** The protection of investment principal is the foremost objective in the overall portfolio. Investments of the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, the Commission will mitigate both credit risk and interest rate risk. Credit Risk is defined as the risk of loss due to the failure of the security issuer or backer and this risk will be mitigated by:
- (1) limiting investments to the safest types of securities listed in Section VII of this investment policy.
  - (2) pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the Commission will do business in accordance with Section VIII.
  - (3) diversifying the investment portfolio such that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
  - (4) requiring third-party collateralization and safekeeping, and delivery-versus-payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
  - (5) monitoring the portfolio regularly to anticipate and respond appropriately to a reduction in the credit worthiness of any of the issuers.

Market or interest rate risk is defined as the risk that the market value of portfolio securities will fall due to an increase in general interest rates and this risk will be mitigated by:

- (1) structuring the Commission's portfolio so that securities mature to meet the Commission's working capital requirements for ongoing operations.
- (2) periodically restructuring the portfolio to minimize the loss of market value and/or maximize cash flows subject to the constraints described in Section X of this Policy.
  - Funds expected to be needed for working capital needs will remain in instruments with daily liquidity;
  - Short-term funds will be limited to instruments with maturities of one year or less based on purchase date;
  - Funds not identified as being needed for working capital or short-term needs may be invested for up to five years;
- ~~(1) structuring the Commission's portfolio so that securities mature to meet the Commission's working capital requirements for ongoing operations.~~
- ~~(2) avoiding the need to sell securities on the open market prior to their~~

~~maturity to meet these specific needs.~~

- ~~(3) periodically restructuring the portfolio to minimize the loss of market value and/or maximize cash flows subject to the constraints described in Section X of this Policy.~~

~~(b)~~ **Liquidity:**

- ~~(c) The Commission maintains its principles of safety, liquidity, and yield while seeking to maximize cash flows of invested principal. The investment portfolio is structured to remain sufficiently liquid to meet all reasonably anticipated operating requirements and to avoid long-term losses. Additionally, this Policy specifically prohibits trading securities for the sole purpose of speculation.~~

~~For reserve funds or those without a specific match to future cash flow needs of the Commission a longer investment time horizon may be prudent than funds needed for liquidity. The longer time horizon may result in unrealized losses noted on financial statements. However, realized losses are allowed if they provide a net gain to the portfolio over a reasonable period. Investment Advisors must adhere to maturity and duration parameters established to monitor performance and risk of an investment portfolio.~~

- ~~(b) The Commission's investment portfolio will remain sufficiently liquid to enable the Commission to meet all operating and capital spending requirements which might be reasonably anticipated.~~

~~(c)~~

- ~~(d) It is the full intent of the Commission to hold all investments until maturity to ensure the return of all invested principal. However, securities may be sold prior to maturity as needed to comply with this Policy. This Policy specifically prohibits trading securities for the sole purpose of speculating or taking an unhedged position on the future direction of interest rates.~~

~~(e)~~

- ~~(f)~~**(d) Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, with consideration of investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety and liquidity objectives described above, and consistent with the risk limitations and prudent investment guidelines described in this policy.

### III. DELEGATION OF AUTHORITY

- (a) In accordance with the Annotated Code of Maryland, Article 95, Section 22F, State Finance & Procurement Article Section 6-222, the responsibility for conducting investment transactions rests with the Secretary-Treasurer, Department of Finance.
- (b) The Secretary-Treasurer or designee (Investment Officials) are authorized to invest surplus Commission funds, until such time as they will be needed

in such investments as outlined in this Policy.

- (c) Investment Officials shall have sole authority to buy and sell securities on behalf of the Commission. Investment Officials may utilize qualified outside financial consultants or investment advisory firms to provide the necessary technical expertise, tools, and resources that are required to buy and sell securities, and to analyze the Commission's cash flow requirements or other investment needs.
- (d) The Secretary-Treasurer shall establish written procedures for the operation of the Commission's investment programs consistent with this Policy. Such procedures must include:
  - 1. Explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under terms of this Policy and the procedures approved by the Secretary-Treasurer.
  - 2. Procedures should include reference to safekeeping, master repurchase agreements, tri-party custodial agreements, delivery vs. payment, wire transfers, collateral depository agreements, accounting, and banking service contracts.
- (e) Responsibility for the operation of the Commission's investment program is hereby delegated to the Corporate Treasury and Investment Manager, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this Policy.

#### **IV. PRUDENT PERSON RULE**

The standard of prudence to be applied by the Investment Officials shall be the "Prudent Person Rule", which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The Prudent Person Rule shall be applied in the context of managing the overall portfolio.

Investment Officials making a good faith effort to act in accordance with written procedures and the Investment Policy and exercising due diligence, shall not be held personally responsible for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **V. ETHICS AND CONFLICTS OF INTEREST**

Commission employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions.

Commission employees shall disclose to the Secretary-Treasurer any material

interests in financial institutions with which they conduct personal business. They shall further disclose to the Secretary-Treasurer any personal financial /investment positions that could be related to the performance of the investment portfolio, and refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission.

Investment Officials shall subordinate their personal investment transactions to those of the Commission, particularly with regard to the time of purchases and sales. Investment Officials shall comply with the Commission's Ethics Practice 2-24.

## VI. INVESTMENT STRATEGY

The Secretary-Treasurer shall hold periodic investment strategy meetings with the delegated Investment Officials and/or outside professional consultants and shall document the resulting investment strategies approved to meet the objectives of this Investment Policy.

## VII. AUTHORIZED, SUITABLE AND PROHIBITED INVESTMENTS

~~In accordance with the State Finance and Procurement Article Section 6-222,~~ Investment Officials may invest Commission funds in the following investments:

- 1) **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
- 2) **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government-sponsored enterprise (GSE).
- 3) **Supranationals** – U.S. dollar denominated debt obligations of a multilateral organization of governments.
- 4) **Municipals**– Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of any U.S. state, territory or local government.
- 5) **Agency Mortgage Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
- 6) **Asset-Backed Securities** - Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans.
- 7) **Corporate and Other Debt Obligations** – U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit institution, or other entity.

- 8) **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
- 9) **Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank.
- 10) **Negotiable Bank Deposit Obligations** - Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state-chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution.
- 11) **Bank Deposits** - Non-negotiable interest bearing time certificates of deposit, savings accounts or deposit accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured or collateralized, if required by state or Federal law.
- 12) **Insured Bank Deposits** - Interest bearing time certificates of deposit, savings accounts or deposit accounts fully insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
- 13) **Repurchase Agreements** - Repurchase agreements (Repo or RP) that meet the following requirements:
  - a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.
  - b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
  - c. Securities underlying repurchase agreements must be delivered to a third-party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the investor's custodial account or in a separate account in the name of the investor.
  - d. Acceptable underlying securities must be securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
  - e. Underlying securities must have an aggregate market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
  - f. The term of any repurchase agreement transaction must be 1 year or less.
- 14) **Money Market Funds** - Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.

**15) Maryland Local Government Investment Pools** – Any investment portfolio created under the Maryland Local Government Investment Pool (MLGIP) as established by §§ 17-301 et. Seq. of the Local Government Article of the Annotated Code of Maryland that is administered by the Maryland Office of the State Treasurer.

**Investment Limits and Specifications<sup>1</sup>**

<b><u>Sector</u></b>	<b><u>Sector Maximum (%)</u></b>	<b><u>Per Issuer Maximum (%)</u></b>	<b><u>Minimum Ratings Requirement<sup>2</sup></u></b>	<b><u>Maximum Maturity</u></b>
<u>U.S. Treasury</u>	<u>100%</u>	<u>100%</u>	<u>N/A</u>	<u>5 Years</u>
<u>Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB</u>	<u>75%</u>	<u>33%<sup>4</sup></u>	<u>N/A</u>	<u>5 Years (5 year avg. life for GNMA<sup>3</sup>)</u>
<u>GNMA</u>		<u>33%<sup>4</sup></u>		
<u>Other U.S. Government Guaranteed (e.g. AID, GTC)</u>		<u>10%</u>		
<u>Federal Agency/GSE other than those above</u>		<u>10%</u>		
<u>Supranationals where U.S. is a shareholder and voting member</u>	<u>25%</u>	<u>10%</u>	<u>AAA/Aaa/AAA</u>	<u>5 Years</u>
<u>Supranationals other than those above</u>		<u>5%</u>		<u>5 Years</u>
<u>Municipals</u>	<u>25%</u>	<u>5%</u>	<u>At least two ratings of A-/A3/A- (or their equivalent) or higher by two NRSROs, one of which must be either Moody's or S&amp;P</u>	<u>5 Years</u>
<u>Agency Mortgage-Backed Securities (MBS)</u>	<u>25%</u>	<u>33%<sup>4</sup></u>	<u>At least AAA or Aaa by two rating agencies one of which must be S&amp;P, Moody's, or Fitch</u>	<u>2 Year Avg. Life<sup>3</sup></u>
<u>Asset-Backed Securities (ABS)</u>	<u>25%</u>	<u>5%<sup>5</sup></u>	<u>At least AAA or Aaa by two rating agencies one of which must be S&amp;P, Moody's, or Fitch</u>	<u>2 Year Avg. Life<sup>3</sup></u>
<u>Corporates</u>	<u>25%<sup>6</sup></u>	<u>5%<sup>5</sup></u>	<u>Two Ratings of A-/A3/A- or higher by S&amp;P, Moody's, or Fitch respectively</u>	<u>5 Years</u>
<u>Commercial Paper (CP)</u>	<u>35%<sup>6</sup></u>	<u>5%<sup>5</sup></u>	<u>At least two ratings of A-1/P-1/F-1 or higher by S&amp;P, Moody's or Fitch respectively</u>	<u>365 Days</u>
<u>Bankers' Acceptances (BAs)</u>	<u>20%<sup>6</sup></u>	<u>5%<sup>5</sup></u>	<u>At least two of the highest ST Rating Category (A-1/P-1, or equivalent)</u>	<u>180 Days</u>
<u>Negotiable Bank Certificates of Deposit</u>	<u>35%<sup>6</sup></u>	<u>5%<sup>5</sup></u>	<u>Maturities less than or equal to one year: at least two ratings of A-1/P1/F-1 or higher by S&amp;P, Moody's, or Fitch respectively. For maturities greater than one year: At least two ratings of AA/Aa/AA or higher by S&amp;P, Moody's, or Fitch respectively.</u>	<u>5 Years</u>
<u>Collateralized Bank Deposits</u>	<u>100%</u>	<u>None, if fully collateralized</u>	<u>None, if fully collateralized.</u>	<u>2 Years</u>



<u>Sector</u>	<u>Sector Maximum (%)</u>	<u>Per Issuer Maximum (%)</u>	<u>Minimum Ratings Requirement<sup>2</sup></u>	<u>Maximum Maturity</u>
<u>FDIC-Insured Bank Deposits</u>	<u>100%</u>	<u>FDIC limit for insurance</u>	<u>None, if fully FDIC-insured.</u>	<u>2 Years</u>
<u>Repurchase Agreements</u>	<u>40%</u>	<u>20%</u>	<u>Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent)</u> <u>If the counterparty is a Federal Reserve Bank, no rating is required</u>	<u>1 Year</u>
<u>Money Market Funds (MMFs)</u>	<u>50%</u>	<u>100%</u>	<u>Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent)</u>	<u>N/A</u>
<u>Maryland LGIP</u>	<u>100%</u>	<u>100%</u>	<u>Highest Fund Quality and Volatility Rating Categories by all NRSROs, if rated (AAAm/AAAf, S1, or equivalent)</u>	<u>N/A</u>

Notes:

<sup>1</sup> Concentration limits and rating requirements apply at the time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.

<sup>2</sup> Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO") being S&P, Moody's and/or Fitch, unless otherwise noted. ST=Short-term; LT=Long-term. Ratings requirements are without regards to the rating modifiers.

<sup>3</sup> Average life not to exceed two years from the date of settlement, unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement, with the final maturity date not to exceed five years from the date of settlement.

<sup>4</sup> Maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 33%.

<sup>5</sup> Maximum allocation across all non-government permitted investment sectors is 5% combined per issuer.

<sup>6</sup> Maximum allocation to all corporate and bank credit instruments is 75% combined.

### General Investment and Portfolio Limits

#### 1. General investment limitations:

- a. Investments must be denominated in U.S. dollars and issued for legal sale in U.S. markets.
- b. Minimum ratings are based on the highest rating by any one NRSRO, unless otherwise specified.
- c. Concentration limits and rating requirements apply at time of purchase measured from the transaction's trade date; maturity requirements measured from the transaction's settlement date.
- d. The maximum maturity (or average life for MBS/ABS) of any investment is 5 years. Maturity and average life are measured from settlement date. The final maturity date can be based on any mandatory call, put, pre-refunding date, or other mandatory redemption date.

#### 2. General portfolio limitations:

- a. The maximum effective duration of the aggregate portfolio is 5 years.

3. Investment in the following are permitted, provided they meet all other policy requirements:
- a. Callable, step-up callable, called, pre-refunded, putable and extendable securities, as long as the effective final maturity meets the maturity limits for the sector
  - b. Variable-rate and floating-rate securities
  - c. Subordinated, secured and covered debt, if it meets the ratings requirements for the sector
  - d. Zero coupon issues and strips, excluding mortgage-backed Interest-only structures (I/Os)
  - e. Treasury TIPS
4. The following are **NOT PERMITTED** investments, unless specifically authorized by statute and with prior approval of the governing body:
- a. Trading for speculation
  - b. Derivatives (other than callables and traditional floating or variable-rate instruments)
  - c. Mortgage-backed interest-only structures (I/Os)
  - d. Inverse floating-rate instruments (Inverse Floaters)
  - e. Foreign Currency (non-U.S. dollar currency)
  - f. Private placements and direct loans, except as commonly transacted by institutional investors (such as under Rule 144A or 4(2) commercial paper) and for which the investor meets the relevant requirements of being an accredited investor or qualified institutional buyer (QIB)
  - g. Convertible, high yield, and non-U.S. dollar denominated debt
  - h. Short sales
  - i. Use of leverage (except reverse repurchase agreements which meet the terms required)
  - j. Futures and Options
  - k. Equities, Commodities, physical/paper Currencies and Hard Assets
  - l. Reverse Repurchase Agreements

~~Any obligation for which the United States has pledged its full faith and credit for the payment of principal and interest, with the exception of certificates representing only the interest portion of such securities (IOs).~~

~~Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress. Callable agency or federal instrumentality securities may be purchased provided the securities are not subject to call more often than four times per year.~~

~~Repurchase agreements collateralized in an amount not less than 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities, provided the collateral is held by a custodian other than the seller, as designated by the Commission. Margin requirements will be calculated daily by~~



~~the third party custodian. Substitution of collateral is permitted without express approval by the Commission, provided the substituted collateral conforms with all margin and structure requirements of the Commission.~~

~~The Commission may purchase repurchase agreements overnight and up to seven days' duration with its primary collection and disbursement bank, provided that collateral securities are held separately in the Commission's name, and a statement is submitted monthly reflecting these transactions.~~

~~Certificates of Deposit and Time Deposits—Deposits in federally insured banks chartered to operate in the State of Maryland or in any federally insured savings and loan association or savings bank in the State of Maryland which maintain collateralization at 102% of the market value and held by a custodian, designated by the Commission and other than the seller.~~

~~Brokered Certificates of Deposits: Pursuant to Article 95, Treasurer-In General, Annotated Code of Maryland, Section 22-0, the Commission is authorized to invest in Certificates of Deposit Account Registry Program (CDARS).~~

~~Bankers' acceptances (BA's), including those of non-U.S. banks, guaranteed by a financial institution with a short-term debt rating in the highest letter and numerical rating by at least one of the National Recognized Statistical Rating Organizations (NRSRO) as designated by either the SEC or the State Treasurer.~~

~~Commercial paper that has received a minimum rating of A1/P1 by at least two NRSRO as designated by the SEC.~~

~~Money market mutual funds that maintain a net asset value (NAV) of \$1.00 at all times and provide investors with daily liquidity. The funds must be registered with the SEC and operate under the Investment Company Act of 1940, 15 U.S.C. Section 80 (A), as amended and operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, 17 C.F.R. Section 270.2A-7, as amended, and in accordance with Maryland State Code. The funds must have received the highest possible rating from at least one NRSRO, and may only include the following:~~

~~Obligations for which the United States has pledged its full faith and credit for the payment of the principal and interest,  
Obligations of federal agencies or federal instrumentalities issued pursuant to an act of Congress, and  
Repurchase agreements collateralized by obligations of the United States its agencies or instrumentalities.~~

~~Any investment portfolio created under the Maryland Local Government Investment Pool defined under Article 95, Section 22G of the Annotated Code or Maryland that is administered by the State Treasurer.~~

~~Investments may be purchased directly from the issuer or the investment if the~~

~~investment meets credit quality standards and is included on the approved list of investments.~~

~~With respect to amounts treated by the Internal Revenue Service as bond sale proceeds only:~~

~~(1) — Bonds, notes, or other obligations of investment grade in the highest quality letter and numerical rating by at least one NRSRO, issued by or on behalf of this or any other state or any agency, department, county, municipal or public corporation, special district, authority, or political subdivision thereof, or in any fund or trust that invests only in securities of the type described in this paragraph.~~

~~Money market mutual funds registered with the SEC under the Investment Company Act of 1940, 15 U.S.C. Section 80 (A), as amended and operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, 17~~

~~C.F.R. Section 270.2A-7, as amended and in accordance with Maryland State Code. The investments should include those referenced in Section VII (h) and municipal money market mutual funds of the highest possible rating from at least one NRSRO. Up to 10% may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade.~~

~~The Commission is required under the U.S. Tax Reform Act of 1986 to perform periodic arbitrage calculations and to rebate excess earnings to the United States Treasury from the investment of gross proceeds of tax-exempt bonds. The Commission may contract with qualified outside financial consultants to provide the necessary technical expertise that is required to comply with this law.~~

~~All investments purchased must be denominated in U.S. Dollars.~~

~~Investment Officials are prohibited from borrowing money for the express purpose of reinvesting these funds, otherwise known as leveraging.~~

~~It is the policy of the Commission not to invest in derivative securities; these are financial contracts whose values are derived from the value of underlying securities such as stocks, bonds, currencies, and commodities.~~

## **VIII. AUTHORIZED DEALERS AND FINANCIAL INSTITUTIONS**

(a) The Secretary-Treasurer shall establish and maintain a listing of financial institutions and broker/dealers authorized to provide investment services to the Commission's Finance Department. All authorized securities dealers and financial institutions must:

- (1) be on the published "List of the Primary Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York", and qualified under SEC Rule 15c3-I: or,
- (2) be a financial institution (including securities dealers and

- commercial banks) having a local office within the State of Maryland; or,
- (3) be a Securities and Exchange Commission registered Government Securities Dealer; and,
  - (4) have been incorporated as a financial institution for a period of at least five years; and,
  - (5) maintain at least \$100 million in net capital per current financial statements and have a short-term or long-term debt rating of investment grade by at least one NRSRO if acting as principal (e.g., for Repurchase Agreements), or at least \$4 million in net capital for allowed securities if acting as agent,
    - i. carry adequate insurance coverage including liability, errors and omissions, and worker's compensation (if applicable),
    - ii. be licensed and registered by the Financial Industry Regulatory Authority (FINRA).
- (b) All dealers, including primary dealers, are required to send annually to the Secretary-Treasurer their most recent audited financial statements and FOCUS reports, if applicable.
- (c) All dealers and financial institutions with which the Commission conducts business will be sent a copy of the Commission's current Investment Policy by the Finance Department, and a list of employees authorized by the Secretary-Treasurer to undertake investment transactions on behalf of the Commission. Each dealer and financial institution will be required to provide written certification that it will conform with the Policy.
- (d) The Commission may purchase repurchase agreements from dealers as defined in VIII (a) (5) above and with which the Commission has executed a master repurchase agreement. The master repurchase agreement is the industry standard as developed by the Bond Market Association/International Securities Market Association.
- (e) The Secretary-Treasurer is authorized to execute agreements on behalf of the Commission where an agreement and/or contract is required under this Section.

This list must be reviewed periodically, but no less often than annually to the determine that approved dealers continue to fulfill the above requirements and whether they should remain on the approved list.

The Commission may choose to work with an external investment advisor in the review and/or selection of broker/dealers or in the purchase of investment instruments. If used, the selection of an investment advisor will be based on a competitive procurement process.

## **IX. COMPETITIVE BIDDING**

Investments shall be awarded on a competitive bid basis to the institution whose percentage yield produces the greatest interest income to the Commission and complies with safekeeping requirements, investment diversification objectives and investment limitations. In the event multiple dealers offer identical desired investments and prices, the investment will be purchased from the dealer submitting the earliest response to the investment solicitation.

Comparative rates must be documented by the Investment Official for each competitive trade executed.

Investments may be awarded on a non-competitive basis when the investment security is a new issue that can only be purchased from one source or can be purchased at the same yield from any source.

Competitive bidding is not required for pooled investments or investments managed by contracted outside managers. Market information systems may be used to assess the market and determine that an offering is at or above the market for a comparable maturity and investment type when a situation makes competitive bidding impractical.

## **~~X. DIVERSIFICATION AND INVESTMENT LIMITATIONS INCLUDING MAXIMUM MATURITIES~~**

~~The Commission must diversify its investment portfolio to avoid incurring unacceptable risks inherent in over investing in specific investments, individual financial institutions, or maturities.~~

~~If the balance of the Commission's investment portfolio drops below a level determined appropriate by the Secretary Treasurer such that adequate diversification becomes difficult to obtain, or that the daily cash needs of the Commission requires the Commission to invest in daily liquidity, these maximum percentages may be temporary suspended by the Secretary Treasurer. To further protect the Commission, increasing maximum percentages should be directed at traditionally diversified investments such as Money Market Mutual Funds and/or the Maryland Local Government Investment Pool.~~

~~(a) **Diversification of Maturities**—Investment maturities shall be adequate to cover anticipated cash flow requirements.~~

~~The majority of the investments shall be for a short-term basis of maximum maturity of up to 18 months. However, a portion of the portfolio may be invested in instruments with longer maturities, up to 3 years (36 months)~~

~~as long as such action does not jeopardize the adequate safety and liquidity standards of the portfolio and at the same time increases the overall yield of the portfolio. These longer term investments will be limited to U.S. Government and U.S. Agency securities.~~

<del>— 0 — 1.5 yr. — 1.5 yr. — 3 yrs. —</del>
<del>— 60% — 40% —</del>

~~(b) **Bankers' Acceptances** shall not exceed a twelve (12) month maturity and shall meet the eligibility requirements of the Federal Reserve System.~~

~~(c) **Diversification by Investment Type** — In order to minimize market, maturity and counterparty risk, maximum percentages of the portfolio have been established for individual investment instrument classes and dealers. These percentages apply at the time the investment is purchased. These percentages may be modified to satisfy liquidity requirements if approved by the Secretary-Treasurer prior to execution.~~

	Maximum % of Portfolio At Time of Investment
U.S. Government Securities	100%
U.S. Agency Securities	75%
Repurchase Agreements	50%
Certificates of Deposit (including Time Deposits)	50%
Bankers' Acceptances	25%
Bankers' Acceptances — Non-U.S.	5%
Commercial Paper	10%
Pooled Investments (MLGIP)	50%
Money Market Mutual Funds (25% per fund)	50%
Bond Proceeds:	
— Municipal Securities	100%
— Money Market Mutual Funds — Highest Rating	100%
— Money Market Mutual Funds — Investment Grade	10%

~~(d) **Diversification by Institution** — Purchases from individual institutions are limited to a maximum percentage of the Commission's total investment portfolio at the time of investment. The maximum percent limitation of the portfolio at the time of investment purchase is shown for each.~~

- ~~(1) Approved Broker/Dealers and Financial Institutions are limited to a maximum value of 30% of the Commission's total investment portfolio. This limit may be overridden for the overnight investment of funds remaining at the end of the day with the primary collection and disbursement banks.~~
- ~~(2) Bankers Acceptances by Institution are limited to a maximum dollar value of 15% of the Commission's total investment portfolio.~~
- ~~(3) Commercial Banks for CD's and Time Deposits are limited to a maximum dollar value of 10% of the Commission's total investment portfolio.~~
- ~~(4) U.S. Government Agencies by Agency are limited to a maximum dollar value of 20% of the Commission's total investment portfolio.~~
  
- ~~(e) **Pooled Investment Fund Size** The total investment in a pooled investment fund shall not exceed more than 25% of that fund's net assets.~~
  
- ~~(f) **Reverse Repurchase Agreements** The Commission shall not leverage (borrow money for the sole purpose of investment) the portfolio through the use of reverse repurchase agreements.~~

## **XI.X. COLLATERALIZATION**

- (a) Collateral shall be maintained in excess of Federal insurance coverage for all Commission bank accounts, certificates of deposit and time deposits. Acceptable collateral is specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- (b) Collateralization is required for all repurchase agreements and Certificates of deposit, including time deposits, of at least 102% of the market value of principal and accrued interest. Acceptable collateral shall consist of obligations of the United States, its agencies or instrumentalities as specified under Section VII (d).
- (c) The collateral shall be held by an independent third party with whom the Commission has a custodial agreement as specified under Section ~~XIXI~~.
- (d) Securities pledged as collateral are subject to substitution, provided the substituted collateral conforms with all margin and security type restrictions and all associated costs are paid by the pledging entity.

## **XII.XI. SAFEKEEPING AND CUSTODY**

- (a) All security transactions, including collateral for repurchase agreements, entered into by the Commission shall be conducted on a delivery-versus-payment (DVP) basis except pooled investments, certificates of deposit and time deposits. Securities will be held by a third-party custodian designated by the Secretary- Treasurer and pursuant to signed tri-party agreements among all participants. All repurchase agreements will be

governed by a Master Repurchase Agreement signed by the Secretary-Treasurer of the Commission and the appropriate official of the approved broker/dealer or financial institution.

- (b) The Custodian may not be a counterparty to the transaction, unless the custodian is one of the Commission's primary banks and the securities purchased from the bank, including collateral for repurchase agreements, certificates of deposit and time deposits, are held in the Commission's name and account.
- (c) A Federal Reserve Bank may serve as custodian for pledged collateral.

### **XIII.XII. REPORTING REQUIREMENTS**

- (a) A monthly investment report of investment activities will be submitted by the Investment Manager to the Secretary-Treasurer for review. This report will include information such as type of investments held, the rate of return on the portfolio and each investment type, value of securities held by broker-dealers, and that all transactions are in compliance with the Commission Investment Policy.
- (b) The monthly Investment Report will be posted on the Commission's website.
- (c) A statement of the market value of the portfolio shall be issued at least annually as part of the Commissions' Annual Comprehensive Financial Report. This disclosure shall comply with all current applicable accounting standards consistent with statements issued by the Government Accounting Standards Board (GASB).
- (d) The Investment Manager shall maintain a complete record of all investment transactions.

### **XIII. PERFORMANCE STANDARDS**

On a quarterly basis, a "Quarterly Investment Report" shall be prepared that summarizes:

- (a) Recent market conditions, economic developments, and anticipated investment conditions,
- (b) The investment strategies employed in the most recent quarter,
- (c) A description of all securities held in the investment portfolio at quarter end,
- (d) The total rate of return for the quarter, year-to-date versus appropriate benchmarks, and
- (e) Any areas of policy concern warranting possible revisions to current or planned investment strategies.

The market values presented in these reports will be consistent with GASB account guidelines pertaining to the valuation of investments and the treatment of unrealized gains/losses.



The investment portfolio will be designed to obtain at least a market level rate of return, given budgetary and economic cycles, commensurate with the Commission's investment risk and cash flow needs. The portfolio management approach will be active, allowing periodic restructuring to take advantage of current and anticipated interest rate movements. The return on the portfolio will be compared on a quarterly basis to indices of U.S. Treasury securities having similar maturities or other appropriate benchmarks.

#### **XIV. INTERNAL CONTROLS**

The Secretary-Treasurer shall establish and maintain a system of internal controls. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties or imprudent actions by employees of the Commission. Accordingly, the Secretary-Treasurer shall establish written procedures for the operation of the Commission's investment program that are consistent with the provisions of this Investment Policy.

The internal control structure shall address the following points:

- (a) Avoidance of collusion
- (b) Custodial safekeeping
- (c) Separation of transaction authority from accounting controls
- (d) Avoidance of physical delivery securities
- (e) Clear delegation of authority to subordinate staff members
- (f) Written confirmation of transactions for investments and wire transfers
- (g) Wire transfer agreement with the lead bank and third-party custodian(s)
- (h) Documentation of investment transactions
- (i) Monitoring and reporting of compliance and results

An Independent Auditor, as part of the Annual Financial Audit, will review the internal controls of the investment program.

#### **XV. INVESTMENT POLICY ADOPTION**

The investment policy is approved by the Corporate Treasury & Investment Manager and the Secretary Treasurer and adopted by resolution by the Commission. The Secretary- Treasurer may institute changes in these policies from time to time. Such changes shall be approved by the Commission and distributed to all those assigned investment responsibilities.



Adopted by: The Maryland-National Capital Park and Planning Commission  
approved this Investment Policy on \_\_\_\_\_.

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Tanya Hankton, Corporate Treasury & Investment Manager

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Gavin Cohen, Secretary-Treasurer

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
William Spencer, Acting Executive Director

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

## **M-NCPPC Resolution 25-19**

### **FY26 COST-OF-LIVING ALLOWANCE FOR MERIT AND TERM CONTRACT EMPLOYEES (Excluding Park Police Officers and Park Police Candidates)**

WHEREAS, the Maryland-National Capital Park and Planning Commission (“MNCPPC”) submitted its proposed Fiscal Year 2026 operating and capital budget to the Montgomery and Prince George’s County Councils in compliance with §18-105 of the Land Use Article of the Annotated Code of Maryland; and

WHEREAS, on May 9, 2025, the joint County Councils reviewed and approved the Bi-County budget items allocable to both counties and authorized compensation and benefits adjustments within the total dollars proposed by the M-NCPPC; and

WHEREAS, the Commission has recently adopted wage Resolution 25-14 on June 18, 2025 for Merit positions covering represented Police Officers and Resolution 25-15 for non-represented Police Officers (comprised of the command ranks Lieutenant, Captain and Commander) and therefore, these positions are not covered by this Resolution; and

NOW THEREFORE, BE IT RESOLVED that the Commission hereby adopts specific economic terms for non-represented Merit System employees and Term Contract employees (assigned to the General Service Pay Scale) a merit increase (anniversary pay increment) of up to 3.5% for Fiscal Year 2026; and

BE IT FURTHER RESOLVED that the Commission hereby adopts for Fiscal Year 2026 a 1.25% Cost of Living Adjustment (“COLA”) effective the first full pay period on or after September 28, 2025; and

BE IT FURTHER RESOLVED that the Commission hereby adopts for Fiscal Year 2026 a 1.20% Cost of Living Adjustment (“COLA”) effective the first full pay period on or after the first full pay period of February 2026; and

BE IT FURTHER RESOLVED that the Commission hereby approves Effective July 1, 2026, Annual Merit increases for General Service Merit and Term Contract employees retroactive to the date earned; and

BE IT FURTHER RESOLVED that the Commission hereby adopts for Fiscal Year 2026 a 0.5% (half percent) lump sum payment for all non-represented Merit System employees, who have reached top-of-grade and are therefore, not eligible for an anniversary (merit) pay increment; and

BE IT FURTHER RESOLVED that the Commission does hereby authorize the Executive Director to take action as may be necessary to implement this resolution.

CERTIFICATION This is to certify that the foregoing is a true and correct copy of Resolution No. 25-19 adopted by the Maryland-National Capital Park and Planning Commission on motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, with Chair \_\_\_\_\_, Vice Chair \_\_\_\_\_, Commissioners \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ voting in favor of the motion, with Commissioner \_\_\_\_\_ being absent for the vote, at its regular meeting held on Wednesday, September 24, 2025 at the Department of Parks and Recreation Administration Auditorium in Riverdale, Maryland and broadcast by the Department of Parks and Recreation, Prince George's County.

Approved for Legal Sufficiency:  
Debra Borden, General Counsel  
September 12, 2025

\_\_\_\_\_  
William Spencer Acting Executive Director



## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue Riverdale, Maryland 20730

Date: September 12, 2025

To: The Maryland-National Capital Park and Planning Commission

Via: William Spencer, Acting Executive Director  
Terri Bacote-Charles, Corporate Budget Director

From: Melinda Duong, Corporate Budget Analyst III *MD*

Subject: Bi-county Operations Labor Cost Allocation Analysis for the FY27 Budget

### Recommendation

It is recommended that the Commission adopt the update to the labor cost percentages used to allocate bi-county operations budgets between Montgomery and Prince George's counties for the FY27 Proposed Budget. The bi-county operations are commonly known as the Central Administrative Services (CAS).

### Background

Developed annually by the Corporate Budget Office, the analysis looked at the six bi-county departments/operations providing services to the departments in the two counties. These six operations include:

- Department of Human Resources and Management (DHRM)
- Finance Department
- Legal Department
- Office of the Chief Information Officer (Corporate IT)
- Inspector General's Office
- Merit System Board

This analysis determines the percentage of time allocated to each county, and hence how much of each budget should be charged to each of the funding sources.

Within the six operations, there are three bi-county functions that are not addressed in this analysis: 1) Group Insurance – labor costs are factored into the rates set for the employer and employee/retiree, and, since FY14, no longer allocated and are charged directly to the operating departments in each county; 2) CIO – Labor costs are allocated by the percentage of subscriptions to the Cloud and included in the CIO Fund budget; 3) Risk Management – in the past the administrative costs have been allocated 50/50. After analyzing staff time records for

the three-year period from FY23 to FY25, even though the allocation is slightly different each year, the annualized allocation for Risk Management remains 50/50.

## Methodology

Fiscal year data is extracted from the timecard 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 labor codes used. If the labor code does not indicate a specific county for the work/leave hours, the hours are classified as bi-county. Bi-county hours are allocated 50/50 between the two counties.

For Accounts Payable, Treasury/Investments, Payroll and Purchasing units of the Finance Department, and Employee Records and Recruitment units of 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; for Employee Records the driver is the number of PA2's processed; for Recruitment the driver is the number of applications.

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

Two bi-county operations do not utilize either of these methodologies. For the Merit System Board, 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.

CAS Support Services – Historically allocated on a 50/50 basis, beginning with FY15 these expenses are now allocated based upon the three-year labor allocation average of the bi-county departments/units that are supported.

## Results

Cost drivers were updated for FY25 by Finance and DHRM and these results are shown below along with the drivers used for prior periods.

Cost Drivers	FY21		FY22		FY23		FY24		FY25		% shift in Share	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC
Accounts Payable	43.70%	56.30%	44.40%	55.60%	44.70%	55.30%	44.30%	55.70%	43.10%	56.90%	-1.2%	1.2%
Payroll	31.78%	68.22%	27.57%	72.43%	25.87%	74.13%	25.69%	74.31%	25.19%	74.81%	-0.5%	0.5%
Purchasing	48.10%	51.90%	48.26%	51.74%	45.07%	54.93%	44.61%	55.39%	40.26%	59.74%	-4.4%	4.4%
Treasury/Investment	20.00%	80.00%	20.00%	80.00%	20.00%	80.00%	20.00%	80.00%	20.00%	80.00%	0.0%	0.0%
Employee Records	15.47%	84.53%	18.91%	81.09%	19.74%	80.26%	23.01%	76.99%	18.58%	81.42%	-4.4%	4.4%
Recruitment	43.60%	56.40%	47.88%	52.12%	45.40%	54.60%	46.02%	53.98%	41.46%	58.54%	-4.6%	4.6%

The unavailability of Kronos from December 2021 through February 2022 does not appear to have skewed the results.

Using the labor hour splits for some divisions, the cost driver calculations for other divisions, and the assumptions noted above under Methodology for Merit Board and Support Services resulted in the allocation percentages shown below.

**ALLOCATION OF CAS BUDGET TO EACH COUNTY FY21 TO FY26**

	FY26		FY27 Proposed		Change from FY26	
	MC	PGC	MC	PGC	MC	PGC
DHRM	43.2%	56.8%	43.6%	56.4%	0.4%	-0.4%
Finance	42.9%	57.1%	43.1%	56.9%	0.2%	-0.2%
Legal	51.0%	49.0%	50.9%	49.1%	-0.1%	0.1%
Office of Inspector General	39.3%	60.7%	38.6%	61.4%	-0.7%	0.7%
Corporate IT	50.2%	49.8%	50.0%	50.0%	-0.2%	0.2%
Merit System Board	50.0%	50.0%	50.0%	50.0%	0.0%	0.0%
Support Services	45.3%	54.7%	45.6%	54.4%	0.3%	-0.3%
<b>Total CAS Before Chargebacks</b>	45.5%	54.5%				

Below is an expanded summary showing the budgeted allocations from FY21 through FY26.

ALLOCATION OF CAS BUDGET TO EACH COUNTY FY21 TO FY26

	FY21			FY22			FY23			FY24			FY25			FY26			FY27 Proposed			Change from FY26		
	MC	PGC		MC	PGC		MC	PGC		MC	PGC		MC	PGC		MC	PGC		MC	PGC		MC	PGC	
DHRM	41.7%	58.3%		41.1%	58.9%		40.4%	59.6%		40.8%	59.2%		41.7%	58.3%		43.2%	56.8%		43.6%	56.4%		0.4%		-0.4%
Finance	42.4%	57.6%		43.0%	57.0%		42.9%	57.1%		42.9%	57.1%		43.0%	57.0%		42.9%	57.1%		43.1%	56.9%		0.2%		-0.2%
Legal	50.5%	49.5%		50.5%	49.5%		51.8%	48.2%		49.7%	50.3%		50.7%	49.3%		51.0%	49.0%		50.9%	49.1%		-0.1%		0.1%
Office of Inspector General	37.9%	62.1%		41.8%	58.2%		36.0%	64.0%		38.2%	61.8%		37.5%	62.5%		39.3%	60.7%		38.6%	61.4%		-0.7%		0.7%
Corporate IT	49.2%	50.8%		49.6%	50.4%		50.0%	50.0%		49.9%	50.1%		50.0%	50.0%		50.2%	49.8%		50.0%	50.0%		-0.2%		0.2%
Merit System Board	50.0%	50.0%		50.0%	50.0%		50.0%	50.0%		50.0%	50.0%		50.0%	50.0%		50.0%	50.0%		50.0%	50.0%		0.0%		0.0%
Support Services	44.5%	55.5%		44.5%	55.5%		44.2%	55.8%		44.2%	55.8%		45.2%	54.8%		45.3%	54.7%		45.6%	54.4%		0.3%		-0.3%
<b>Total CAS Before Chargebacks</b>	45.1%	54.9%		45.0%	55.0%		44.8%	55.2%		44.5%	55.5%		44.9%	55.1%		45.5%	54.5%		45.8%	54.2%				



This table provides the divisional labor allocation in detail, including the three-year average which forms the basis for each year's proposed allocation.

## LABOR COST ALLOCATION SUMMARY AND COMPARISON TO FY26 BUDGETED ALLOCATION

	FY 21			FY 22			FY 23			FY 24			FY 25		
	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total
<b>30 - Dept Human Resources &amp; Mgmt</b>	<b>38.6%</b>	<b>61.4%</b>	<b>100%</b>	<b>43.1%</b>	<b>56.9%</b>	<b>100%</b>	<b>44.5%</b>	<b>55.5%</b>	<b>100%</b>	<b>43.2%</b>	<b>56.8%</b>	<b>100%</b>	<b>43.1%</b>	<b>56.9%</b>	<b>100%</b>
OFFICE OF THE EXEC. DIR.	50.0%	50.0%	100%	50.0%	50.0%	100%	45.0%	55.0%	100%	44.7%	55.3%	100%	47.7%	52.3%	100%
BUDGET DIVISION	50.2%	49.8%	100%	49.9%	50.1%	100%	50.6%	49.4%	100%	50.1%	49.9%	100%	50.0%	50.0%	100%
CLASSIFICATION COMPENSATION	35.9%	64.1%	100%	49.2%	50.8%	100%	50.2%	49.8%	100%	41.1%	58.9%	100%	44.9%	55.1%	100%
CORP. POLICY & MGMT SVCS	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%
EMPLOYEE LABOR RELATIONS	50.5%	49.5%	100%	46.5%	53.5%	100%	55.8%	44.2%	100%	51.7%	48.3%	100%	52.6%	47.4%	100%
HRIS/EMP. RECORDS	15.5%	84.5%	100%	18.9%	81.1%	100%	19.7%	80.3%	100%	23.0%	77.0%	100%	18.6%	81.4%	100%
RECRUITMENT	43.6%	56.4%	100%	47.9%	52.1%	100%	45.4%	54.6%	100%	46.0%	54.0%	100%	41.5%	58.5%	100%
<b>31 - Legal</b>	<b>49.8%</b>	<b>50.2%</b>	<b>100%</b>	<b>42.8%</b>	<b>57.2%</b>	<b>100%</b>	<b>52.4%</b>	<b>47.6%</b>	<b>100%</b>	<b>51.9%</b>	<b>48.1%</b>	<b>100%</b>	<b>48.4%</b>	<b>51.6%</b>	<b>100%</b>
<b>32 - Finance Department</b>	<b>43.2%</b>	<b>56.8%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>42.6%</b>	<b>57.4%</b>	<b>100%</b>	<b>43.2%</b>	<b>56.8%</b>	<b>100%</b>	<b>43.4%</b>	<b>56.6%</b>	<b>100%</b>
ACCOUNTING	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%
ACCOUNTS PAYABLE	43.7%	56.3%	100%	44.4%	55.6%	100%	44.7%	55.3%	100%	44.3%	55.7%	100%	43.1%	56.9%	100%
ADMINISTRATIVE SERVICES	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%
INVESTMENTS	20.0%	80.0%	100%	20.0%	80.0%	100%	20.0%	80.0%	100%	20.0%	80.0%	100%	20.0%	80.0%	100%
OFFICE OF THE SEC-TREAS.	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%
PAYROLL	31.8%	68.2%	100%	27.6%	72.4%	100%	25.9%	74.1%	100%	25.7%	74.3%	100%	25.2%	74.8%	100%
PURCHASING	48.1%	51.9%	100%	48.3%	51.7%	100%	45.1%	54.9%	100%	44.6%	55.4%	100%	40.3%	59.7%	100%
<b>37 - Corporate IT</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>
<b>33 - Merit System</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>
<b>34 - Office of Inspector General</b>	<b>35.3%</b>	<b>64.7%</b>	<b>100%</b>	<b>51.9%</b>	<b>48.1%</b>	<b>100%</b>	<b>35.6%</b>	<b>64.4%</b>	<b>100%</b>	<b>37.1%</b>	<b>62.9%</b>	<b>100%</b>	<b>43.0%</b>	<b>57.0%</b>	<b>100%</b>
<b>Total CAS</b>	<b>43.5%</b>	<b>56.5%</b>	<b>100%</b>	<b>45.6%</b>	<b>54.4%</b>	<b>100%</b>	<b>45.6%</b>	<b>54.4%</b>	<b>100%</b>	<b>45.4%</b>	<b>54.6%</b>	<b>100%</b>	<b>45.1%</b>	<b>54.9%</b>	<b>100%</b>

Notes:

- 1) Highlighted rows represents labor cost allocations are done with cost drivers
- 2) Result include chargeback positions based on time card records

## LABOR COST ALLOCATION SUMMARY AND COMPARISON TO FY26 BUDGETED ALLOCATION

	FY 21 - FY 23			FY 22 - FY 24			FY 23 - FY 25			FY26 Budget			3 Year Average vs FY26 Budget		
	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total	MC	PGC	Total
<b>30 - Dept Human Resources &amp; Mgmt</b>	<b>42.1%</b>	<b>57.9%</b>	<b>100%</b>	<b>43.6%</b>	<b>56.4%</b>	<b>100%</b>	<b>43.6%</b>	<b>56.4%</b>	<b>100%</b>	<b>43.2%</b>	<b>56.8%</b>	<b>100%</b>	<b>0.4%</b>	<b>-0.4%</b>	<b>0.0%</b>
OFFICE OF THE EXEC. DIR.	48.3%	51.7%	100%	46.6%	53.4%	100%	45.8%	54.2%	100%						
BUDGET DIVISION	50.2%	49.8%	100%	50.2%	49.8%	100%	50.2%	49.8%	100%						
CLASSIFICATION COMPENSATION	45.1%	54.9%	100%	46.8%	53.2%	100%	45.4%	54.6%	100%						
CORP. POLICY & MGMT SVCS	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%						
EMPLOYEE LABOR RELATIONS	50.9%	49.1%	100%	51.3%	48.7%	100%	53.4%	46.6%	100%						
HRIS/EMP. RECORDS	18.0%	82.0%	100%	20.6%	79.4%	100%	20.4%	79.6%	100%						
RECRUITMENT	45.6%	54.4%	100%	46.4%	53.6%	100%	44.3%	55.7%	100%						
<b>31 - Legal</b>	<b>50.7%</b>	<b>49.3%</b>	<b>100%</b>	<b>51.4%</b>	<b>48.6%</b>	<b>100%</b>	<b>50.9%</b>	<b>49.1%</b>	<b>100%</b>	<b>51.0%</b>	<b>49.0%</b>	<b>100%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>0.0%</b>
<b>32 - Finance Department</b>	<b>42.9%</b>	<b>57.1%</b>	<b>100%</b>	<b>42.9%</b>	<b>57.1%</b>	<b>100%</b>	<b>43.1%</b>	<b>56.9%</b>	<b>100%</b>	<b>42.9%</b>	<b>57.1%</b>	<b>100%</b>	<b>0.2%</b>	<b>-0.2%</b>	<b>0.0%</b>
ACCOUNTING	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%						
ACCOUNTS PAYABLE	44.3%	55.7%	100%	44.5%	55.5%	100%	44.0%	56.0%	100%						
ADMINISTRATIVE SERVICES	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%						
INVESTMENTS	20.0%	80.0%	100%	20.0%	80.0%	100%	20.0%	80.0%	100%						
OFFICE OF THE SEC-TREAS.	50.0%	50.0%	100%	50.0%	50.0%	100%	50.0%	50.0%	100%						
PAYROLL	28.4%	71.6%	100%	26.4%	73.6%	100%	25.6%	74.4%	100%						
PURCHASING	47.1%	52.9%	100%	46.0%	54.0%	100%	43.3%	56.7%	100%						
<b>37 - Corporate IT</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.2%</b>	<b>49.8%</b>	<b>100%</b>	<b>-0.2%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>33 - Merit System</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>100%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>34 - Office of Inspector General</b>	<b>40.9%</b>	<b>59.1%</b>	<b>100%</b>	<b>41.6%</b>	<b>58.4%</b>	<b>100%</b>	<b>38.6%</b>	<b>61.4%</b>	<b>100%</b>	<b>39.3%</b>	<b>60.7%</b>	<b>100%</b>	<b>-0.7%</b>	<b>0.7%</b>	<b>0.0%</b>
<b>Total CAS</b>	<b>44.9%</b>	<b>55.1%</b>	<b>100%</b>	<b>45.6%</b>	<b>54.4%</b>	<b>100%</b>	<b>45.4%</b>	<b>54.6%</b>	<b>100%</b>	<b>45.5%</b>	<b>54.5%</b>	<b>100%</b>	<b>-0.1%</b>	<b>0.1%</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

## Multi-Year Change Summary

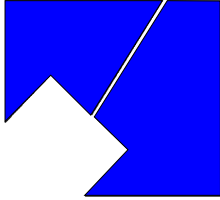
The table below shows the change from year to year, including the proposed change for FY27.

### Change from Prior Year

	FY22		FY23		FY24		FY25		FY26		FY27	
	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC	MC	PGC
DHRM	-0.7%	0.7%	-0.7%	0.7%	0.5%	-0.5%	0.8%	-0.8%	1.5%	-1.5%	0.4%	-0.4%
Finance	0.6%	-0.6%	-0.1%	0.1%	0.0%	0.0%	0.1%	-0.1%	-0.1%	0.1%	0.2%	-0.2%
Legal	0.0%	0.0%	1.3%	-1.3%	-2.1%	2.1%	1.0%	-1.0%	0.3%	-0.3%	-0.1%	0.1%
Office of Inspector General	3.9%	-3.9%	-5.9%	5.9%	2.2%	-2.2%	-0.6%	0.6%	1.8%	-1.8%	-0.7%	0.7%
Corporate IT	0.4%	-0.4%	0.4%	-0.4%	-0.1%	0.1%	0.2%	-0.2%	0.1%	-0.1%	-0.2%	0.2%
Merit System Board	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Support Services	0.0%	0.0%	-0.3%	0.3%	0.0%	0.0%	1.0%	-1.0%	0.0%	0.0%	0.3%	-0.3%
<b>Total CAS Before Chargebacks</b>	0.0%	0.0%	-0.2%	0.2%	-0.3%	0.3%	0.4%	-0.4%	0.6%	-0.6%		

## Recommendation

The recommendation is to adopt the results of this year's analysis and direction be given to staff to utilize in developing the FY27 Proposed Budget. Using FY26 budget numbers, this would shift approximately \$36,636 from Prince George's County to Montgomery County.



## Maryland-National Capital Park & Planning Commission

Corporate Policy & Management Operations Division

Supplier Diversity Program

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6611 Kenilworth Avenue • Riverdale, Maryland 20737 • Phone: 301-454-1752

September 4, 2025

To: Commissioners

Via: William Spencer, Acting Executive Director  
Tracey A. Harvin, Corporate Policy & Management Operations Director

From: Lawrence Taylor, Supplier Diversity & Inclusion Chief

Re: MFD Purchasing Statistics — Fourth Quarter FY25

The Commission's Procurement Policy (Practice 4-10, Purchasing) includes a strong anti-discrimination provision that safeguards equitable access to contracting opportunities for minority-, women-, and disability-owned businesses (MFDs). This principle is actively upheld through a strategic partnership between the Office of the Executive Director (under which the Office of Supplier Diversity and Inclusion resides) and the Corporate Purchasing Division.

Through its MFD contracting goals and nascent Local/Small Business Enterprise Program, the Commission is committed to expanding procurement opportunities and driving inclusive economic growth in Montgomery and Prince George's Counties. The upcoming State of Maryland Disparity Study—scheduled for submission to the General Assembly by September 30, 2025—will further inform and strengthen these efforts as we work to ensure a fair and competitive business environment for all.

During FY25, the participation of MFD vendors in the Commission's purchasing efforts are set forth in the attachments appended hereto and indicates the following:

- Attachment A shows that in by the end of Q4 FY25, the Commission spent \$174,400,900 on goods, services, and construction, with \$38,072,470 going to minority, female, and disabled ("MFD") owned firms.
- Attachment B indicates that in the Fourth Quarter of FY25, 21.8% was spent with minority, female and disabled MFD owned firms.
- Attachment C represents the MFD participation by type of procurement. The MFD participation for construction through the Fourth Quarter of FY25 was 26.3%. Attachment C also indicates that the largest consumers of goods and services in the Commission are Prince George's County Department of Parks and Recreation and Montgomery Parks. These programs significantly impact the Commission's

utilization of MFD firms. The MFD cumulative utilization numbers for these Departments through the Fourth Quarter of FY25 are 23.4% and 13.7% respectively.

- Attachment D presents the FY25 activity for the Purchase Card program totaling \$14,268,429 of which 1.8% was spent with minority, female and disabled (MFD) firms. The amount of procurement card activity represents 8.2% of the Commission's total procurement dollars.
- Attachment E portrays the historic MFD participation rates, and the total procurement from FY91 to Fourth Quarter FY25.
- Attachments F and G show the MFD participation in procurements at various bid levels to determine if MFD vendors are successful in obtaining opportunities in procurements that require informal bidding and formal bidding. Based on the analysis, MFD vendors do appear to be participating, at an overall rate of 13.7% in informal (under \$30,000) and 24.9% in the formal (over \$30,000) procurements. For transactions under \$10k, MFD participation is 9.5%. For transactions over \$10k but under \$30k, MFD participation is 24.8%. MFD vendors are participating at an overall rate of 23.3% in transactions over \$250,000.
- Attachment H presents the total amount of procurements and the number of vendors by location. Of the \$174,400,900 in total procurement, \$108,042,274 was procured from Maryland vendors. Of the \$108,042,274 in procurement from Maryland vendors, \$70,244,704 was procured from vendors located in Montgomery and Prince George's Counties.
- Attachment I compares the utilization of MFD vendors by the Commission with the availability of MFD vendors. The results show under-utilization in the following categories: African American, Asian, Female, and Native American. The amount and percentage of procurement from MFD vendors is broken out by categories as defined by the Commission's Anti-Discrimination Policy.<sup>1</sup>
- Attachments J and K show the number and dollar amount of waivers of the procurement policy by department and by reason for waiver.

For further information on the MFD report, please contact the Office of Supplier Diversity and Inclusion at (301) 454-1752.

## Attachments

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<sup>1</sup> The availability percentages are taken from the most recent State of Maryland disparity study dated June 25, 2018.

<sup>2</sup> Practice 4-10, *Purchasing Policy*, Section II.

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

**MFD PROCUREMENT STATISTICS**

FY 2025

FOR TWELVE MONTHS ENDED JUNE 30, 2025

**Attachment A**

	<u>Procurement</u>	<u>Waivers</u>		<u>Procurement</u>	
	<u>Total \$</u>	<u>Total \$</u>	<u>Total #</u>	<u>MFD \$</u>	<u>%</u>
<b><u>Prince George's County</u></b>					
Commissioners' Office	\$ 105,506	\$ -	-	\$ 1,422	1.4%
Planning Department	4,607,459	164,539	5	994,435	21.6%
Parks and Recreation Department	110,133,866	1,640,847	22	20,512,528	18.6%
Total	<u>114,846,831</u>	<u>1,805,386</u>	<u>27</u>	<u>21,508,385</u>	<u>18.7%</u>
<b><u>Montgomery County</u></b>					
Commissioners' Office	12,079	-	-		0.0%
Planning Department	4,363,575	295,566	4	1,405,924	32.2%
Parks Department	48,303,172	2,831,357	17	11,280,345	23.4%
Total	<u>52,678,825</u>	<u>3,126,923</u>	<u>21</u>	<u>12,686,269</u>	<u>24.1%</u>
<b><u>Central Administrative Services</u></b>					
Dept. of Human Resources and Mgt.	990,469	98,140	2	513,414	51.8%
Finance Department	550,441	117,250	2	2,715	0.5%
Legal Department	157,072	253,831	4	6,432	4.1%
Merit Board	11,275	30,000	1	-	0.0%
Office of Chief Information Officer	5,084,794	168,800	2	3,275,532	64.4%
Office of Inspector General	81,191	-	-	79,721	98.2%
Total	<u>6,875,243</u>	<u>668,021</u>	<u>11</u>	<u>3,877,816</u>	<u>56.4%</u>
Grand Total	<u>\$ 174,400,900</u>	<u>\$ 5,600,330</u>	<u>59</u>	<u>\$ 38,072,470</u>	<u>21.8%</u>

Note: The "Waivers" columns report the amount and number of purchases approved to be exempt from the competitive procurement process, including sole source procurements.

Prepared by Supplier Diversity Program Manager, Corporate Policy & Management Operations Division  
August 4, 2025

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## MFD PROCUREMENT STATISTICS

FY 2025

### MFD STATISTICS - CUMULATIVE AND ACTIVITY BY QUARTER

#### Attachment B

#### CUMULATIVE BY QUARTER

	SEPTEMBER	DECEMBER	MARCH	JUNE
<b><u>Prince George's County</u></b>				
Commissioners' Office	4.6%	2.0%	1.7%	1.4%
Planning Department	12.9%	20.0%	16.9%	21.6%
Parks and Recreation Department	19.4%	20.2%	18.3%	18.6%
Total	19.3%	20.2%	18.2%	18.7%
<b><u>Montgomery County</u></b>				
Commissioners' Office	0.0%	0.0%	0.0%	0.0%
Planning Department	3.9%	36.4%	42.4%	32.2%
Parks Department	29.0%	32.3%	28.4%	23.4%
Total	28.3%	32.5%	29.2%	24.1%
<b><u>Central Administrative Services</u></b>				
Dept. of Human Resources and Mgt.	64.9%	62.5%	57.2%	51.8%
Finance Department	0.0%	0.9%	0.7%	0.5%
Legal Department	6.6%	5.8%	5.2%	4.1%
Merit Board	0.0%	0.0%	0.0%	0.0%
Office of Chief Information Officer	6.9%	72.2%	74.9%	64.4%
Office of Inspector General	100.0%	86.5%	79.4%	98.2%
Total	24.6%	72.4%	66.3%	56.4%
Grand Total	21.0%	26.1%	23.4%	21.8%

#### ACTIVITY BY QUARTER

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
<b><u>Prince George's County</u></b>					
Commissioners' Office	4.6%	1.3%	0.0%	0.0%	1.4%
Planning Department	12.9%	23.2%	11.9%	27.9%	21.6%
Parks and Recreation Department	19.4%	21.6%	12.2%	19.5%	18.6%
Total	19.3%	21.6%	12.2%	20.0%	18.7%
<b><u>Montgomery County</u></b>					
Commissioners' Office	0.0%	0.0%	0.0%	0.0%	0.0%
Planning Department	3.9%	45.9%	50.0%	25.1%	32.2%
Parks Department	29.0%	34.2%	19.0%	14.8%	23.4%
Total	28.3%	34.8%	21.5%	16.1%	24.1%
<b><u>Central Administrative Services</u></b>					
Dept. of Human Resources and Mgt.	64.9%	59.5%	33.9%	0.0%	51.8%
Finance Department	0.0%	8.2%	0.4%	0.3%	0.5%
Legal Department	6.6%	0.4%	0.0%	0.0%	4.1%
Merit Board	0.0%	0.0%	0.0%	0.0%	0.0%
Office of Chief Information Officer	6.9%	94.0%	24.4%	15.7%	64.4%
Office of Inspector General	100.0%	0.0%	0.1%	99.4%	98.2%
Total	24.6%	89.8%	20.8%	16.2%	56.4%
Grand Total	21.0%	31.9%	15.4%	18.4%	21.8%

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MFD PROCUREMENT STATISTICS  
BY MAJOR PROCUREMENT CATEGORY  
FY 2025  
FOR TWELVE MONTHS ENDED JUNE 30, 2025

## ATTACHMENT C

	Grand Total	Montgomery Planning	Montgomery Parks	Pr. Geo. Parks & Recreation	Pr. Geo. Planning	Dept. of Human Resources	Finance Dept.	Legal Dept.	Office of Chief Information
<b>Goods:</b>		21	22	12	11	30	32	31	53
Total \$	\$ 47,229,964	\$ 691,375	\$ 13,656,947	\$ 31,507,458	\$ 924,213	\$ 73,309	\$ 71,141	\$ 17,925	\$ 287,597
MFD \$	\$ 3,245,347	\$ 78,691	\$ 911,733	\$ 2,116,263	\$ 117,470	\$ 10,380	\$ 1,268	\$ 0	\$ 9,543
Percentage	6.9%	11.4%	6.7%	6.7%	12.7%	14.2%	1.8%	0.0%	3.3%
<b>Miscellaneous Services:</b>									
Total \$	\$ 29,359,897	\$ 2,453,194	\$ 10,593,236	\$ 9,956,976	\$ 1,946,286	\$ 223,409	\$ 70,434	\$ 33,324	\$ 4,083,039
MFD \$	\$ 8,168,928	\$ 1,005,185	\$ 1,162,979	\$ 2,382,283	\$ 481,095	\$ 18,875	\$ 1,448	\$ 6,367	\$ 3,110,696
Percentage	27.8%	41.0%	11.0%	23.9%	24.7%	8.4%	2.1%	19.1%	76.2%
<b>Professional Services:</b>									
Total \$	\$ 22,763,542	\$ 1,123,430	\$ 6,243,498	\$ 12,450,952	\$ 1,736,960	\$ 89,881	\$ 408,867	\$ 105,823	\$ 604,132
MFD \$	\$ 6,874,390	\$ 322,048	\$ 1,471,222	\$ 4,599,246	\$ 395,870	\$ 9,425	\$ 0	\$ 65	\$ 76,514
Percentage	30.2%	28.7%	23.6%	36.9%	22.8%	10.5%	0.0%	0.1%	12.7%
<b>Construction:</b>									
Total \$	\$ 74,837,447	\$ 95,575	\$ 17,809,490	\$ 56,218,485	\$ 0	\$ 603,871	\$ 0	\$ 0	\$ 110,026
MFD \$	\$ 19,702,663	\$ 0	\$ 7,734,411	\$ 11,414,739	\$ 0	\$ 474,734	\$ 0	\$ 0	\$ 78,779
Percentage	26.3%	0.0%	43.4%	20.3%	0.0%	0.0%	0.0%	0.0%	71.6%
<b>SUBTOTAL</b>									
Total \$	\$ 174,190,849	\$ 4,363,574	\$ 48,303,171	\$ 110,133,871	\$ 4,607,459	\$ 990,469	\$ 550,441	\$ 157,071	\$ 5,084,794
MFD \$	\$ 37,991,327	\$ 1,405,924	\$ 11,280,345	\$ 20,512,531	\$ 994,435	\$ 513,414	\$ 2,715	\$ 6,432	\$ 3,275,532
Percentage	21.8%	32.2%	23.4%	18.6%	21.6%	51.8%	0.5%	4.1%	64.4%
<b>Pr. Geo. Commissioners' Office</b>									
Total \$	\$ 105,506								
MFD \$	\$ 1,422								
Percentage	1.3%								
<b>Mont. Commissioners' Office</b>									
Total \$	\$ 12,079								
MFD \$	\$ 0								
Percentage	0.0%								
<b>Merit Board</b>									
Total \$	\$ 11,275								
MFD \$	\$ 0								
Percentage	0.0%								
<b>Office of Inspector General</b>									
Total \$	\$ 81,191								
MFD \$	\$ 79,721								
Percentage	98.2%								
<b>GRAND TOTAL \$</b>	\$ 174,400,900								
<b>MFD\$</b>	\$ 38,072,470								
<b>Percentage</b>	21.8%								

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**MFD PROCUREMENT STATISTICS**  
**Comparison of MFD % for Total Procurement and Purchase Card Procurement**  
**FY 2025**  
**FOR TWELVE MONTHS ENDED JUNE 30, 2025**

**Attachment D**

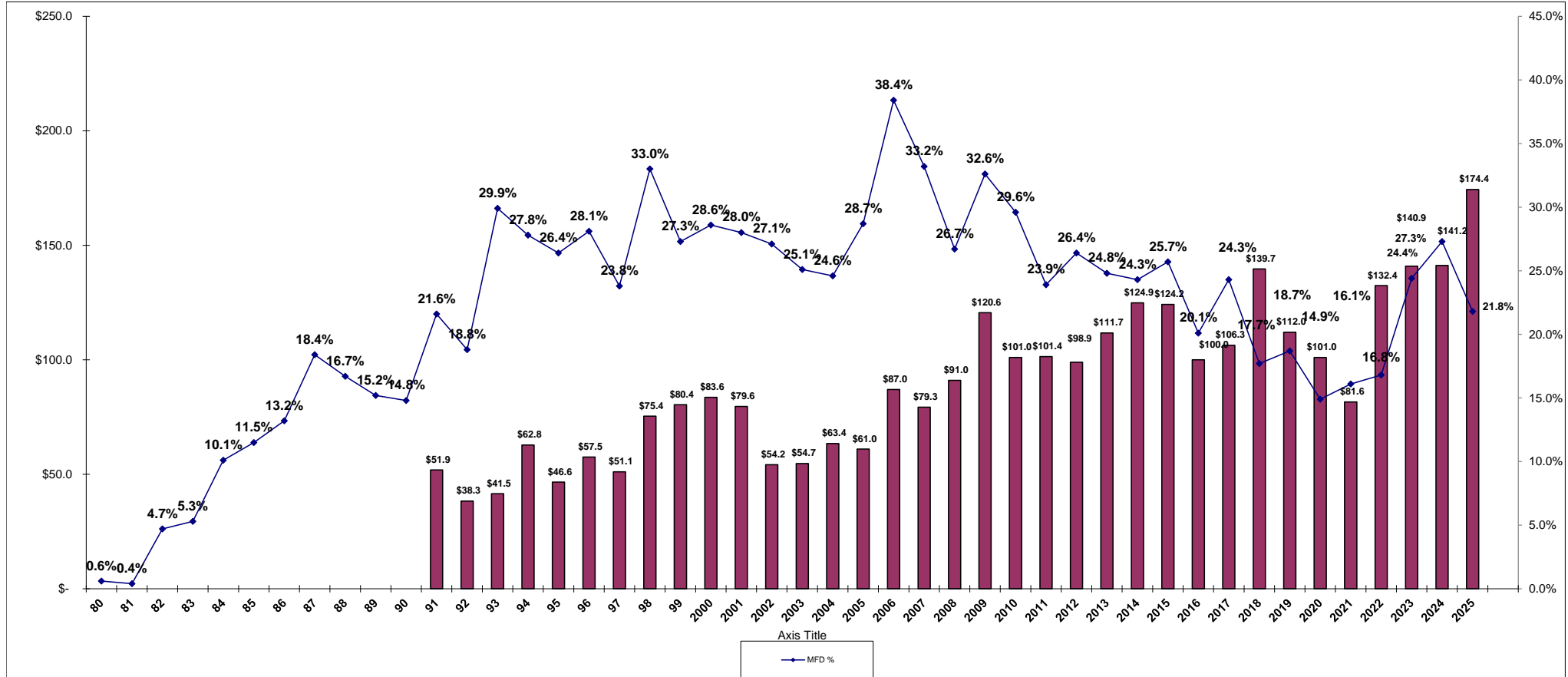
	<b>Total Procurement</b>		<b>Purchase Card Procurement</b>	
	<b>Total \$</b>	<b>MFD %</b>	<b>Total \$</b>	<b>MFD %</b>
<b><u>Prince George's County</u></b>				
Commissioners' Office	\$ 105,506	1.4%	\$ 42,797	1.6%
Planning Department	4,607,459	21.6%	176,980	0.0%
Parks and Recreation Department	110,133,867	18.6%	8,321,255	1.1%
Total	114,846,832	18.7%	8,541,032	1.1%
<b><u>Montgomery County</u></b>				
Commissioners' Office	12,079	0.0%	8,614	0.0%
Planning Department	4,363,575	32.2%	190,596	0.8%
Parks Department	48,303,172	23.4%	5,351,896	2.9%
Total	52,678,825	24.1%	5,551,106	2.9%
<b><u>Central Administrative Services</u></b>				
Dept. of Human Resources and Mgt.	990,469	51.8%	51,094	6.8%
Finance Department	550,441	0.5%	57,180	2.2%
Legal Department	157,071	4.1%	34,101	3.8%
Merit Board	11,275	0.0%	-	0.0%
Office of Chief Information Officer	5,084,794	64.4%	28,626	0.0%
Office of Inspector General	81,191	98.2%	5,291	0.0%
Total	6,875,242	56.4%	176,291	5.6%
Grand Total	\$ 174,400,900	21.8%	\$ 14,268,429	1.8%

**Percentage of Purchase Card Procurement to Total Procurement 8.2%**



**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**MFD PROCUREMENT RESULTS and TOTAL PROCUREMENT (millions)**

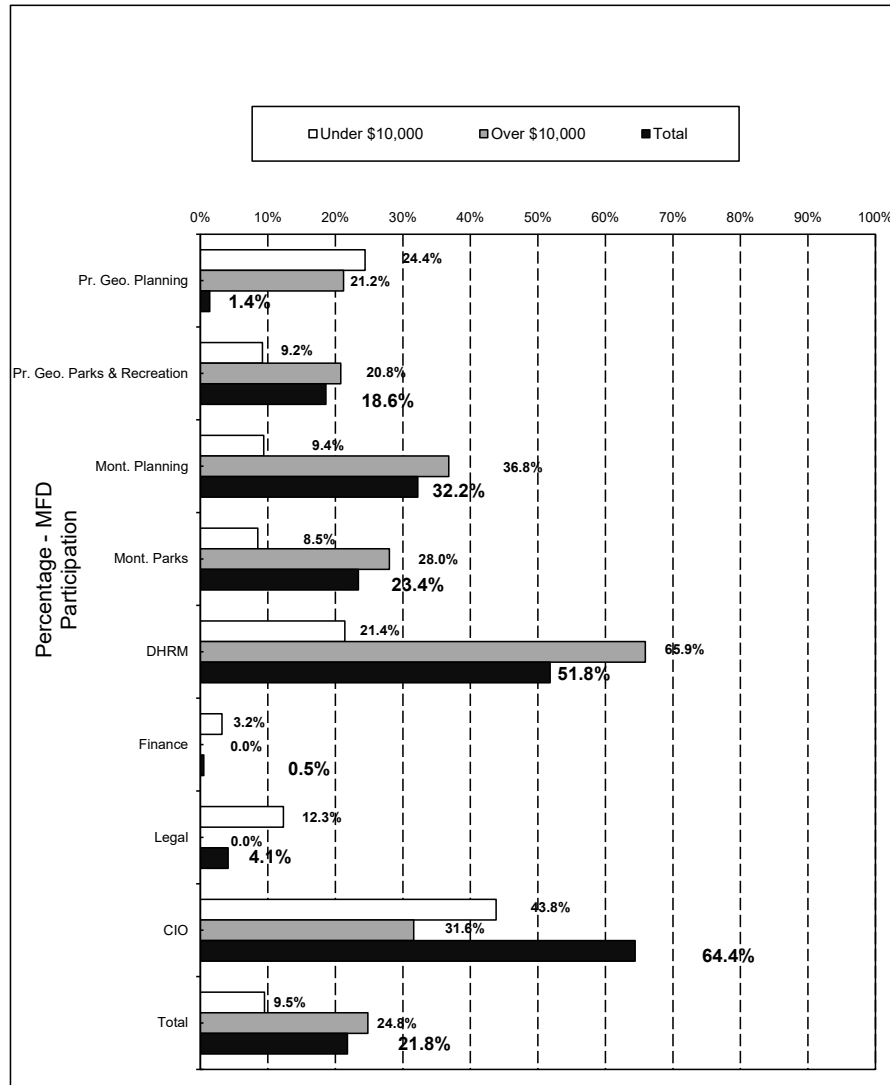
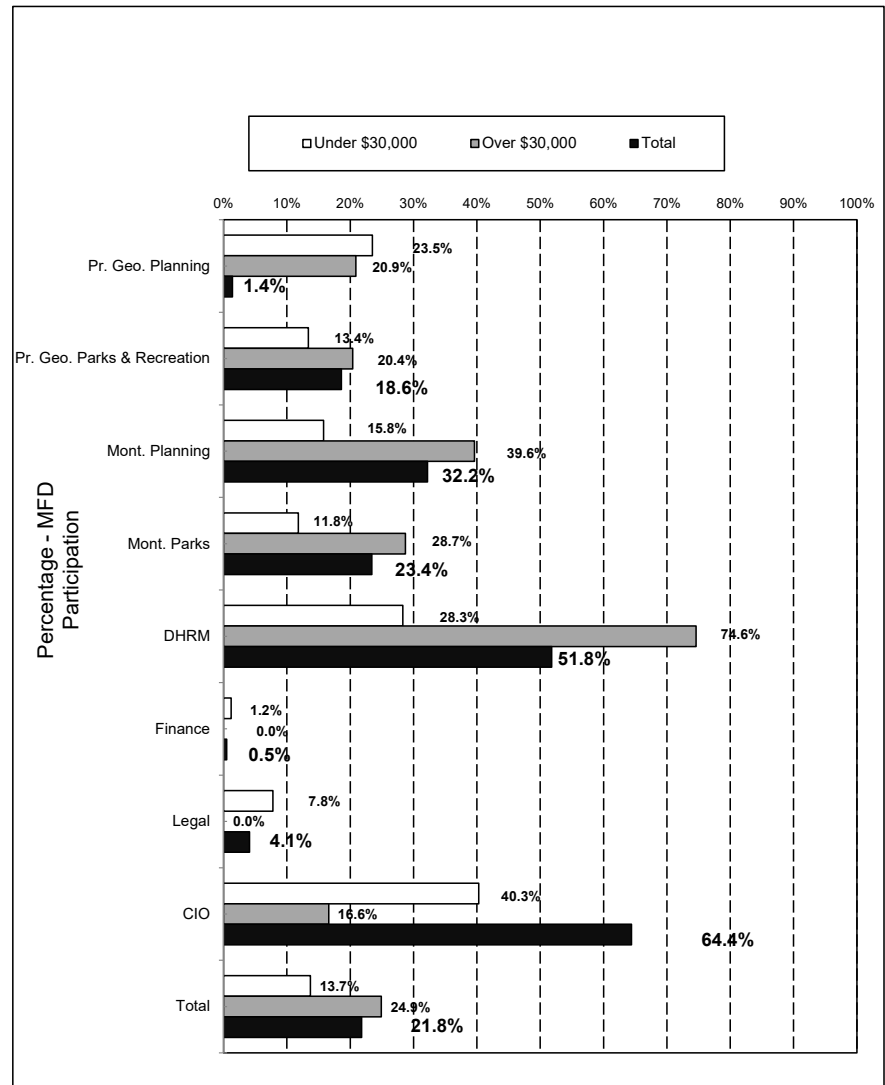
**Attachment E**



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
TOTAL PROCUREMENT \$ (MIL.)	\$100.0	\$106.3	\$139.7	\$112.0	\$101.0	\$81.6	\$132.4	\$140.9	\$141.2	\$174.4
MFD %	20.1%	24.3%	17.7%	18.7%	14.9%	16.1%	16.8%	24.4%	27.3%	21.8%

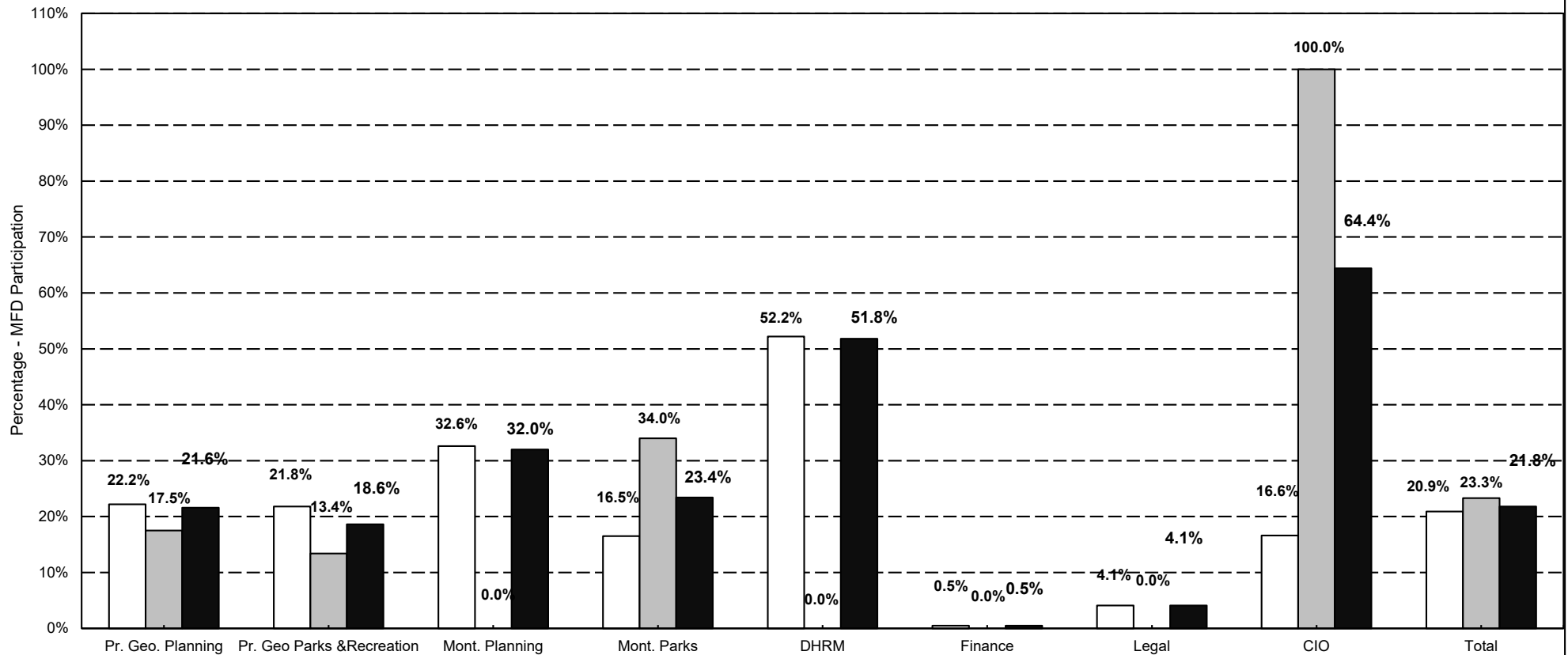
Prepared by Supplier Diversity Program Manager, Corporate Policy & Management Operations Division  
 July 11, 2025

**The Maryland-National Capital Park and Planning Commission**  
**MFD Procurement Statistics - Transactions Under/Over \$10,000 & \$30,000 plus Total %**  
**FY 2025 4Q**

**Under/Over \$10,000****Under/Over \$30,000**

**The Maryland-National Capital Park and Planning Commission**  
MFD Procurement Statistics - Transactions Under /Over \$250,000 and Total %  
**FY 2025 4Q**

□ Under \$250K      □ Over \$250K      ■ Total



Prepared by Supplier Diversity Program Manager, Corporate Policy & Management Operations Division  
August 4, 2025

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Amount of Procurement and Number of Vendors by Location

FY 2025

FOR TWELVE MONTHS ENDED JUNE 30, 2025

## Attachment H

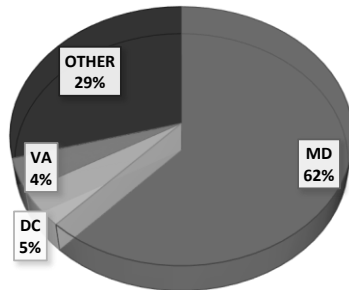
### ALL VENDORS

Location	Procurement		Number of Vendors	
	Amount	%	Number	%
Montgomery County	24,619,462	14.1%	317	15.2%
Prince George's County	45,625,242	26.2%	508	24.3%
Subtotal	70,244,704	40.3%	825	39.5%
Maryland - other locations	37,797,570	21.7%	384	18.4%
Total Maryland	108,042,274	62.0%	1,209	57.9%
District of Columbia	8,188,228	4.7%	123	5.9%
Virginia	7,117,069	4.1%	173	8.3%
Other Locations	51,053,329	29.3%	587	28.1%
Total	174,400,900	100%	2,092	100%

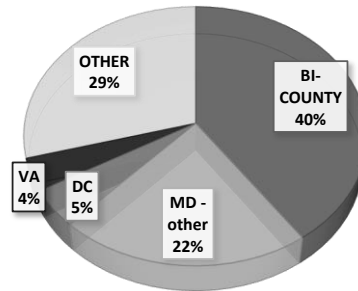
### MFD Vendors

Location	Procurement		Number of Vendors	
	Amount	%	Number	%
Montgomery County	\$ 9,406,588	24.7%	55	18.7%
Prince George's County	14,827,226	38.9%	95	32.2%
Subtotal	24,233,814	63.6%	150	50.9%
Maryland - other locations	3,516,711	9.2%	59	20.1%
Total Maryland	27,750,524	72.8%	209	71.0%
District of Columbia	1,899,379	5.0%	22	7.5%
Virginia	908,498	2.4%	24	8.2%
Other Locations	7,514,069	19.7%	39	13.3%
Total	\$ 38,072,470	100.0%	294	100%

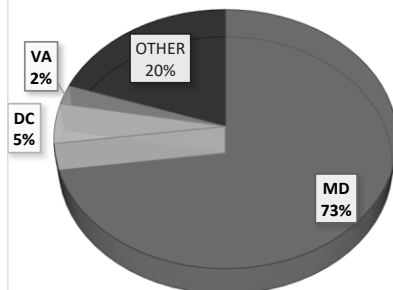
### PROCUREMENT \$



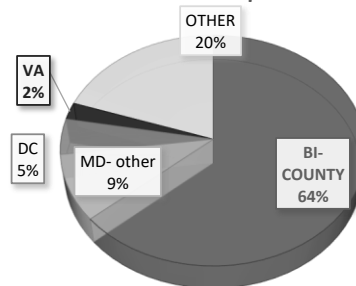
### PROCUREMENT \$



### MFD \$



### MFD \$



Prepared by Supplier Diversity Program Manager, Corporate Policy & Management Operations Division  
August 4, 2025

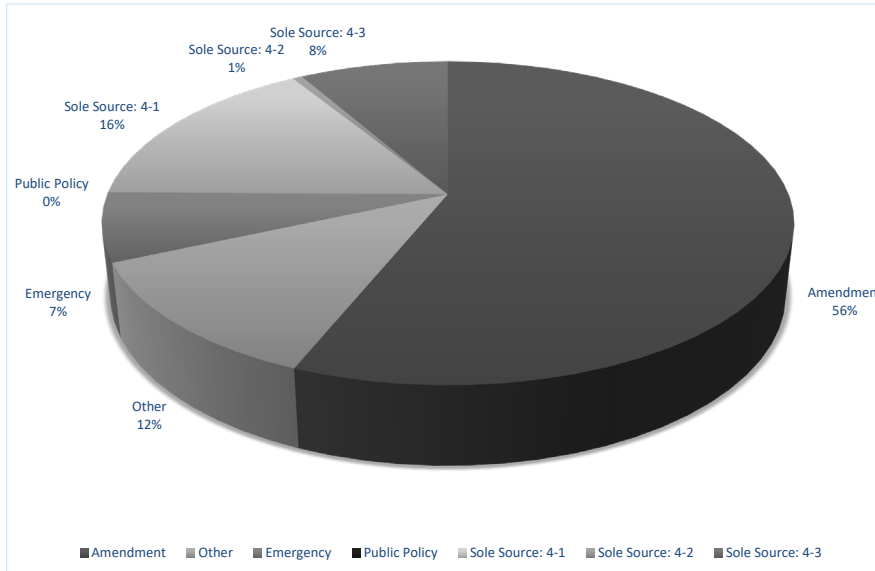
Note: The number of vendors excludes purchase card ONLY vendors.

## Attachment I

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**REASONS FOR WAIVERS**  
**CUMULATIVE DOLLAR AMOUNT & NUMBER OF WAIVERS**  
**FY 2025**  
**FOR TWELVE MONTHS ENDED JUNE 30, 2025**

**Attachment J**

REASON	NUMBER	AMOUNT	%
Emergency	3	\$ 383,716	6.9%
Other	12	\$ 684,152	12.2%
Public Policy	0	\$ -	0.0%
Amendment	18	\$ 3,143,971	56.1%
Sole Source: 4-1	17	\$ 896,356	16.0%
Sole Source: 4-2	1	\$ 30,000	0.5%
Sole Source: 4-3	8	\$ 462,135	8.3%
<b>Total</b>	<b>59</b>	<b>\$ 5,600,330</b>	<b>100.00%</b>



**Waiver Reason Definitions:**

**Emergency:**

Sudden and unforeseeable circumstance have arisen which actually or imminently threaten the continuance of an essential operation of the Commission or which threaten public health, welfare or safety such that there is not enough time to conduct the competitive bidding.

**Required by Law or Grant:**

Public law or the terms of a donation/grant require that the above noted vendor be chosen.

**Amendment:**

A contract is already in place and it is appropriate for the above noted vendor to provide additional services and/or goods not within the original scope of the contract because the interested service and/or goods are uniquely compatible with the Commission's existing systems and patently superior in quality and/or capability than what can be gained through an open bidding process.

**Sole Source 4:**

It has been determined that:

- #1: The vendor's knowledge and experience with the Commission's existing equipment and/or systems offer a greater advantage in quality and/or cost to the Commission than the cost savings possible through competitive bidding, or
- #2: The interested services or goods need to remain confidential to protect the Commission's security, court proceedings and/or contractual commitments, or
- #3: The services or goods have no comparable and the above noted vendor is the only distributor for the interested manufacturer or there is otherwise only one source available for the sought after services or goods, e.g. software maintenance, copyrighted materials, or otherwise legally protected goods or services.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**TOTAL WAIVERS, MFD WAIVERS, AND SOLE SOURCE WAIVERS BY DEPARTMENT**  
**PROCESSED FY 2025**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2025**

**Attachment K**

	Total Waivers		MFD/Waivers		% of MFD	Sole Source 4 -1 Waivers		Sole Source 4 -2 Waivers		Sole Source 4 -3 Waivers		%Sole Source
	\$	Number	\$	Number	%	\$	Number	\$	Number	\$	Number	%
<b>Prince George's County</b>												
Commissioners' Office	\$ -	0	\$ -	0	0.0%	\$ -	0	\$ -	0	\$ -	0	0.0%
Planning Department	164,539	5	-	0	0.0%	-	0	-	0	-	0	0.0%
Parks and Recreation Department	1,640,847	22	-	0	0.0%	203,274	4	-	0	257,665	4	28.1%
Total	1,805,386	27	-	0	0.0%	203,274	4	-	0	257,665	4	25.5%
<b>Montgomery County</b>												
Commissioners' Office	-	0	-	0	0.0%	-	0	-	0	-	0	0.0%
Planning Department	295,566	4	-	0	0.0%	265,766	3	-	0	29,800	1	0.0%
Parks Department	2,831,357	17	-	0	0.0%	279,176	7	-	1	174,670	3	16.0%
Total	3,126,923	21	-	0	0.0%	544,941	10	-	1	204,470	4	24.0%
<b>Central Administrative Services</b>												
Dept. of Human Resources and Mgt.	98,140	2	-	0	0.0%	98,140	2	-	0	-	0	100.0%
Finance Department	117,250	2	-	0	0.0%	-	0	-	0	-	0	0.0%
Legal Department	253,831	4	-	0	0.0%	50,000	1	-	0	-	0	19.7%
OCIO	168,800	2	-	0	0.0%	-	0	-	0	-	0	0.0%
Merit Board	30,000	1	-	0	0.0%	-	0	30,000	1	-	0	0.0%
Total	668,021	11	-	0	0.0%	148,140	3	30,000	1	-	0	26.7%
Grand Total	\$ 5,600,330	59	\$ -	0	0.0%	\$ 896,356	17	\$ 30,000	2	\$ 462,135	8	24.8%

**Purpose of Summary of Waiver Report:**

- (1) To monitor the amount, number, reasons for waivers in order to ensure the Commission is encouraging and maintaining good community, public, vendor, and interdepartmental relations;  
To ensure fair and equitable treatment of all persons who deal in purchasing matters; to promote economy in Commission purchasing; and to ensure that minority owned firms receive a fair share of Commission awards (source: Practice 4-10); and
- (2) To comply with the Prince George's Planning Board directive of January 29, 1991 to report waiver activity to the Department Heads and the Planning Boards on a quarterly basis.

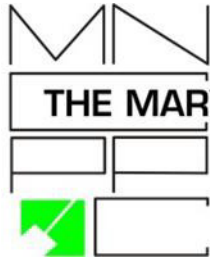
**Sole Source: 4**

It has been determined that:

- 4-1: The vendor's knowledge and experience with the Commission's existing equipment and/or systems offer a greater advantage in quality and/or cost to the Commission than the cost savings possible through competitive bidding, or
- 4-2: The interested services or goods need to remain confidential to protect the Commission's security, court proceedings and/or contractual commitments, or
- 4-3: The services or goods have no comparable and the above noted vendor is the only distributor for the interested manufacturer or there is otherwise only one source available for the sought after services or goods, e.g. software maintenance, copyrighted materials, or otherwise legally protected goods or services.



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

6611 Kenilworth Avenue Riverdale, Maryland 20730

Date: September 12, 2025

To: The Maryland-National Capital Park and Planning Commission

Commission Via: William Spencer, Acting Executive Director  
Terri Bacote-Charles, Corporate Budget Director

From: Bridgett Watson, Deputy Corporate Budget Director

Subject: First Quarter Budget Adjustments Update

This memo is to inform you that there are no budget adjustments to report for the first quarter at this time.

Should any changes arise in the upcoming quarter, they will be communicated promptly.

Please let me know if you have any questions.


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The Maryland-National Capital Park and Planning Commission  
 6611 Kenilworth Avenue, Suite 302  
 Riverdale, Maryland 20737  
 (301) 454-1592 – Telephone  
[Email: 115trust@mncppc.org](mailto:115trust@mncppc.org)

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TO: Commissioners Date: September 24, 2025

VIA: **Gavin Cohen**, Secretary-Treasurer   
Gavin Cohen (Sep 4, 2025 15:41:16 EDT)

FROM: **Tanya Hankton**, Corporate Treasury and Investments Manager 

SUBJECT: **M-NCPPC Post Retirement Benefit (115) Trust Annual Financial Report  
 for the Year Ended June 30, 2025 (Unaudited)**

---

Per the requirements of the 115 Trust Document, the Annual Financial Report (Unaudited) showing the financial status of the M-NCPPC Post Retirement Benefit (115) Trust is provided for your information.

The Commission maintains the Post Retirement Benefit (115) Trust as a funding vehicle for retiree health insurance costs. The program continues to meet its obligations to the retirees as well as amortize the unfunded portion of costs from previous obligations.

Staff will be available to answer any questions as needed.

**Attachment(s):**

M-NCPPC Post Retirement Benefit (115) Trust Annual Report for the Year Ended June 30, 2025

**The Maryland-National Capital Park and Planning Commission**  
**Other Post Employment Benefits Trust Fund**  
**Statement of Plan Net Assets**  
**For the Year Ended June 30, 2025**  
**(Unaudited)**

	<b>Other Post Employment Benefits Fund</b>
<b>ASSETS</b>	
Equity in Pooled Cash and Investments	\$ 1,308,556
Cash	4,712,534
Fixed Income Securities	52,090,339
Real Estate Investments	9,757,504
Mutual Funds	131,902,648
Accrued Income on Investments	360,600
Total Assets	<u>200,132,181</u>
<b>LIABILITIES</b>	
Accounts Payable	82,562
Claims Payable	1,225,994
Total Liabilities	<u>1,308,556</u>
<b>NET POSITION</b>	
Assets Held in Trust for:	
Other Post Employment Benefits	198,823,625
Total Net Position	<u>\$ 198,823,625</u>

**The Maryland-National Capital Park and Planning Commission  
Other Post Employment Benefits Trust Fund  
Statement of Changes in Plan Net Assets  
For the Year Ended June 30, 2025  
(Unaudited)**

	<b>Other Post Employment Benefits Fund</b>
	<hr/>
<b>ADDITIONS:</b>	
Contributions:	
Employer	\$ 26,447,781
Plan Members Insurance Premiums	4,470,884
Total Contributions	<hr/> 30,918,665 <hr/>
 Federal Grants - Medicare Reimbursements	 4,609,225
 Investment Earnings:	
Interest	5,464,419
Dividends	2,162,014
Net Increase (Decrease) in the Fair Value of Investments	11,755,341
Total Investment Earnings	<hr/> 19,381,774
Less Investment Advisory and Management Fees	(382,581)
Net Income from Investment Activities	<hr/> 18,999,193 <hr/>
 Total Net Investment Income	 <hr/> 18,999,193 <hr/>
 Total Additions and Investment Income	 <hr/> 54,527,083 <hr/>
 <b>DEDUCTIONS:</b>	
Benefits	25,347,707
Administrative expenses	922,831
Total Deductions	<hr/> 26,270,538 <hr/>
Change in Net Position	28,256,545
Net Position - Beginning	170,567,080
Net Position - Ending	<hr/> \$ 198,823,625 <hr/>

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The Maryland-National Capital Park and Planning Commission

**Office of the General Counsel**Reply to:

Debra S. Borden, General Counsel  
 Office of the General Counsel  
 6611 Kenilworth Avenue, Suite 200-201  
 Riverdale, Maryland 20737  
 Phone: 301-454-1670 • Fax: 301-454-1674

September 1, 2025

**MEMORANDUM**

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

**FROM:** Debra S. Borden  
General Counsel

**RE:** Litigation & Administrative Proceedings Report for July/August 2025 – FY 2026

Please find the attached litigation & administrative proceedings report we have prepared for your meeting scheduled for Wednesday, September 24, 2025. We have expanded the types of case matters that are included in this report, and we plan to improve this report over the next several months. Please feel free to reach out with suggestions as we work to improve this report, provide more useful information, and enhance the formatting and presentation. As always, please do not hesitate to call me in advance if you would like me to provide a substantive briefing on any of the cases reported.

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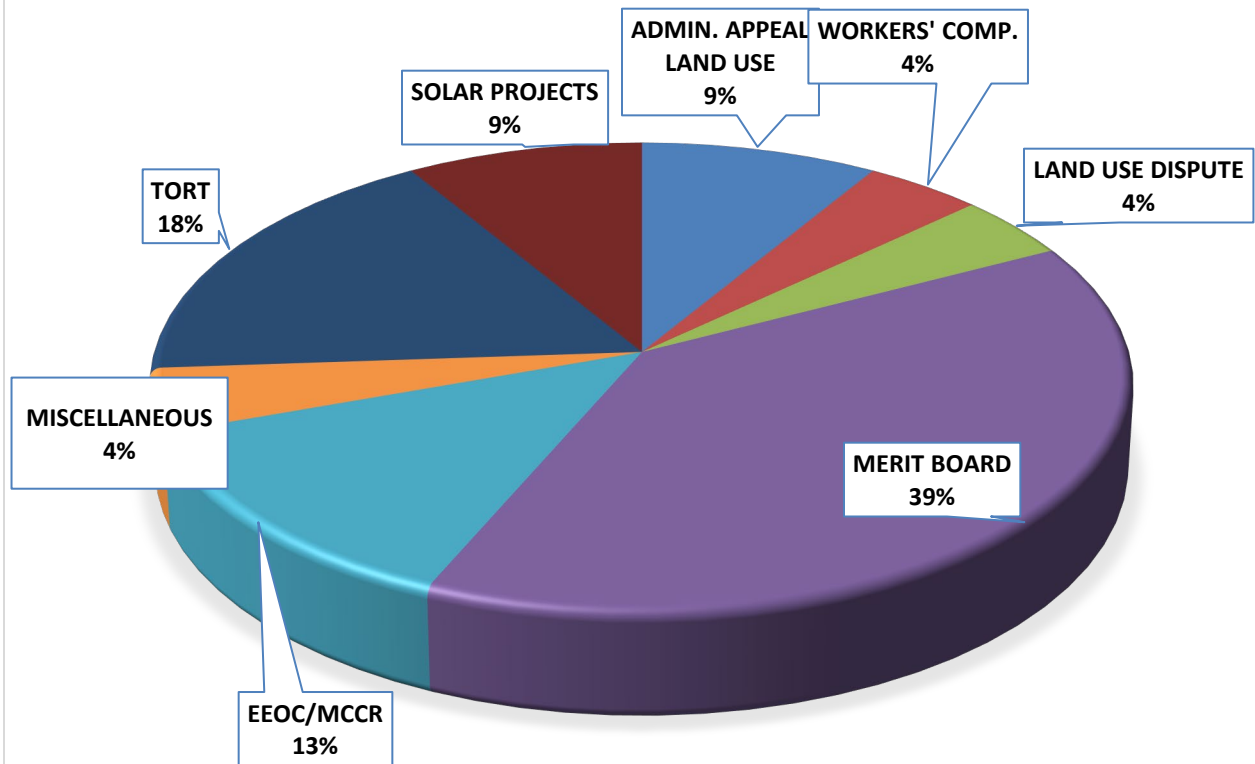
**July/August 2025 – FY 2026**  
**Composition of Pending Litigation & Administrative**  
**Proceedings**

(Sorted by Subject Matter and Forum)

	STATE TRIAL COURT	APPELLATE COURT OF MARYLAND	SUPREME COURT OF MARYLAND	FEDERAL TRIAL COURT	FEDERAL APPEALS COURT	OFFICE OF ADMIN. HEARINGS	WORKERS COMP. COMM.	MD PUBLIC SERVICE COMM.	EEOC MCCR	MERIT BOARD	TOTALS
ADMIN APPEAL: LAND USE	2	1									3
ADMIN APPEAL: OTHER											
CIVIL ENFORCEMENT											
CONTRACT DISPUTE											
DEBT COLLECTION											
EMPLOYMENT									2	9	11
FOREST CONSERVATION											
LAND USE DISPUTE	1										1
MISCELLANEOUS	1			1							2
PROPERTY DISPUTE											
POLICE TRIAL BOARD											
SOLAR PROJECTS								2			2
TORT CLAIMS	5										5
WORKERS' COMPENSATION	1						41				42
PER FORUM TOTALS	10	1	0	1	0	0	41	2	3	9	66

## OVERVIEW OF PENDING LITIGATION & ADMINISTRATIVE PROCEEDINGS

(EXCLUDING WORKERS' COMPENSATION HEARINGS  
BEFORE THE WORKERS' COMPENSATION COMMISSION)



## July/August 2025 – FY 2026

### Litigation & Administrative Proceedings Activity Summary

COUNT FOR MONTH				COUNT FOR FISCAL YEAR 2026			
	Pending June 2025	New Cases	Resolved Cases	Pending Fiscal Year 2025	New Cases FY2026 To Date	Resolved Cases FY2026 To Date	Pending Current Month
Admin Appeal: Land Use (AALU)	2	1		2	1		3
Admin Appeal: Other (AAO)	0			0			0
Civil Enforcement (CE)	0			0			0
Contract Disputes (CD)				0			0
Debt Collection (D)				0			0
EEOC/MCCR (EEOC)	3		1				2
Employment Cases (E)				0			0
Forest Conservation (F)							0
Land Use Disputes (LD)		1		0			1
Merit Board (MB)	7	2		7	2		9
Miscellaneous (M)	1	1		1	1		2
Police Trial Boards							0
Property Disputes (PD)	0			0			0
Solar Projects	2						2
Tort Claims (T)	4	1		4	1		5
Workers' Compensation (WC)	0	1		5	1		42
<b>TOTALS</b>	<b>19</b>	<b>7</b>	<b>0</b>	<b>54</b>	<b>6</b>		<b>66</b>

# **INDEX OF YTD NEW CASES** **(7/1/2025 TO 6/30/2026)**

<b>A. <u>New Trial Court Cases</u></b>	<b><u>Unit</u></b>	<b><u>Subject Matter</u></b>	<b><u>Month</u></b>
In the Matter of Harvey Blonder, et al.	PG	AALU	June
Bratburd v. Commission	MC	Misc.	July
Martinez v. Commission, et al.	PG	Tort	July
Commission v. Jeffrey Shirazi	MC	LD	July
In the Matter of Rosemary B. Whelan	BCity	WC	Aug.
<b>B. <u>New Appellate Court Cases</u></b>	<b><u>Unit</u></b>	<b><u>Subject Matter</u></b>	<b><u>Month</u></b>
<b>C. <u>New OAH Matters</u> (excluding Police MPAA Hearings)</b>	<b><u>Unit</u></b>	<b><u>Subject Matter</u></b>	<b><u>Month</u></b>
<b>D. <u>New PSC Matters</u></b>	<b><u>Unit</u></b>	<b><u>Subject Matter</u></b>	<b><u>Month</u></b>

**INDEX OF YTD RESOLVED CASES  
(7/1/2025 TO 6/30/2026)**

A. <u>Trial Court Cases Resolved</u>	<u>Unit</u>	<u>Subject Matter</u>	<u>Month</u>
B. <u>Appellate Court Cases Resolved</u>	<u>Unit</u>	<u>Subject Matter</u>	<u>Month</u>
C. <u>OAH Matters Resolved</u>	<u>Unit</u>	<u>Subject Matter</u>	<u>Month</u>
D. <u>PSC Matters Resolved</u>	<u>Unit</u>	<u>Subject Matter</u>	<u>Month</u>

	<b>Disposition of FY26 Closed Cases Sorted by Department</b>	
<b>CLIENT</b>	<b>PRINCIPAL CAUSE OF ACTION IN DISPUTE</b>	<b>DISPOSITION</b>
Employees Retirement System		
Finance Department		
Department of Human Resources & Management		
Montgomery County Department of Parks		
Montgomery County Park Police		
Montgomery County Planning Board		
Prince George's County Department of Parks and Recreation		
Prince George's County Planning Board		
Prince George's Park Police		
Office of Internal Audit		

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## **MARYLAND OFFICE OF ADMINISTRATIVE HEARINGS**

No Pending Matters

### **MARYLAND PUBLIC SERVICE COMMISSION**

#### **Chaberton Solar Ramiere**

Case No. 9733 (SP)

Lead Counsel: Mills  
Other Counsel:

Abstract: Application filed by Chaberton Solar Ramiere LLC ("Chaberton"), to the Maryland Public Service Commission ("PSC") for a Certificate of Public Convenience and Necessity ("CPCN") to construct a 3.0-megawatt ("MW") solar photovoltaic ("PV") facility in Montgomery County, Maryland.

Status: Hearing Postponed until October

Docket:

04/18/2024	Chaberton Solar Ramiere LLC - Application for a Certificate of Public Convenience and Necessity
04/22/2024	Notice of Procedural Dates. Case No. 9733 (ML 309138)
05/16/2024	M-NCPPC's Petition to Intervene
05/29/2024	Notice of Completeness Determination. Case No. 9733
05/31/2024	Notice of Pre-Hearing Conference.
06/25/2024	Notice of Procedural Schedule
07/10/2024	Notice of First Public Comment Hearing.
09/27/2024	Notice of Amended Procedural Schedule.
01/09/2025	Notice of Second Public Comment Hearing
02/14/2025	Notice of Amended Procedural Schedule.
03/04/2025	Notice of Second Public Comment Hearing
03/21/2025	Notice of Amended Procedural Schedule
03/26/2025	Chaberton Solar Ramiere LLC - Motion for Extension of Time to Render a Decision on the Application.
05/02/2025	Notice of Third Public Comment Hearing.
05/15/2025	M-NCPPC submitted comments
07/09/2025	Evidentiary Hearing Cancelled
07/23/2025	Evidentiary Hearing Rescheduled for Oct. 2025



**Chaberton Solar Sugarloaf**  
Case No. 9726 (SP)

Lead Counsel: Mills  
Other Counsel:

Abstract: Chaberton Solar Sugarloaf I LLC filed an Application to the PSC for a CPCN to Construct a 4.0 MW Solar Photovoltaic Generating Facility in Montgomery County, Maryland.

Status: Reassigned to a different judge and under review

Docket:

03/05/2024	Application for a Certificate of Public Convenience and Necessity to Construct
04/18/2024	The Maryland-National Capital Park and Planning Commission - Petition to Intervene and Entry of Appearance.
04/24/2024	Notice of Pre-Hearing Conference.
05/08/2024	Notice of Procedural Schedule.
06/04/2024	Notice of Initial Public Hearing
07/02/2024	Notice of Second Public Comment Hearing
09/23/2024	Notice of Amended Procedural Schedule.
01/07/2025	Notice of Second Public Comment Hearing
01/24/2025	The Maryland-National Capital Park and Planning Commission - Notice of Recommendation on Completeness
02/13/2025	Notice of Amendment to Procedural Schedule
03/11/2025	Grant of Extension of Time to Render a Decision on the Application.
05/20/2025	Post-Hearing Brief submitted by Chaberton Solar Sugarloaf I LLC
05/20/2025	M-NCPPC submits Letter in lieu of Brief
05/20/2025	Brief of Staff of the PSC
07/17/2025	Notice to extend deadline for a decision until Feb 17, 2026

**DISTRICT COURT OF MARYLAND FOR MONTGOMERY COUNTY**

No Pending Matters

**DISTRICT COURT OF MARYLAND FOR PRINCE GEORGE'S COUNTY**

**Prince George's County, Maryland v. Gantt, et. al.**

Case No. D-05-CV-25-018668 (Tort)

Lead Counsel: Thornton  
Other Counsel:

Abstract: Suit filed by Prince George's County to recover worker's compensation benefits paid to a County employee as a result of a rear-end motor vehicle accident allegedly caused by a Commission employee operating a Commission vehicle.

Status: In discovery.

Docket:

03/31/2025	Complaint filed
06/25/2025	Notice of Intent to Defend filed
09/25/2025	Trial set

**CIRCUIT COURT FOR BALTIMORE CITY, MARYLAND**

**In the Matter of Rosemary B. Whelan**

Case No. C-24-CV-25-007132 (WC)

Lead Counsel: Ticer  
Other Counsel:

Abstract: Petition for Judicial Review from decision of the Workers' Compensation Commission. Former employee is appealing a decision by the workers' compensation commission that denied her additional vocational rehabilitation benefits.

Status: Petition filed.

Docket:

08/12/2025	Petition filed
08/15/2025	Notice to Administrative Agency Issued

**CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND**

**Bratburd v. Commission**

Case No. C-15-CV-25-000940 (Misc.)

Lead Counsel: Ticer  
Other Counsel: Rupert

Abstract: Former employee challenging designation of reason for separation to Maryland Police Training Commission.

Status: Commission served

Docket:

02/28/2025	Complaint filed
06/10/2025	Entry of Appearance by Commission
07/02/2025	Notice of Contemplated Dismissal
07/08/2025	Affidavit of Service filed as to Commission
07/08/2025	Motion to Defer Contemplated Dismissal
07/15/2025	Order to Defer Granted
07/28/2025	Statement in Lieu of Record
08/27/2025	Plaintiff's Memorandum in Support of Mandamus

**Commission v. Jeffrey Shirazi**

Case No. C-15-CV-25-003490 (LD)

Lead Counsel: Johnson  
Other Counsel: Rupert

Abstract: Commission filed a Complaint for Permanent Injunctive Relief to prevent Defendant from encroaching on Commission property.

Status: Defendant served.

Docket:

07/2/2025	Complaint filed
07/22/2025	Defendant served

**CIRCUIT COURT FOR PRINCE GEORGE'S COUNTY, MARYLAND**

**Doe v. Commission, et. al.**

Case No. C-16-CV-25-003042 (Tort)

Lead Counsel: Thornton  
Other Counsel: Rupert

Abstract: Suit to recover for injuries and damages involving allegations of sexual assault of a minor by a former Commission employee.

Status: In discovery.

Docket:

05/30/2025	Complaint filed
06/02/2025	Commission served
06/24/2025	Commission's Answer to Complaint and Request for Jury Trial filed
06/24/2025	Defendant Prince George's County's Motion to Dismiss
06/26/2025	Consent Motion to Extend Deadline to Respond to Defendant Prince George's County's Motion to Dismiss
06/27/2025	Order of Court Granting Consent Motion
06/30/2025	Scheduling Order
07/08/2025	Affidavit of Service of Complaint
07/15/2025	Plaintiff's Memorandum in Opposition to Defendant Prince George's County's Motion to Dismiss
08/16/2025	Order of Court. Motion to Dismiss denied.
05/12/2026	Settlement Conference
07/13/2026	Trial

**Ferguson v. Gantt, et. al.**

Case No. C-16-CV-25-002097 (Tort)

Lead Counsel: Thornton  
Other Counsel:

Abstract: Suit for injuries sustained in a rear-end motor vehicle accident allegedly caused by a Commission employee operating a Commission vehicle.

Status: In discovery.

Docket:

04/19/2025	Complaint filed
06/09/2025	Defendant Gantt served
06/25/2025	Defendants' Answer to Complaint and Request for Jury Trial filed
06/30/2025	Plaintiff's Expert Witness Designation
07/02/2025	Scheduling Order
05/04/2026	Settlement Conference
06/30/2026	Trial

**G.W., et al. v. Commission, et al.**  
Case No. C-16-CV-25-002723 (Tort)

Lead Counsel: Thornton  
Other Counsel: Rupert

Abstract: Suit to recover for injuries and damages stemming from allegations of sexual assault of minor by a former Commission employee.

Status: Commission served. Motion pending.

Docket:

05/19/2025	Complaint filed
06/20/2025	Commission served
08/25/2025	Joint Motion to Stay Case

**In the Matter of Harvey Blonder, et al.**  
Case No. C-16-CV-25- 003504 (AALU)

Lead Counsel: Warner  
Other Counsel:

Abstract: Petitioners seek Judicial Review of the Prince George's County Planning Board's Decision approving a preliminary subdivision plan.

Status: Response to Petition filed.

Docket:

06/25/2025	Petition for Judicial Review
07/14/2025	Response to Petition for Judicial Review filed
07/15/2025	Response to Petition. Request to Participate filed by SO-Eastgate, LLC
11/07/2025	Hearing set

**In the Matter of Glenn Dale Citizens Association, Inc., et al.**  
Case No. C-16-CV-24-005361 (AALU)

Lead Counsel: Warner  
Other Counsel:

Abstract: Petitioners seek Judicial Review of the Prince George's County Planning Board's Decision with regard to Preliminary Plan of Subdivision No. 4-22051.

Status: Hearing held. Decision pending.

Docket:

11/07/2024	Petition for Judicial Review
11/27/2024	Response to Petition for Judicial Review filed
12/12/2024	Scheduling Order
12/19/2024	Glen Dale Holding Company LLC and WFC Flagship LLC Response to Petition for Judicial Review
01/31/2025	Joint Motion to Continue Oral Argument and Stipulation to Reset Briefing Schedule
02/04/2025	Order of Court granting Joint Motion
02/19/2025	Notice of Oral Argument
03/07/2025	Petitioner's Memorandum filed
05/28/2025	Order of Court that Respondents' Joint Motion to Strike Portions of Petitioners Brief, or in the Alternative, Motion to Dismiss, is denied.
06/03/2025	Joint Motion to Strike
06/06/2025	Hearing rescheduled
06/17/2025	Citizen-Petitioners' Opposition to Respondents' Second Joint Motion to Strike
07/01/2025	Order of Court – Joint Motion to Strike Denied
07/16/2025	Motion to Take Judicial Notice or in the Alternative, Motion to Supplement Record
07/17/2025	Appeal Argued. Taken Under Advisement.
08/12/2025	Order of Court granting Motion to Supplement Record and further ordered that the court shall receive as a supplement to the record exhibits constituting five resolutions of the planning board.

**Martinez v. Commission, et al.**  
Case No. C-16-CV-25-002445 (Tort)

Lead Counsel: Thornton  
Other Counsel:

Abstract: Suit to recover damages for alleged injuries sustained relating to a motor vehicle accident involving Commission vehicle.

Status: In discovery.

Docket:

05/06/2025	Complaint filed
07/24/2025	Commission served
08/22/2025	Commission's Answer to Complaint and Request for Jury Trial filed
08/26/2025	Scheduling Order issued
06/26/2026	Settlement Conference
08/25/2026	Trial set

**APPELLATE COURT OF MARYLAND**

**In the Matter of Forest Grove Citizens Association, et al.**  
Case No. ACM-REG-2475-2024 (AALU)  
(Originally filed under case C-15-CV-24-001622 in Montgomery County)

Lead Counsel: Mills  
Other Counsel:

Abstract: Appeal of Decision by Circuit Court affirming the Montgomery County Planning Board's Decision in 9801 Georgia Avenue Plan no(s). 120230160, 820230130 and F20240040

Status: Appeal filed.

Docket:

02/26/2025	Appeal filed.
03/25/2025	Order to Proceed.
05/23/2025	Briefing Notice
07/02/2025	Appellant's Brief and Record Extract
07/25/2025	Commission's Brief filed
08/01/2025	Appellee Forest Glen Medical Center Brief filed
08/12/2025	Appellant's Motion for Extension of Time to file Reply Brief
08/14/2025	Joint Stipulation of Commission and Forest Glen Medical Center consenting to Motion for Extension of Time
08/21/2025	Reply Brief filed

**U.S. DISTRICT COURT OF MARYLAND**

No Pending Matters

**U.S. DISTRICT COURT DISTRICT OF NEW JERSEY**

**In Re: Insulin Pricing Litigation**

Case No. 2:25-cv-00389 (Misc.)

Lead Counsel: Ko  
Other Counsel: Bansal, Rupert

Abstract: Affirmative litigation brought by the Commission against Pharmacy Benefits Managers and drug manufacturers alleging an illegal pricing and kickback scheme involving insulin and related drugs, harming the Commission in its capacity as a third-party payor of pharmacy benefits.

Status: Complaint filed. Waiver of service of summons and complaint executed.

Docket:

01/13/2025	Complaint filed
01/31/2025	Waiver of Service of summons and complaint executed by Commission
02/05/2025	Waiver of Service of summons and complaint executed by Commission
03/24/2025	Waiver of Service of summons and complaint executed by Commission
04/18/2025	Waiver of Service of summons and complaint executed by Commission
06/24/2025	Case Reassigned to Magistrate Judge Leda D. Wettre